

# PURCHASING

## Background

Purchases of materials, supplies, and equipment are to be made in accordance with principles and procedures designed to acquire best value for Prairie South School Division.

## Procedures

### 1. Definitions

The following definitions are cited to ensure consistent interpretation:

- Formal Competitive Bid – A process requiring the invitation to bid to be advertised in such media as is required by the *Education Act 1995*, and applicable trade agreements (New West Trade Partnership Agreement, Canada Free Trade Agreement, Canada European Trade Agreement). This term would include tenders and requests for proposals
  - Formal Tender – A formal process for obtaining sealed bids from competing organizations where the specific goods or services required can be clearly defined and bidders cannot suggest alternatives.
  - Request for Proposal – A formal process for obtaining sealed proposals from competing organizations and evaluating those proposals against stated requirements, using a predefined evaluation process and a predefined set of evaluation criteria in which price is not the only factor and bidders have the ability to suggest alternatives or propose solutions. The process can include negotiation and the request for a best and final offer.
- Written Quotation – A less formal process requiring selected vendors to submit written quotations.
- Purchase Card – A type of credit card which includes management features available to the division it is issued by the division to chosen staff.
- Local Purchase Order – A legal contract between the school division and a vendor that gives the vendor authority to ship and charge for the goods specified in the order.
- Standing Order – A contract that 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.

## 2. Processing Purchases

- 2.1 A formal competitive bid is required when:
- The Director of Education deems it to be in the best interests of the school division; or
  - It is a requirement of *The Education Act, 1995*; or
  - It is required by a trade agreement covering the MASH sector.
  - Competitive bid processes should meet the requirements of the applicable trade agreements.
  - Competitive bids will be required for the purchase, lease or other acquisition of an interest in real or personal property for the purchase of building materials for the provision of transportation services and for other services exceeding \$75,000 and for the construction renovation or alteration of a facility and other capital works authorized by the Education Act 1995 exceeding \$200,000.
- 2.2 A minimum of three (3) written quotations should be requested when:
- The value of the item is expected to be between \$15,000 and \$75,000; or
  - The Director of Education deems it to be in the best interests of the school division.
- 2.3 Goods and services up to an aggregate cost of \$15,000 may be purchased directly by the applicable Budget Manager utilizing a local purchase order. Where possible contracts will be negotiated centrally and Budget Managers or their designate will order directly from that supplier. Goods and services obtained through the formal tender process are excluded from this authority.
- 2.4 Goods and services up to an aggregate cost of \$5,000 may be purchased by an authorized purchase card holder utilizing a purchase card. Exceptions must be cleared through the business department. Where a centrally negotiated contract is in place goods and services covered by that contract must still be purchased from the contracted vendor. Purchase card use should be maximized where use of the card does not impact price or conflict with other purchasing admin procedures.
- 2.5 It is expected that all requirements for goods and services purchased through the formal competitive bid process will be ordered by the schools and the Budget Managers at the time of the formal tender.
- 2.6 The lists of goods and services to be obtained through the formal competitive bid process is to be subject to an annual review to determine items of inferior quality and/or items to be added or deleted.
- 2.7 The Business Manager has the lead responsibility for conducting formal tenders.
- 2.8 All equipment as defined by OH&S legislation purchased for use in PSSD facilities must be commercial grade and/or CSA approved where applicable.
- 2.9 In those cases where the competitive bid process is utilized, consideration is to be given to process, quality, and the supplier's reputation, as evidenced by previous performance and service.

- 2.10 Where no competitive supply market exists, or it is considered in the best interests of the Board, purchasing practices are to employ such value analysis and negotiation methods considered appropriate for obtaining acceptable materials at the lowest possible price.
- 2.11 All goods and services not purchased by p-card are to be obtained through the use of an approved purchase order. Where a vendor has an electronic ordering system and that system allows access to school division discounts, orders may be placed directly on the system without the use of a purchase order.
- 2.12 Purchasing processes, forms, and services are to be utilized only for authorized school division business.
- 2.13 No school division employee utilizing purchasing processes is to accept any gift or benefit, whether in the form of goods, services, loans, or favours, from any individual, organization, or corporation which is interested directly or indirectly in dealings with the Division, subject to normal exchange or hospitality between persons doing business together.

### **3. Responsibilities and Authorities**

- 3.1 The Board of Education has delegated authority for the award of competitive bids to the Director of Education or designate except where bids received for capital projects exceed budget. In this case the Board reserves the authority to accept/reject those competitive bids. A report of competitive bids awarded since the previous Board Meeting will be prepared for each regularly planned Board meeting as an information item.
- 3.2 The Business Manager in consultation with the Superintendent of Business and Operations is responsible for purchasing practices and procedures.
- 3.3 The Business Manager has the authority to revise requisitions according to established standards, provided such revisions are discussed with the requisitioner.
- 3.4 Purchases may be authorized only by budget managers in the person of the Director of Education, Superintendents, managers, and principals. Budget managers can delegate authority to authorize purchases within certain limits.

Reference: Sections 69, 85, 87, 344, 354, 355 Education Act  
Education Act Regulations Section 83.1, 83.3

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