

Administrative Procedure 505 PURCHASING PROCEDURES

The Division must ensure that all public funds are expended in a manner that is reasonable, prudent, economical and defensible to an impartial observer.

Procedures

1. This administration procedure applies to all purchases of goods and services regardless of the source of revenue and includes purchases using provincial funding, school generated funds and donations from parents and others.
2. This administrative procedure does not apply to any of the following:
 - a. Employee agreements
 - b. Provincial Capital Funding projects, which are regulated by Government of Alberta regulations, policies and procedures
 - c. Legal contracts
 - d. Land acquisition and lease back property
 - e. Joint use property agreements
 - f. Insurance premiums
 - g. Municipal utilities
 - h. Contracts established by the Public Purchasing Groups.
3. The Secretary-Treasurer shall be responsible for establishing and maintaining purchasing procedures.
4. The funds for any purchase must be found in the appropriate capital or operating budget of the school or department that is requesting approval to requisition or purchase.
5. For any purchase in which the term of the purchase extends beyond the end of the next fiscal year, the purchase must be authorized by the next level of authority.
6. All purchases should be based on the supplier's reputation and experience, the ability to deliver or perform within the time specified, the ability to provide after sales service, past experience, and cost.
7. A record of the tenders or quotations for each article or service for which tenders are called shall be retained with the tender/quotation documentation.
8. The tenders or quotations shall be rated according to the criteria in #6 above.

9. Award decisions are made in an ethical manner and reasonable steps are taken to ensure there is no conflict of interest with the award. No one will have access to the competitor bids prior to the official opening of the bids.
10. The name of the successful bidder and the price for each tender shall be made available upon request.
11. Consideration will be given in order of preference to local, provincial and Canadian suppliers.
12. Centralized purchasing is encouraged in order to provide the needs of the various schools and budget centers of the Division.
13. No employee shall accept gifts, gratuities or any form of compensation from vendors which could appear to compromise or in fact compromise a transparent and objective purchasing decision.
14. A petty cash account may be maintained for small expenditures.
15. **Purchase Orders** are required throughout the School Division for all purchased in excess of \$500 with the exception of utility and telephone charges, banking services and insurance premiums.
 - 16.1 Once approved, the purchase order serves as the authority to make the purchase.
 - 16.2 Purchase orders must be approved as follows:

Central Office POs	Secretary-Treasurer
School POs < \$5,000	Principal
School POs =>\$5,000	Secretary-Treasurer
16. **Purchasing Guidelines:** The following guidelines shall be followed in obtaining prices for goods, services and construction.
 - 17.1 For items with an estimated value under \$1,000, the concept of reasonable, prudent, economical and defensible expenditures should be kept in mind, but no competitive quotes are required.
 - 17.2 For items with an estimated value between \$1,000 and \$4,999, a minimum of two written or verbal quotations will be obtained where ever possible.

For computers and other technology equipment having a combined value of over \$1,000, SNS is available to recommend and provide the product specs for the request of quotations. SNS may choose to provide a quote on the competition. All vendors providing quotes will receive the same specs and are expected to abide by the directives in the request for quotation.

- 17.3 For items having an estimated value between \$5,000 and \$24,999 three written quotations shall be invited from suppliers appropriate to the item required where ever possible. Written quotations are not required to be advertised.

If the estimated value of the technology quote is between \$ 5,000 and 24,999, three written quotations shall be invited from suppliers appropriate to the item required where ever possible.

- 17.4 For goods and services with an estimated value between \$25,000 and \$74,999, formal tenders shall be invited from suppliers appropriate to the item required.
- 17.5 For **construction** having an estimated value between \$25,000 and \$199,999, formal tenders shall be invited from suppliers appropriate to the item required.
- 17.6 School Boards are required by law to participate in the New West Partnership Trade Agreement. To comply, all procurement notices over NWPTA thresholds (below) must be publicly tendered and posted on the Alberta Purchasing Connection (APC) through the Secretary-Treasurer.

17.6.1 Procurement refers to the purchase, rental, lease or conditional sale of goods, services or construction. The procurement of virtually all professional services is covered, including land surveyors, veterinarians, architects, engineers, advertising and public relations services. Treasury services and the services of lawyers and notaries are not covered under NWPTA.

17.6.2 Procurement thresholds are as follows:

Goods	\$75,000 or greater
Services	\$75,000 or greater
Construction	\$200,000 or greater

17. **Formal Tenders** are required to be advertised in the newspaper(s) or APC.

18.1 Formal tenders for goods, services and construction will be submitted to the Central Office for simultaneous opening and selection. Tenders need to be date stamped when received and remain sealed until the public opening. Public opening will include a senior management representative.

18.2 Selection criteria for tenders will be developed prior to the opening of the tenders; tenders will be ranked in accordance with the selection criteria and this written ranking will be retained with the tender documentation.

18. **Emergency Repairs:** For immediate emergency repairs, the Secretary-Treasurer shall take whatever action is necessary to deal with the situation. The Board shall be advised of any emergency repairs resulting in an expenditure of \$5,000 or greater.

19. **Insurance:** The Secretary-Treasurer shall be responsible for maintaining adequate property and liability insurance coverage.

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