

# PURCHASING

## Background

The over-riding purchasing objective is to satisfy the operational and educational needs of the District while realizing overall best value for the District.

Procurement processes will ensure purchases are high quality, compliant with standards and legislation, sustainable, competitively priced and maintainable. To achieve this the benefits of decentralized procurement will be balanced with the benefits that can be achieved, in certain circumstances, through central coordination.

The scope of this Administrative Procedure is to include all goods and services except for major capital construction contracts where the Board has appointed an architect or consultant and which are supervised by the Director of Facilities following the Office of the Comptroller General, Capital Asset Management Framework

## Procedures

1. The purchase of goods and services will consider educational and operational needs, price, delivery, energy sustainability and quality of the product/service, to determine the best purchase.
2. Purchases over \$20,000 will be made after receipt of competitive quotes. Procurements/ contracts cannot be subdivided to avoid this requirement.
3. Purchases will comply with all Interprovincial Trade Agreement(s).
4. Joint purchasing group tenders, Focused Education purchase opportunities and standing offers from the Province will be used for purchases whenever possible.
5. The District is to participate with other public authorities in a cooperative way when appropriate.
6. Purchases will be compliant with health and safety and WorkSafe BC regulations and any concerns will be reviewed by the Manager Health and Safety/Operations prior to order.
7. Equipment that needs installation will be reviewed by physical plant staff prior to purchase to ensure compliance with CSA standards and that installation will comply with code and be maintainable by District staff. The installation will be done by District maintenance staff when it can be done for an equivalent price, staff have the expertise and timelines can be met.
8. All technology equipment orders will be coordinated by the Director, Information Technology to reduce overall purchase cost, ensure compliance with the District technology plan and ability of District technical staff to support.

9. Purchase of playground equipment will be done after review by the Director of Facilities to ensure that the equipment meets standards and can be installed (Administrative Procedure 555) and maintained by District staff.
10. The use of contracted services for installations must be coordinated through the Director of Facilities to ensure compliance with regulations and the collective agreement.
11. Contractors shall provide the names and qualifications of all members of the management and labour workforce to the District for the District's review prior to the commencement of work, including those of the sub-contractors. All trades persons shall be certified trade personnel, qualified apprentices or labourers in the respective area of work for which they are employed and provided in proportion to the requirement of the applicable legislative requirements in the Province. The District reserves the right to reject personnel from working on the site that are deemed to be unqualified or inexperienced in the line of work for which they are employed.
12. Delivery of heavy goods where the supplier will not unload needs to be coordinated with the Director of Facilities to ensure appropriate safe procedures for unloading.
13. Approval of the purchase of goods and services will comply with the signing authorities in Administrative Procedure 514.
14. Each signing authority is to be aware that when signing invoices, they are confirming that:
  - 14.1. Goods and services have been received in good condition in accordance with the purchase agreement and,
  - 14.2. Goods and services received are legitimate expenses of the District and are in accordance with established Administrative Procedure.
15. The purchase of goods and services from both public and non-public funds must follow these procedures.
16. The use of purchasing cards is intended to facilitate the purchase and payment of materials required for the conduct of District business.

## 17. Roles and Responsibilities:

- 17.1. Schools Principals/Vice Principals and Managers are responsible for:
  - 17.1.1. Planning, managing and documenting the process of acquiring goods and services in accordance with all District requirements.
  - 17.1.2. Using joint purchasing group tenders, Focused Education- purchase opportunities and standing offers from the Province for purchases whenever possible.
  - 17.1.3. Managing the purchasing process in a prudent, unbiased manner that fairly treats all potential vendors.
  - 17.1.4. Ensuring that all procurement is designed to provide best value to the District.
  - 17.1.5. Ensuring that all procurement activity is consistent with District procedures.
- 17.2. The Director of Finance is responsible for:
  - 17.2.1. Managing and fully documenting the processes, policies and administrative procedures used to acquire goods and services in the District.
  - 17.2.2. Making staff aware of existing Focused Education purchasing opportunities or Corporate Supply Arrangements to meet purchasing requirements.
  - 17.2.3. Providing tools and advice to assist responsible staff in carrying out their responsibilities.
  - 17.2.4. Storing all documentation supporting the process of acquiring goods and services.
  - 17.2.5. Ensuring that all procurement activity is consistent with District procedures.

## 18. General

The staff responsible for purchasing in their school or location will ensure that the following procedures are followed:

- 18.1. Consider standardization of goods where appropriate to realize best life-cycle value.
- 18.2. Procure goods and services without compromising a healthy, safe, relevant, environmentally sustainable and acceptable learning and working environment.
  - 18.2.1. Equipment that is operated by electrical or carbon fuels shall be specified and selected to maximize the useful life of the product, the operating energy efficiency and to minimize the greenhouse gas production throughout their lifecycle.
  - 18.2.2. Acquired products shall demonstrate the least waste in their creation through to disposal, including removal of surplus shipping material by the supplier and salvage or recycle capabilities at the end of useful life.
  - 18.2.3. Procure goods and services with due regard to the environment. Suppliers are to be made aware of the requirement to provide environmentally friendly and recyclable products. Specifications on items are to be reviewed to ensure that, whenever possible and economical, the materials provide for the lowest volume of post consumer waste and largest recycled content or the lowest volume of an environmentally hazardous product

without significantly impacting on the effectiveness or efficiency of the product.

- 18.3. Provide reasonable opportunities for qualified suppliers and contractors to seek the District's business. The Director of Finance shall reflect an open market perspective ensuring that all interested suppliers have the opportunity to make supply proposals.
- 18.4. Contracted services for facilities or transportation shall be undertaken by those relevant departments on behalf of the Manager to ensure compliance with procedures and the CUPE Collective Agreements.
- 18.5. Document rationale for purchases made other than to the lowest price bidder using the applicable finance department form where a purchase exceeds \$20,000.
- 18.6. Select vendors through processes which are open, competitive and ethical. This process means that all potentially interested suppliers are given a chance to make supply proposals. Staff must not grant preferential treatment to any prospective proponents. Staff must not divulge any information that could impair the negotiating position of the District or benefit the competitive position of one proponent over another. Finally, an employee must not participate in a contracting decision if the contract involves a direct relative (spouse, parent, grandparent, grandchild, brother, sister, son, daughter), a person married to a direct relative, or a person sharing the same household as the employee.
- 18.7. The purchase of materials and services shall be based on total best value, which is determined by weighing all or some of the following factors:
  - 18.7.1. Acquisition cost, including transportation
  - 18.7.2. Operating cost
  - 18.7.3. Availability of parts, service, training and technical expertise from the vendor
  - 18.7.4. How well the product does the job for which it was intended
  - 18.7.5. Durability and reliability of the product
  - 18.7.6. Energy efficiency
  - 18.7.7. Cost of supportive inventory
  - 18.7.8. Expedient delivery
- 18.8. Utilize accepted professional practices for public sector buying.
  - 18.8.1. All procurement shall respond to the principles of the current trade laws in effect by eliminating local price preferences, biased technical specifications, unfair registration requirements or any other discriminatory practices for non-resident suppliers in order to ensure equal access to procurement for all interested Canadian suppliers.
  - 18.8.2. Procurement of goods, services or construction shall meet the standards of current trades laws in effect for the aggregate of products exceeding the following limits:
    - 18.8.2.1. \$75,000 or greater for goods;
    - 18.8.2.2. \$75,000 or greater for services; or
    - 18.8.2.3. \$200,000 or greater for construction.

- 18.8.3. Electronic national tendering system notices, such as BC Bid, shall be posted for all goods or services exceeding the limits above.
- 18.8.4. All procurement shall consider and align with British Columbia's Taxpayer Accountability Principles of cost consciousness, accountability, service, respect and integrity.
- 18.9. Utilize purchasing resources solely for the benefit of the District. Wherever possible, purchases shall be arranged at times or in quantities that will be convenient to annual requirements, the availability of budgeted funds and storage facilities.
- 18.10. Direct awarding of procurement and/or contracts to a vendor without a competitive bidding process would be acceptable only in exceptional circumstances, not limited to but including:
  - 18.10.1. If staff can prove only one person is qualified or available.
  - 18.10.2. An unforeseen emergency exists and the goods, services or construction could not be obtained in time using a competitive process.
  - 18.10.3. A competitive process would interfere with our ability to maintain security or order.
  - 18.10.4. The acquisition is of a confidential or privileged nature and disclosure through a competitive bidding process could reasonably be expected to compromise confidentiality, cause economic disruption or be contrary to the public interest.  
Before a direct award is made, the circumstances resulting in the need to do so is to be documented and provided to the Secretary-Treasurer for approval.
- 18.11. Prepaid purchase orders (PPOs) are pre-approved cheques that are to be used only in situations where vendors require immediate payment for purchases less than \$500 and a purchasing card cannot be used. These are not to be used for regular payment of invoices.
  - 18.11.1. Principals must log and control receipt and issuance of PPOs. Control logs must be forwarded to the Accounts Payable clerk monthly and are subject to audit. As PPOs are used, a copy is to be forwarded to the Accounts Payable clerk along with original invoices, packing slips and any other relevant supporting documentation for posting of payments.
  - 18.11.2. PPOs must be treated as cash. It is essential they are properly controlled and processed. They must be kept in the school safe or under lock and key with access restricted only to designated individuals.
  - 18.11.3. Specific PPO restrictions include:
    - 18.11.3.1. Not to be made payable to employees, to the issuing school or to cash.
    - 18.11.3.2. Not to be used to advance funds.
    - 18.11.3.3. Under no circumstances are any amounts or other details on a PPO to be corrected on the cheque portion. The bank will not process any PPO that has been modified in any manner or that exceeds \$500.

18.11.3.4. PPOs cannot be issued to the United States or to any other country.

18.11.3.5. Multiple PPOs are not to be issued to a supplier to acquire goods greater than \$500.

18.11.3.6. Not to be used for goods on back order.

18.12. All employees purchasing for the District shall ensure to:

18.12.1. Consider the interest of the schools, needs of educational programs, environmental sustainability of the product and the support services required from Information Technology or Facilities Maintenance services. The purchaser shall allow for costs of all accessory construction, electrical, mechanical or information technology infrastructure service installations or alterations in planning for new or replacement equipment

18.12.2. Consult with all relevant departments in advance of any purchase for equipment to obtain approval of the scope of the new installation and to receive specifications for building, fire, fuel burning appliance, electrical and plumbing code or Canadian Standards Association regulations pertaining to: service sizes, voltage, amperage, mechanical ventilation standards, installation clearances, fire safety standards, WorkSafe Occupational Health & Safety practices, information or communication technology network operating protocols, communication or video wiring infrastructure/architecture or any other relevant governing regulations.

18.12.3. Communications equipment, telephone software upgrades or wiring installation shall be authorized by the Director, Information Technology.

18.12.4. Fully comply with District Administrative Procedure 404 - Conflict of Interest.

## 19. Extraordinary Equipment Items

19.1. Specifications for any equipment to be purchased by an individual school with its own funds or to be donated to a school by any agency, firm or individual, shall be submitted to the relevant department of facilities, health and safety or for examination and evaluation, prior to purchase or acceptance.

19.2. The relevant department shall recommend whether equipment to be purchased by or donated to individual schools is of a standard to merit maintenance and operation by District staff and with District funds.

## 20. Specific Procedures and Forms of Purchase

20.1. The methods and forms of purchase are established to provide:

20.1.1. An effective method of communicating and documenting the terms and conditions associated with the procurement of goods and services between the department making the purchase, the vendor and the Director of Finance;

20.1.2. Accurate accounting of expenditures;

20.1.3. Efficient and timely payment of invoices through use of documents that provide evidence of the conditions of purchase, approval of expenditures and acknowledgement of receipt of goods and services contracted.

- 20.2. The methods and forms of purchase are to be observed within the monetary thresholds set out in Table 1 when making purchases on behalf of the District.
- 20.3. Managers are required to ensure that:
  - 20.3.1. Methods of purchase are used appropriately;
  - 20.3.2. The Director of Finance is informed in writing of all staff granted administrative authorization to purchase on their behalf; and any changes to administrative authorization granted to departmental employees;
  - 20.3.3. Staff granted administrative authorization shall review on a regular basis this Administrative Procedure.

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<b>TABLE 1</b>		
<b>Method and Form of Purchase</b>		<b>Value of Transaction</b>
1.	Best price effort to extent deemed appropriate	Up to \$20,000
2.	Written Request for Quotations (RFQ) or Request for Proposal (RFP) (Minimum of three to be solicited)	> \$20,000 < \$75,000
3.	Public Invitation to Tender (BC Bid) or Request for Proposal RFP Secretary-Treasurer's Award Required	Over \$75,000 Except Capital Construction \$200,000

NB: In determining the value of the transaction consideration will be given as possible to potential cost overruns or contract extensions.

- 21.1. Specific Procedures and Forms of Purchase – Table 1, Section #1
  - 21.1.1. Generally, all required goods and services will be purchased from the lowest bidder unless it is determined that for reasons such as service, quality or supply availability it is unwise to purchase from the low bidder.
  - 21.1.2. Suppliers and contractors will be selected that demonstrate the level of flexibility required and a commitment to competitiveness in product development and technical improvements. They must maintain ethical business practices and a good record of adhering to specifications and deliverables to provide the quality of service desired by the District.
  - 21.1.3. All purchases of goods, services and construction where the procurement value is in excess of the amounts set out in current trade law in effect shall be conducted in accordance with the terms and conditions of current trade law.
  - 21.1.4. Where the purchase is expected to be within the discretionary threshold (Table 1, Level 1), the best price for specified goods and services is to be achieved through such efforts as obtaining quotations or performing catalogue or advertisement comparisons. The method and extent of such comparisons will be at a Manager's discretion. It is understood that the decision criteria may be weighted more heavily on energy efficiency (and convenience) than on price.

- 21.1.5. Where a purchase is over the discretionary threshold and the Manager is recommending that the purchase be made from other than the lowest bidder or against the method of purchase prescribed in Table 1, then managers or authorized staff responsible shall obtain the approval of the Secretary-Treasurer and/or legal counsel, as the case may be directed by the Secretary-Treasurer.
  - 21.1.6. Where the purchase is over the discretionary threshold and the variance between the lowest bid and the next lowest bid is greater than 20%, managers or authorized staff responsible shall inform the Secretary-Treasurer and obtain approval before awarding the contract to supply to the lowest bidder.
- 21.2. Method and Forms of Purchase – Table 1, Section #2
- 21.2.1. Written Requests for Quotations (RFQ):
    - 21.2.1.1. When required, written quotations are to be obtained from not less than three vendors.
    - 21.2.1.2. Requests for quotations are to be based on minimum specifications (or specifications that do not artificially restrict competitive price quotations). The award of contract is to be made on the basis of the best value offered for the specified goods or services. If a favorable price quotation is submitted by a vendor that offers features that either add or limit the conditions under which the price is valid then an award may be made to a firm that provides the highest value through any revised conditions.
    - 21.2.1.3. Requests for quotations may be issued to selected vendors who are known to be able to provide the quality of goods or services required. The potential respondents will be provided with a request for quotation which will include the following:
      - 21.2.1.3.1. Quantity and description of the goods and or services to be purchased including, where applicable, the product or service specifications;
      - 21.2.1.3.2. Date by which the District requires the goods or services;
      - 21.2.1.3.3. Stipulation that all quotations must show applicable taxes and freight charges separately from the price quoted for the goods or services;
      - 21.2.1.3.4. Period of time after the receipt of quotations before the contract is expected to be awarded;
      - 21.2.1.3.5. General terms and conditions that may apply to the goods or services supplied by the successful respondent;
      - 21.2.1.3.6. The date and time at which price quotations will no longer be accepted for consideration; and
      - 21.2.1.3.7. A disclaimer stating that “the lowest or any quotation will not necessarily be accepted”.



- 21.2.2. Requests for Proposals (RFP):
  - 21.2.2.1. Requests for Proposals will be used when selecting professional design or consulting services such as legal, audit and engineering services. An RFP will typically only be used where the estimated value of the services will be in excess of \$25,000.
  - 21.2.2.2. An RFP describes the project to be undertaken, the intended results, and the criteria for choosing the successful bidder; it seeks the creative input of the marketplace. An RFP asks the respondent to address the issue of how to achieve the desired results.
  - 21.2.2.3. Security and/or bonding and/or insurance requirements to be determined on the basis of each individual RFP.
  - 21.2.2.4. The successful respondent is chosen based on criteria such as proven expertise in the specific areas required, qualifications and experience of staff, reference checks, compliance with Request for Proposal document, financial stability and costs.
- 21.3. Specific Procedures and Forms of Purchase – Table 1, Section #3
  - 21.3.1. Public Invitations to Tender
    - 21.3.1.1. An Invitation to tender is a formal document that sets out specific objectives to successfully complete a project or to purchase goods or services at a competitive price. The terms and conditions are established and controlled by the purchaser.
    - 21.3.1.2. Requires that a formal written tender document be prepared which includes all relevant conditions and specifications for the goods or services required and provides the evaluation criteria for determining the successful bidder. A disclaimer stating “the lowest or any bid is not necessarily accepted” must be included in the tender document.
    - 21.3.1.3. The tender will be advertised on BC Bid and tender documents will be available to all potential suppliers when the documents are returned following the tender.
    - 21.3.1.4. Security and/or bonding and/or insurance requirements to be determined on the basis of each individual Public Invitation to Tender
    - 21.3.1.5. Sealed tenders will be received from bidders at the location and up to the time specified in the tender document. Tendered bids must be presented for submission sealed and be stamped as to time and date of receipt and maintained in a sealed condition.

- 21.3.1.6. The responsible Manager will convene a formal tender opening on the closing date of the tender which may be attended by interested parties and must include at least two witnesses. The responsible Manager will undertake an evaluation of the bids and prepare a tender award recommendation report for the Secretary-Treasurer's consideration. The recommendation for the contract award is to be given to the vendor submitting the lowest bid and that meets all the terms and conditions set out in the tender document and complies with the evaluation criteria. If a bid offers features that either add to or limits the terms and conditions of supply as specified in the tender document then the bid should be rejected.
- 21.3.1.7. All relevant documentation including the tender opening record and lowest qualified bid form is to be presented to the Secretary-Treasurer for authorization to award.

## 22. Specific Requirements for Contracts

- 22.1. All contracts must specify the outputs and outcomes required, acceptable quality and quantity, against which the performance of the contractor will be monitored and evaluated.
- 22.2. When entering into a contract, staff must utilize the finance department contracts template or include text addressing the following key requirements:
  - 22.2.1. A maximum contract ceiling price above which the contractor cannot bill the District.
  - 22.2.2. A requirement for contractors to provide the District with a certificate of insurance to protect the District in the event of default, errors or claims against the District.
  - 22.2.3. A statement that expired contracts cannot be retroactively extended.
  - 22.2.4. A statement that staff cannot do or say anything that creates a verbal contract on behalf of the District.
  - 22.2.5. A statement identifying how any contract disputes will be resolved.
  - 22.2.6. A statement that any contracts in excess of \$10,000 may be publicly disclosed.
  - 22.2.7. Where a contractor will be collecting, creating, using, disclosing or storing any personal information, the District must complete and attach a Privacy Protection Schedule to the contract.
- 22.3. Staff that engage contractors are required to monitor, evaluate and report on their performance internally. In the unlikely event of poor performance, it is the District expectation that responsible staff:
  - 22.3.1. Notify the contractor in writing of deficiencies in their work and arrange to discuss the problem.
  - 22.3.2. Issue a notice to comply if the contractor persists in deviating from the terms and conditions of the contract.
  - 22.3.3. Issue a stop work order if the contractor ignores the notice to comply.

22.3.4. Terminate the contract subject to advice of District legal counsel.

22.4. Any contract disputes must be dealt with in a just, prompt and cost-effective manner.

### 23. Emergency Purchases

23.1. To meet an emergency, the Superintendent or Secretary-Treasurer may authorize the immediate purchase of any item without recourse to the provisions of this Administrative Procedure, but such purchases over \$5,000 shall be reported to the Secretary-Treasurer.

### 24. Cooperative purchasing arrangements

24.1. From time to time staff across the District pool funds to form groups for certain purchases. It is important in a group purchasing arrangement that purchases made benefit the whole group and are in accordance with what was agreed by all.

24.2. Group purchase arrangements must have a formal purchase approval structure that is agreed by all members pooling funds and is provided to the Director of Finance in advance of requests for payment or reimbursement.

24.3. The formal purchase approval structure is to address:

24.3.1. Who can initiate purchases.

24.3.2. Who can approve purchases.

24.3.3. What are typical expected expenditures.

24.3.4. What will happen to any surplus funds.

24.4.

Reference: Sections 22, 23, 65, 85 School Act  
Income Tax Act  
New West Partnership Trade Agreement

Approved: March 2011  
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