

Administrative Procedure 515

Purchase of Goods and Services

Background:

Purchases of all property, materials, supplies, equipment and services on behalf of the Division shall be conducted in accordance with legislation and proper procurement procedures, and be consistent with the following basic principles:

1. The Division will purchase goods required for the Division through competitive buying practices with minimum tendering and quotation requirements as specified in these procedures (See Table 1).
2. The Division will purchase services required for the Division through competitive purchasing practices whenever feasible and practical. Arrangements with current providers of services will be reviewed periodically in order to assess changes required, quality of service and other relevant factors.
3. In those cases where the tender or quotation process is utilized consideration shall be given to prices, quality, the supplier's reputation, experience, previous record of performance and service. In cases where it is difficult to determine the lowest evaluated bid, preference shall be given first to suppliers located in the City of Lloydminster, second to suppliers situated elsewhere in Saskatchewan/ Alberta and third to suppliers situated elsewhere in Canada.
4. Where no competitive supply market exists, or it is considered in the best interests of the Division, Division purchasing practices shall employ such value analysis and negotiation methods considered appropriate for obtaining acceptable materials at the lowest possible price.
5. Purchase Orders must be used when purchasing major items (value over \$2,500), or when require by the vendor. Small goods may be purchased by means of petty cash funds or Division Credit Cards (See table 1 for purchasing limits/requirements)
6. The Division's purchasing processes, forms and services are to be utilized only for authorized Division business.

The purpose of these procedures is to ensure that maximum value is obtained for the items purchased by the Division consistent with sound purchasing practices.

Definitions:

The following definitions are cited to ensure consistent interpretation of the terms used in these procedures.

1. Formal Tender:
 - 1.1. A process requiring the tender to be publicly advertised and the tender opening to be made public.
2. Written Quotation:
 - 2.1. A process requiring selected vendors to submit written quotations. Such quotations are not opened publicly. The contents of written quotations shall be held in confidence until the closing time/date of the request.
3. Verbal Quotation:
 - 3.1. A process of securing price quotations from selected vendors verbally.
4. Blanket Order:
 - 4.1. A contract which provides for a vendor to supply specified products or services for a specified period of time with actual requirements to be determined, requested and delivered when and as required.

Procedures:

1. The Division will purchase goods and services through competitive buying practices with minimum tendering or quotation requirements as specified below:
 - 1.1. Formal tendering shall be required when:
 - 1.1.1. The value of the purchase is expected to exceed \$50,000; or
 - 1.1.2. In other cases where the Superintendent of Administration deems it to be in the best interests of the Division.
 - 1.1.3. Required by the Education Act in its most recent form.
 - 1.2. A minimum of three written quotations shall be requested when:
 - 1.2.1. The value of the purchase is expected to be between \$10,000 and \$50,000; or
 - 1.2.2. The value is expected to be \$10,000 or less, but, the Superintendent of Administration deems it to be in the best interests of the Division.
 - 1.3. A minimum of two verbal quotations shall be requested when the value of the purchase is expected to be between \$500 and \$10,000.
 - 1.4. Orders are not to be "split" for the purpose of circumventing the dollar values expressed in the procedures.
2. The following responsibilities and authorities will apply to the various purchasing functions:

- 2.1. The Board will be responsible for the award of tenders for capital expenditures exceeding \$50,000.00. Subsequent to the awarding of a tender by the Board, the Director or designate is authorized to issue necessary change orders or amendments to the contract(s) in question. (If the cost of change orders or amendments to contracts exceeds the lower of 10% of the original budget or \$25,000, the designate will consult with the Director prior to authorizing the change.) The Superintendent of Administration will be responsible for all other tender awards.
- 2.2. Purchases may be authorized only by Division Budget Managers, namely; the Director, Superintendents, IT Manager, Facilities Manager and Principals. Maintenance workers may, with the authorization of the Facilities Administrator, purchase materials and supplies on the approved purchase order form without an authorizing signature.
- 2.3. Under the authority of the Director, the Superintendent of Administration shall maintain overall responsibility for the purchase of all goods required for the operation of the Division.
- 2.4. Budget managers shall maximize the acquisition of goods through the competitive bidding process, rather than initiating smaller orders.
- 2.5. Purchase of any goods or services from an employee or employee's immediate family (i.e. residents of the same household) will not be permitted without the prior written consent of the Superintendent of Administration.
3. It is expected that all requirements for goods purchased through the formal tender process will be ordered by schools and the Division Office at the time of the formal tender.
 - 3.1. The purchase of goods can be made directly by budget managers utilizing a local purchase orders or through the use of Purchasing Cards. Goods obtained through the formal tender process are excluded from this authority. Only the responsible budget manager shall have the authority to execute a local purchase order.
4. The following guidelines shall govern the purchasing function in general.
 - 4.1. Financial commitments made outside the provisions of approved procedures shall not be binding on the Division.

- 4.2. No employee shall solicit or accept any major or substantial gift or entertainment from a current or potential supplier.
- 4.3. No employee shall be influenced in any purchasing decision by considerations of personal gain.
- 4.4. No employee shall receive any remuneration, either directly or indirectly, as agent for the sale of furnishings, apparatus or equipment, or any other merchandise whatsoever for Division use without the written authorization of the Director.
- 4.5. All items purchased through the Division's purchasing processes, become the property of the Division.
- 4.6. The purchase of goods or services from a trustee or from a company of which a trustee is (an) owner must be approved by resolution of the Board.

Purchase Amount	Recommended Practice	Required Practice
Under \$50	Petty Cash	Manager's Discretion
\$50 - \$500	2 Verbal Quotes	Manager's Discretion
\$500 - \$2,500	3 Verbal Quotes & Purchase Order	2 Verbal Quotes
\$2,500 – \$10,000	3 Written Quotes & Purchase Order	Purchase Order
\$10,000 - \$50,000	Public Tender	3 Written Quotes & Purchase Order
Over \$50,000	Public Tender	Public Tender

Reference:

Section 69, 85, 344, 354, 355, 368, Education Act
 Section 38, The School Division Administration Regulations
 New West Partnership Trade Agreement
 Canadian Free Trade Agreement

Revised:

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