



SCHOOL DISTRICT #49 (CENTRAL COAST)

Administrative Procedures Manual

Administrative Procedure: O-5 Purchasing and Tendering

Date: August 26, 2003 Updated: November 30, 2018

The Secretary-Treasurer may delegate to the appropriate personnel the authority to purchase goods and services. The operating units are encouraged wherever possible to cooperatively purchase, that is, to take advantage of quantity discounts.

1. General Guidelines

- 1.1. All items purchased, or donated, in the name of a school or the school district will become the property of The Board of Education of School District No. 49 (Central Coast).
- 1.2. Where practicable, the Secretary-Treasurer or his/her designate, will coordinate "bulk purchased" for various commodities.
- 1.3. Use of the district's purchasing procedures to acquire goods and services for personal use will not be permitted except where specially allowed by the Secretary-Treasurer.
- 1.4. Whenever practicable, equipment and supplies will be standardized to achieve maximum purchasing economy and quality goods. Consideration will be given to future maintenance of equipment and availability of parts and services.
- 1.5. The purchase of any item or product from any person employed by the School District will not be in effect until the purchase has been approved by the Secretary-Treasurer.
- 1.6. All contacts must be signed by the Secretary-Treasurer.

2. Purchasing Methods:

The school district utilizes various purchasing tools for the acquisition of goods and services as follows:

- 2.1. Petty Cash - used at the user level to expedite the acquisition of low value goods not to exceed \$100.00 (excluding taxes) per single transaction. A Petty Cash fund can be established by contacting the Secretary-Treasurer or his/her designate.

- 2.1.1. Receipts must be attached to a petty cash voucher by the custodian in charge of the petty cash. The petty cash voucher must be signed by the custodian of the petty cash, and signed by the custodian's immediate supervisor. The petty cash voucher shall be submitted to the Finance Department to be approved by the Secretary-Treasurer or by his/her designate prior to reimbursement by Accounts Payables.
 - 2.2. School Trust/Bank Account (self-generated funds) - used at the school level to expedite the acquisition of goods and services. The School Trust/Bank Account is the responsibility of the school Principal. The school Principal may delegate the duties of financial record keeping, receiving and disbursing funds to an individual of his/her choice.
 - 2.2.1. Disbursement of funds to purchase goods and services shall be made with cheques. The cheque must be signed by two (2) authorized signatures.
 - 2.2.2. In some instances, funds disbursed from the School Trust/Bank Account may be reimbursed by the school district. Receipts must be attached to a cheque requisition by the custodian in charge of the School Trust/Bank Accounts. The cheque requisition must be signed by the custodian, and signed by the custodian's immediate supervisor. The cheque requisition shall be submitted to the Finance Department to be approved by the Secretary-Treasurer or by his/ her designate prior to reimbursement by Accounts Payables.
- 2.3. Purchasing Cards (Procurement Cards) - used for the procurement and payment of goods and services within established purchasing authorization limits, where it is efficient, economical and operationally feasible to do so. With the approval from an employee's Principal, or Supervisor, an employee may make application to the Secretary-Treasurer or his/her designated Purchase Card Administrator for a Purchasing Card.
 - 2.3.1. The Purchasing Card may only be used by the person named on the front of the card. Single Transactions limits are set at 1,250 (pre-tax amount). In consultation between an employee's Principal/ Supervisor, with the Secretary-Treasurer or the Purchase Card Administrator, a cardholder's single transaction limit may be increased to \$1,500, \$2,000, \$2,500, \$3,000, 3,750 (pre-tax amount). Monthly purchase transaction limits will vary depending on the individual's needs and requirements, this can range from \$5,000 per month to \$30,000 per month.
 - 2.3.2. On a monthly basis, the Finance Department will forward a Monthly Purchasing Card Statement to each cardholder. The cardholder must attach the receipts to the Monthly Purchasing Card Statement, and ensure the GST amount and General Ledger Account attached to the transaction is correct. The Monthly Purchasing Card Statement must be signed by the cardholder's immediate supervisor. The Monthly Purchasing Card Statement must be returned to the Finance Department 7 Business days after the statements are issued, and must be approved by the Secretary-

Treasurer or by his/ her designate. The Finance Department will process payment to the Financial Institute each month. (Refer also to Purchasing Card Manual)

2.4. Cheque Requisitions - used to request payment for foods and/ or services where an invoice has been received and a purchase order was not issued (i.e. subscriptions, dues, or fees, etc.). Cheque Requisitions are not to be used to circumvent the Purchase requisition/Purchase Order process.

2.4.1. Receipts, invoice or order form must be attached to the Cheque Requisition by the employee. The Cheque Requisition must be signed by the employee, and signed by the employee's immediate supervisor. The Cheque Requisition must be submitted to the Finance Department to be approved by the Secretary- Treasurer or by his/her designate prior to reimbursement by Accounts Payables.

2.4.2. Any Cheque Requisition with a single transaction greater than \$10,000 must also be approved by the Chairperson or Vice Chairperson of the Board, prior to reimbursement by Accounts Payables.

2.5. Purchase Requisition/Purchase Order - used for the purchase of goods and services. All purchase orders must be signed by the appropriate personnel (Principal/Supervisor) responsible for an operating unit, and by the Secretary-Treasurer or by his/her designate. In no case will a purchase order be honoured without the signature of the Secretary-Treasurer or his/her designate. Any Purchase Order greater than \$10,000 must also be approved by the Chairperson or Vice Chairperson of the Board, prior to the Purchase Order being sent to the vendor.

2.5.1. The approved Purchase Order will be mailed, faxed, or emailed to the vendor to enact to supply the goods or service as stated in the Purchase Order. Upon completion of the order, the Vendor will send an invoice to the Finance Department for payment.

2.5.2. If the invoice received from the vendor is same amount, or within 10% or \$100 of the Purchase Order, the Finance Department will process payment to the vendor without additional approval. If the invoice received from the vendor is greater than 10% or \$100 of the Purchase Order, additional approval from the requisitioner's Principal/Supervisor must be received prior to processing the payment to the vendor.

2.6. Standing Purchase Order - used to make purchases from a sole source vendor over a period of time (usually the school fiscal year) for supplies or services (i.e. building supplies, food distributor, office supplies, etc.). All Standing Purchase Orders must be signed by the appropriate personnel (Principal/Supervisor) responsible for an operating unit, and by the Secretary-Treasurer or by his/her designate. In no case will a Standing Purchase Order be honoured without the signature of the Secretary-Treasurer or his/her designate. Any Purchase Order greater than \$10,000 must also be approved by the Chairperson or Vice Chairperson of the Board, prior to the Purchase Order being sent to the vendor.

- 2.6.1. The approved Standing Purchase Order will be mailed or faxed to the vendor. An employee may purchase goods or services from the vendor quoting the Standing Purchase Order. Upon completion of the requested order, the Vendor will send an invoice to the Financial Department for payment. The invoice received from the vendor by the Finance Department will be forwarded to the requisitioner's Principal/Supervisor for approval prior to processing the payment to the vendor.
- 2.7. Systems Contract - for goods and services to be supplied over a period of time at a fixed or negotiated price (i.e. equipment leases, garbage disposal, etc.). An encumbered amount with start and end dates will be established for the Systems Contract. All System Purchase Orders must be negotiated by the Secretary-Treasurer or by his/her designate. Any Systems Contracts greater than \$10,000 must also be approved by the Chairperson or Vice Chairperson of the Board, prior to the System Contract.
 - 2.7.1. The approved Systems Contract will be sent to the vendor for the vendor to enact on the requirements stated in the Systems Contract. Based on the terms of the System Contract, the vendor shall forward an invoice to the Finance Department for payment.
 - 2.7.2. If there are no deviation between the invoice and the Systems Contract, payment to the vendor will be processed without additional approval. If there is a deviation between the invoice and the System Contract, additional approval from the Secretary-Treasurer or his/ her designate must be received prior to the processing of payment.

3. Purchasing Procedures:

- 3.1. The Secretary-Treasurer may assign to his/her designate the authority to sign purchase orders in accordance with the procedure outlined in this policy.
- 3.2. The Secretary-Treasurer shall assign to individual employees the authority to initiate expenditures from accounts specifically assigned to them. When the total purchase cost of a single unit or group or units, or a service, is estimated to be:
 - 3.2.1. Up to \$1,000 (pre-tax amount), the purchase shall be made by comparative selections unless made from a previous supplier. Purchases are to be completed by the end user by one of the following methods "Purchasing Cards". "Purchase Orders" or "Cheque Requisitions". Where convenient "Petty Cash" can be used to complete purchases of items up to \$100, purchases will be authorized by the Secretary-Treasurer or by his/her designate.
 - 3.2.2. Purchases from \$1,000 to \$10,000 (pre-tax amount), the purchase shall be made by selecting the lowest bid from unlimited public tenders,

invited quotations or it shall be made by negotiation with a designated supplier. Purchases are to be completed by the end user by one of the following methods "Purchase Orders" or "Cheque Requisitions". Purchases will be authorized by the Secretary-Treasurer or by his/her designate.

- 3.2.3. Purchases from \$10,000 to \$25,000 (pre-tax amount), written quotations will be requested from known reputable suppliers of a particular goods and/or services. Purchases are to be completed by the end user by using a "Purchase Order". These purchases must be approved by the Secretary-Treasurer and the Chairperson or Vice Chairperson prior to initiating the order with the vendor.

(Note: processing of utility invoices does not require prior approval from the Chairperson or Vice Chairperson of the Board for processing of payment to the supplier. These would include telephone, hydro, and natural gas.)

- 3.2.4. Purchases greater than \$25,000 (pre-tax amount) a "Tender" or "Request For Proposal" will be written by the Secretary-Treasurer or by his/her designate, and will be sent to competing suppliers. The "Tender" or "Request For Proposal" must be approved by the Secretary-Treasurer and the Chairperson or Vice Chairperson of the Board prior to initiating the order with the successful vendor. The Secretary-Treasurer will notify the School Board or Trustee to the results of the "Tender" or "Request For Proposal".

4. Tendering or Request For Proposals:

4.1 All orders in excess of \$25,000 (pre-tax amount) shall be tendered.

4.2 All responsible bidders will be given equal consideration and assurance of unbiased judgments in determining whether their product or service meets specifications and the need of the school district.

4.3 Invitations to tender shall be mailed, couriered, or otherwise delivered to all suppliers from whom tenders have been received in previous circumstances, or to any other supplier.

4.4 The Secretary-Treasurer will ensure that competition is maximized and that local vendors are given every reasonable opportunity to bid on school district contracts.

4.5 All tenders or sealed bids will be opened in public in the presence of and signed by two staff members, one of whom must be the Secretary-Treasurer or his/her designate, recording the time and date opened.

4.6 On occasion, only one bid may be submitted by tender closing time. The bid will not be opened unless the bidder agrees, in writing, that they accept their bid may be rejected and that the tender may be re-tendered without any changes in the tender documents.

4.7 Information pertaining to the proposals will not be released until after the review process has been completed and the successful vendor has been identified.

4.8 Tenders will be awarded to the lowest bid or quoted price, consistent with the required quality and service. The school district reserves the right to accept or reject the whole or part of any tenders. The "Tender" must be approved by the Secretary-Treasurer and the Chairperson or Vice Chairperson of the Board prior to initiating the order with the successful vendor. The Secretary-Treasurer will notify the School Board of Trustee to the results of the "Tender".

4.9 The Secretary-Treasurer will be consulted prior to awarding a tender to other than the low bidder.

5. Suppliers and Vendors:

5.1. In considering qualifications and performance of suppliers and vendors, considerations will be given to:

- 5.1.1. Current Business licenses and Canada Custom & Revenue Agency business number
- 5.1.2. Minimum of \$1,000,000 (one million dollar) liability insurance
- 5.1.3. WCB Coverage (where applicable)
- 5.1.4. Reputation and experience
- 5.1.5. Ability to deliver or perform with the time specified
- 5.1.6. Ability to provide after sales' maintenance and service
- 5.1.7. Past experience on previous orders.