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| <b>Section:</b> | <b>Finance</b>              |              |
| <b>Title:</b>   | <b>Purchasing Procedure</b> | <b>6.3.1</b> |

## Purpose

To specify the objectives, processes, and responsibilities involved with the procurement of goods and services for the school district. This procedure applies to all purchases involving school district resources, including school trust funds.

## Objectives

The school district will engage in purchasing activities for services, supplies, and equipment with the following objectives:

- a) Promote public confidence by conducting activities with integrity, professionalism, and ethics, ensuring public funds are used in an appropriate manner.
- b) Obtain maximum value on all purchases, with consideration for full life cycle cost.
- c) Conduct activities in an efficient and cost-effective manner, commensurate with the value of the purchase.
- d) Provide purchasing discretion and flexibility for the district, schools, and departments within granted purchasing authority.
- e) Select vendors through processes that are fair, transparent, and competitive.
- f) Adhere to applicable legislation, policy, trade agreements, and public sector best practices.
- g) Conduct activities with regard to a safe, healthy, and sustainable environment.

## General Procedures

### 1. Responsibilities

#### a) Employees with Purchasing Authorization

Employees delegated and authorized to make purchases must ensure to:

- i. Comply with all purchasing policy, procedures, and objectives.
- ii. Document authorization for all purchases.
- iii. Allocate costs to the appropriate account code.
- iv. Comply with purchase card program instructions and deadlines.
- v. Plan purchases to negate the need for emergency or rush requests.
- vi. Avoid purchases of used goods from resale markets due to concerns with safety, warranty, and refunds.
- vii. Avoid engaging in activities which could reasonably be perceived as a conflict of interest:
  - a. Procurement tools/processes are not permitted for personal purposes.
  - b. Use of personal credit cards (and subsequent reimbursement) is only permitted with prior approval by the Budget Manager and when no other purchase method is available.
  - c. Goods or services may not be purchased from employees, family, or friends.
  - d. Accepting gifts, or advantages, of any kind, offered in the course of duties, is not permitted.

## b) Budget Managers

Budget Managers are either an exempt employee or Principal, who has overall responsibility for a department or school.

- i. At sites with an exempt level Business Manager, both the Principal and the Business Manager fulfill Budget Manager responsibilities, with the Principal having full responsibility for the site.
- ii. Responsibilities, in addition to those listed in 1(a), include:
  - a. Monitor, review, and authorize all purchasing activity associated with their site.
  - b. Ensure purchases and requisitions are within budget (authorization from the Secretary-Treasurer or Director of Finance is required for an over-budget request).
  - c. Provide information to Purchasing Services as required.
  - d. Report any non-compliance of purchasing procedures immediately to the Director of Finance.

## c) Purchasing Services

Purchasing Services, under the direction of the Director of Finance, has the responsibility to:

- i. Assist schools and departments in obtaining goods and services through the use of available purchase methods.
  - a. Manage the Purchase Card program.
  - b. Ensure purchasing objectives are realized across the district, and all district purchasing policy and procedures are respected and followed.

## 2. **Restricted Purchases for Employees**

The use of public funds on purchases for employees is restricted as follows:

### a) Food/meals/travel:

- i. Travel and meal allowances are to be provided in accordance with the Travel Expenses Procedure for approved in-district travel, approved out-of-district travel, or for situations defined in the collective agreements.
- ii. Occasions where other food purchases for staff would be considered reasonable include, for example: employees working late at parent-teacher conferences, or occasional minor snacks during a staff meeting.
- iii. It is expected that spending in this area will be minimal, as public funds for the school district budget are not intended for this purpose.
- iv. Any time a meal is expensed, the employee names, respective cost for each employee, and purpose, must be detailed on the expense submission/receipt.

### b) Gift cards:

- i. Any gift card purchase intended for an employee must be pre-approved by the Secretary-Treasurer (or designate), using the *Employee Gift Card Request Form*.

### c) Retirement or long-service awards:

- i. In accordance with school district policy

## 3. **Product Standards**

### a) The school district utilizes product standards to:

- i. Minimize support and maintenance requirements.
- ii. Apply consistent standards of quality and safety.
- iii. Reduce acquisition and administrative costs.

### b) Determining product standards is a collaborative process involving Purchasing Services and

the appropriate district department or committee. Management of district product standards is the joint responsibility of Purchasing Services and the appropriate district department.

- c) Employees are responsible for consulting with Purchasing Services before initiating the purchase of any good or service that is subject to a product standard, including purchases that are funded by a third party, such as a Parent Advisory Committee (PAC). Product standards are maintained for the following types of purchases:
  - i. Computer/network hardware, including smart boards, tvs, projectors, printers, and other classroom technology.
  - ii. Computer software
  - iii. Major appliances
  - iv. Furniture
  - v. Tools and equipment
  - vi. Any item that may impact facilities or grounds
- d) Requests for items with product standards must be directed through Purchasing Services, to ensure all necessary communication and consultation is taking place with the respective departments involved (typically Information Technology or Facilities), and for funding review.
- e) Product standards will be communicated through the district as required.

#### 4. Purchasing Methods

Various purchasing methods may be utilized to acquire goods and services, depending on the circumstance and cost involved.

- a) Purchase Cards
  - i. The purchase card program involves the use of a school district authorized financial institution account to facilitate frequent, low-value, purchases of goods and services, using individual purchase cards.
  - ii. A purchase card may be provided to an employee after Purchasing Services review and approval of a *Purchase Card Application Form*, which must be submitted by the school or department Budget Manager.

- b) Open (Standing) Purchase Orders

Open (standing) purchase orders are issued to a vendor for goods or services of a recurring nature, against which purchases may be made for a specified period, allowing for efficiency in the purchase process. Open purchase order requests must be submitted to Purchasing Services by the Budget Manager at the respective department/school.

- c) Cheque Requisitions

Cheque requisitions are used in limited circumstances for processing payment of invoices or expense reimbursements when Budget Managers have approved the acquisition of low-value goods and services without a purchase requisition (i.e. dues/fees, subscriptions). Authorized original invoices and/or receipts are required.

Cheque Requisitions are not to be used to circumvent other purchasing processes described below.

Payments must be processed through the school district office for the following:

- i. Payments related to operating expenditures.
- ii. Payments related to employee reimbursement.
- iii. Payments to individuals for services (for tax reporting requirements).
- iv. Payments to companies for contracted services (for contract management).

d) Purchase Requisitions

Purchase requisitions through Purchasing Services are for the acquisition of all goods and services having a value above the threshold for the use of procurement cards.

- i. A purchase requisition (email), approved by the Budget Manager, must be submitted to Purchasing Services. If the Budget Manager has delegated this task, they must be included in the email to confirm approval of the request.
- ii. When completing a purchase requisition, the requestor must coordinate with Purchasing Services to confirm all required information is provided to assist with efficiently and successfully sourcing the good or service.
- iii. Budget Managers are encouraged to utilize the knowledge in Purchasing Services when seeking unique products, as they may have been previously researched.

e) Request for Information

A Request for Information (RFI) may be used by Purchasing Services to solicit information on new products and services. This process may be initiated before issuance of a *Request for Quotation* or *Request for Proposals*, to determine specifications, scope of work, and requirements. An RFI may or may not request market prices; however, under no circumstance will an RFI result directly in a contract award.

f) Request for Quotation

A Request for Quotation (RFQ) may be used by Purchasing Services or Budget Managers to obtain complete bid pricing, in writing, for goods or services.

g) Request for Proposals

A Request for Proposals (RFP) may be used by Purchasing Services to solicit both price proposals and information on products and services. Standard RFP documentation is utilized, which outlines award criteria, general terms and conditions, specifications, and any other requirements.

h) Tender

A Tender may be used by Purchasing Services to solicit price proposals on products and services. Standard tender documentation is utilized, which outlines award criteria, general terms and conditions, specifications, and any other requirements.

i) Cost-Recovered Internal Services

District departments provide a wide range of services to schools and departments without charge. However, some services provided by departments (such as Facilities and Transportation) are operated on a cost-recovery basis. In these cases, a work order is used to allocate the costs to schools or departments.

## 5. Purchasing Method Limits

a) Purchasing Policy

The following are dollar value limits for the Purchase Methods as authorized in the Purchasing Policy:

- |                           |   |
|---------------------------|---|
| i. Up to \$1,500          | Procurement Card, Open Purchase Order, Cheque Requisition   |
| ii. \$1,501 to \$10,000   | Purchase Requisition  |
| iii. \$10,001 to \$25,000 | Purchase Requisition, and<br>Minimum of three (3) written vendor quotations   |
| iv. \$25,001 to \$75,000  | Purchase Requisition, and<br>Minimum of three (3) written vendor quotations, and<br>Authorization by the Secretary-Treasurer (or designate) |
| v. Over \$75,000          | Request for Proposals / Tenders to be posted on BC Bid  |

- b) Procurement card transaction limits may be set higher for excluded management staff, at the discretion of the Secretary Treasurer or Director of Finance.
- c) Open purchase orders are limited to \$10,000 annually. Once the \$10,000 spending limit is reached, a new open purchase order must be requested through Purchasing Services.

## 6. Contracts

### a) Purchase Orders

Purchase orders are a written commitment to a vendor, representing a contract between the school district and the vendor, specifying the terms, conditions, and pricing for the supply of the product or service requested. Purchase orders allow for tracking and reporting of school district commitments, prior to the receipt and payment of vendor invoices. Purchasing Services will issue a purchase order only after confirming all purchasing objectives have been met.

### b) Service Contracts

Budget Managers are required to work with Purchasing Services to facilitate contracts for services, using existing district contract templates. Budget Managers will be required to define and describe the goods, services, and equipment required in the form of written specifications, including requirements related to Worksafe coverage, liability insurance, and criminal record checks. A purchase order will be issued in conjunction with a service contract, where applicable. Service providers are required to provide invoices for services rendered, and payments must be processed through the school district office, for review of contract and tax reporting requirements.

### c) School District Contracts and Appointments

The school district may specifically approve major construction or service contracts and the appointment of professional advisors, including architects, auditors, and lawyers. The applicable department coordinates the use of these services once approved through the Secretary Treasurer's office. A purchase order will be issued in conjunction with a School District-appointed contract, where applicable.

## 7. Purchasing and Contract Authorization Limits

- a) The following are the purchasing authorization dollar value limits as authorized in the Purchasing Policy:

| Up to                        | Authorized to Approve  |
|------------------------------|--|
| i. \$1,500 (no contracts)    | Purchase Cardholder, Foremen, Executive Assistants             |
| ii. \$5,000 (no contracts)   | Business Manager   |
| iii. \$10,000 (no contracts) | School Principal or Department Manager                         |
| iv. \$50,000                 | Director   |
| v. \$75,000                  | Director of Finance or Assistant Superintendent                |
| vi. \$150,000                | Secretary-Treasurer or Superintendent                          |
| vii. \$1,000,000             | Secretary-Treasurer and Superintendent                         |
| Over                         |  |
| viii. \$1,000,000            | Secretary-Treasurer and Superintendent and report to the Board |

- b) Contracts may require specific language that may expose the district to additional risks, such as multi-year commitments, or potential unforeseen liability. As a result, the authorization for all contracts is centralized at the school district office. Any contract must be authorized by Director positions and above.

## 8. Exceptions to Purchase Procedures

- a) When pricing has been established by another provincial government body or school district-related purchasing consortium, by competitive processes, Purchasing Services may apply the resulting prices to school district purchases.
- b) When it is known there are fewer than the minimum number of vendors (3) who could reasonably be

expected to satisfy the requirement, the number of quotations may be reduced by Purchasing Services.

- c) In the case of a request for a sole source of supply, the Secretary-Treasurer or Director of Finance may authorize a negotiated purchase from a single vendor source after it has been documented that one of the exceptions to soliciting bids has been met and the requesting department or school has completed the *Sole Source Request Form*.
  - i. The following circumstances may allow for an exception to the requirement for soliciting bids:
    - a. There is an urgent need and delay would be injurious to the school district.
    - b. The nature of the work, or the estimated cost of the requirement, is such that it would not be in the public interest to invite competitive bids, quotations, or proposals.
    - c. A substantive investment has already been made and would have to be duplicated by another supplier.
    - d. Competition is precluded because of the existence of patent rights, copyrights, intellectual property, or trade secrets.
    - e. The requested acquisition requires compatibility with existing equipment, and logistics, or may void any warranties or guarantees.
    - f. Sources of supply are determined by federal, provincial, or other regulatory bodies, or another public agency or cooperative purchasing entity.
- d) To facilitate pilot projects, negotiated pricing may be authorized by the Secretary-Treasurer.
- e) When the order value criteria for pricing activity does not achieve an appropriate balance, the Secretary-Treasurer or Director of Finance may authorize appropriate actions, in writing, to suspend normal pricing activity in a specific circumstance. This procedure is not considered to be a preferred practice.

## 9. School Generated Funds (Trust Funds)

The procedures outlined above apply to both operating and school generated funds.

The following additional procedures apply to school generated funds:

- a) School generated funds are only to be utilized for payment of expenditures that are directly related to school initiated fundraising or revenue sources (such as student family contributions for specific school initiatives, such as field trips, or school specific grants).
- b) School generated funds are not to be utilized for payment of operating expenditures that are funded through district provided operating budgets.
- c) School generated funds are not to be utilized to **expedite** payments related to operating expenditures, with subsequent reimbursement from school generated funds.

## 10. District Payment Processing

- a) Payment requests related to operating expenditures, and other payments discussed in procedures above, must be submitted to the school district office, attention to Accounts Payable.
- b) The school district office maintains a regular bi-weekly payment processing schedule, based on industry standards.
- c) Vendors should be made aware that payments will be processed according to the school district office accounts payable schedule. If vendors have concerns or questions, they can be directed to the Finance Department at the school district office.

**Date Approved:** January 17, 2024

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**Legal Reference:**

**Cross Reference:** *Purchasing and Procurement Policy 6.3*

**Forms:**  
*Employee Gift Card Request Form*  
*Purchase Card Application Form*  
*Sole Source Request Form*