

ADMINISTRATIVE PROCEDURE 515

Purchasing Procedures

The Director of Education and designates support a central purchasing department as a means of obtaining the most economical value for the Limestone District School Board (the Board), with consideration given to price, quantity, quality, delivery, storage, and the marketplace. Value must be consistent with the educational goals of the Board and with fair business principles.

The Director and designates are committed to the principle of cooperative purchasing for the purpose of obtaining cost efficiencies from volume purchasing. They are also committed to the sharing of knowledge and resources, when it is beneficial to all parties.

In order to implement this administrative procedure, the Director designates the Manager of Financial Services, under the authority of the Superintendent of Business Services, to take responsibility for the adoption and practice of recognized purchasing procedures.

These procedures will ensure that a consistent purchasing process is followed which will lead to cost effectiveness and efficiency within the system as well as transparency and confidence within the community. It will provide quality materials, supplies and services consistent with the needs and in the best interests of the Board. Purchasing staff shall seek to offer to all qualified suppliers, a fair and equal opportunity to bid on the Board's requirements.

1.0.0 GENERAL

- 1.1.0 All purchasing procedures are intended to ensure budget and quality control in the timely acquisition of goods and services for the Board as well as good internal control.
- 1.2.0 The purchasing department shall be responsible for the coordination of the central administrative duties connected to the acquisition of goods and services.
- 1.3.0 In making a decision to purchase, consideration will be given, not only to the price of the goods or services, but also to the quality, delivery, service, legal risk, environmental sustainability, educational impact, warranty and reliability of the supplier.
- 1.4.0 The purchasing department shall consult with the budget holders (if necessary) when providing for the procurement of goods and services for the Board.

2.0.0 DEFINITIONS

2.1.0 Request for Tenders

A request for tender (RFT or tender) is an offer to execute specified work or supply specified goods at a fixed price.

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2.2.0 Request for Proposal

A request for proposal (RFP) is a written document, issued by purchasing and business services, requesting pricing and a proposed method of accomplishing the objective for an item or service for which definitive specifications cannot be clearly defined and only the desired end result can be specified.

2.3.0 Request for Information

The purpose of the Request for Information (RFI) is to gather general supplier/contractor or product/service information or as an opportunity to gain information on supplier/contractor capabilities and qualifications. An RFI may be used when researching a contemplated procurement and where the characteristics of the ideal solution would have not yet been determined (e.g. products and/or services never competitively bid before, new technology or building capital solutions, or uncertainty as to market conditions). A response to a RFI cannot be used to pre-qualify a potential supplier/contractor and must not influence their chances of being the successful proponent on any subsequent opportunity. It is the first stage in a two-stage solicitation and is normally followed by either a Request for Tender or a Request for Proposal.

2.4.0 Purchase Order

A purchase order represents a binding agreement with a supplier to provide goods and / or services in accordance with the terms and conditions of the purchase order.

2.5.0 Pre-Qualification of Suppliers

The purpose of the pre-qualification process is to gather information on supplier/contractor capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers/contractors. This mechanism may be used either to identify qualified candidates in advance of expected future competitions or to narrow the field for an immediate need. It is the first stage in a two-stage solicitation and is followed by a Request for Tender or a Request for Proposal, whereby only pre-qualified suppliers/contractors will be invited to respond to the actual competition.

2.6.0 Standing Order

This is a contract with a supplier reached through an appropriate competitive process to provide specific goods and / or services at a fixed price with defined terms and conditions for a specific period of time.

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3.0.0 PURCHASING METHODS

3.1.0

<u>Dollar Limits</u>	<u>Purchasing Methods (see Appendix A)</u>
Purchases up to \$5,000.00	Verbal quotations or catalogue prices;
From \$5,000.00 to \$25,000.00	Written quotations on prescribed supplier letterhead;
From \$25,000.00 to \$100,000.00	Formal quotations from suppliers on approved list using the Board's standard Request for Quotation Form;
Over \$100,000.00	Advertised RFTs and RFPs.

3.1.1 Verbal Quotations

Purchases with a value of less than \$5,000.00 may be made without formal bids. The purchasing department may obtain competitive quotations by fax, electronic means, or telephone.

3.1.2 Written and Formal Quotations

Purchases over \$5,000.00 but less than \$25,000.00 will be made by way of written quotation on the supplier's prescribed letterhead. Purchases over \$25,000.00 but less than \$100,000.00 will be made by formal quotation using the Board's standard Request for Quotation form. The purchasing department will obtain a minimum of three (3) competitive quotations except in the case of library or textbooks from a specific publisher, supplies or equipment of a specific nature, or where obtaining more than one supplier is not possible.

3.1.3 Sealed Request for Tenders/Requests for Proposal

Purchases over \$100,000.00 will be made by advertised Requests for Tender (RFT) or Requests for Proposal (RFP) and opened in public. All RFTs and RFPs will be posted on nationally accessible electronic bulletin boards.

3.1.4 Consulting Services

All consulting services will be purchased through a competitive process: less than \$25,000.00 by written quotation on the supplier's prescribed letterhead, over \$25,000.00 but less than \$100,000.00 by formal quotation using the Board's standard Request for Quotation form, and over \$100,000.00 by advertised Requests for Tender (RFT) or Requests for Proposal (RFP) and opened in public.

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3.2.0 Purchase Orders

3.2.1 Purchase orders will be issued for purchases of goods and services with a value in excess of \$2,000.00 (excluding HST), when a supplier requires a purchase order in order to process the order, when the budget holder wants the amount to be encumbered, or when the terms and conditions of the purchase should be documented. Some purchases may be exempt from the requirement to issue a purchase order: meals and catering, hotel reservations, conferences where a conference registration form is provided, professional membership renewals, and legal fees.

3.2.2 When written and formal quotations for contracts exceeding \$50,000.00 have been obtained for the same item on two separate occasions, an RFT or RFP will be advertised for the third or subsequent contract in that budget year.

3.3.0 Authority (see Appendix B)

3.3.1 Cost Centre Budgets

Staff responsible for a cost centre budget may, unless there are explicit instructions otherwise; approve all purchases equal to or less than \$2,000.00 (excluding HST).

3.3.2 Superintendents of Education, Supervising Principals and Managers

Superintendents of Education, Supervising Principals and Managers may, unless there are explicit instructions otherwise, approve all contracts within their cost centre budget equal to or less than \$25,000.00 (excluding HST).

The Manager of Financial Services or his/her designate, in consultation with the originating district official may, unless there are explicit instructions otherwise, approve all contracts equal to or less than \$50,000.00 (excluding HST).

3.3.3 Executive Officer(s)

The Superintendent of Business Services may, unless there are explicit instructions otherwise, approve all contracts equal to or less than \$100,000.00 (excluding HST).

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3.3.4 Board Approval

All contracts which do not meet the conditions set out in section 6.2.0 - Tender or RFP Approval - will be approved by the Board.

3.4.0 Non-Competitive Procurement

3.4.1 In certain unique circumstances the Board may not have the ability to go through a competitive procurement process, 3.4.2 for example. In such cases formal documentation will be completed and approved by the appropriate authority to support and justify the decision.

3.4.2 In case of emergencies, the Director or designate has the authority to obtain goods and/or services in the most expedient manner possible. Emergencies are defined as circumstances or situations beyond anyone's control which have the potential of affecting the health, life or safety of students or other personnel, or result in undue financial losses. As soon as possible thereafter, the appropriate authority will be informed of the particulars involved and the action taken.

3.4.3 In some cases only one supplier may be able to meet the requirements of procurement. Sole supplier procurements are appropriate in certain circumstances; for example to ensure compatibility with existing products or licences, where there is an absence of competition such as a utility supply, for the procurement of land, leased premises, textbooks, etc. The appropriate authority will be informed of the particulars involved prior to the procurement.

4.0.0 SEGREGATION OF DUTIES AND APPROVAL AUTHORITY LEVELS

4.1.0 Segregation of Duties

Five typical functional roles exist within a completed purchasing cycle. For all purchases in excess of \$2,000.00 at least three of the roles must be segregated. These roles should be clearly documented for all departments as evidence of good internal control.

Procurement Roles	Explanation	Who
Requisition to Purchase	Authorize the Purchasing department to place an order	Staff person requesting goods or services
Budget	Authorize that funding is available to cover the cost and authorize the commitment of that budget	Departmental budget holder

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Commitment	Authorize release of the order to the supplier under agreed-upon contract terms	Purchasing Department
Receipt	Authorize that the order was physically received, correct and complete	Staff person receiving the goods or service.
Payment	Authorize release of payment to the supplier	Accounting Department

4.2.0 Approval Authority

Delegation of authority levels for each of the five functional roles should be clearly documented and the necessary approval for all purchases should be obtained before conducting the procurement.

5.0.0 SUPPLIERS

5.1.0 Source List

The purchasing department will maintain a list of approved suppliers that will be called upon to provide products and services as required following a competitive process.

The purchasing department will be responsible for maintaining a list of approved suppliers supplying materials or services required for quotation purposes.

Prospective suppliers will be added to the list upon application and may be deleted from the list by failure to bid or by failure to meet previous obligations or failure to give reason for not bidding.

5.2.0 Pre-Qualification of Suppliers

Request for Supplier Qualification documents will contain specific language to disclaim any obligation on the part of the Board to actually call on any supplier as a result of the pre-qualification to supply goods and or services.

5.3.0 Environmentally Sustainable Products

The Board supports environmentally sustainable products and services. Where feasible and cost effective, and all criteria being equal, the Board will give

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preference to environmentally sustainable products and services. On a commodity basis, the following environmental factors shall be considered when specifications are developed:

- a) products of recycled and/or recyclable content;
- b) products that meet environmental safety and low toxicity standards and provide acceptable levels of performance;
- c) products and technology that minimize use of paper products;
- d) bulk purchasing.

5.4.0 Occupational Health and Safety Act

Suppliers and contractors will comply with Occupational Health and Safety Act regulations. All staff members and sub-contractors will have received health and safety training appropriate to their trade and will be able to provide proof.

5.5.0 Workplace Hazardous Materials Information

In accordance with the Workplace Hazardous Materials Information Systems' requirements, suppliers will submit current Material Safety Data Sheets for all "controlled" products. "Controlled" products will bear an appropriate W.H.M.I.S. label on each container.

5.6.0 Workplace Safety and Insurance Board

Suppliers and/or contractors will comply and will ensure that any sub-contractors (where applicable) will comply with the Workplace Safety and Insurance Board Act requirements. Contractors will be held responsible for any sub-contractors where sub-contractors are permitted by the Board.

5.7.0 Insurance

The Board requires suppliers to maintain public liability and property damage insurance with limits of not less than \$2,000,000.00 for each person and each occurrence to protect, indemnify and save harmless the board and it's consultants from any and all claims which may arise from the supplier's operations under a contract with the Board.

The Board may require higher levels of coverage at its sole discretion and such levels will be set out in procurement documents.

The Board may require that the Board be named as an additional named insured on the supplier's insurance contract at its sole discretion and such a requirement

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will be set out in procurement documents.

The Board may require a supplier to provide a certificate of insurance before commencing any work under a contract. The Board reserves the right to cancel a contract at any time, without notice, if the supplier fails to carry and keep in full force and effect such insurance.

5.8.0 Litigation

The Board, in its absolute discretion, may reject and / or refuse to consider any quotation, tender, proposal, expression of interest, or submission of qualifications from any supplier who is, or has been, involved in litigation or other forms of dispute with the Board where, in the Board's opinion, the litigation or dispute may have an adverse effect on any future dealings between the Board and the supplier.

6.0.0 OPENING OF TENDERS AND RFPs

6.1.0 Submission Procedure

All tenders and RFPs submitted will identify and comply with all specifications, and be submitted within the time specified in the document. It is the bidder's responsibility to ensure that the submission is received before the deadline. Suppliers will have a minimum of 15 calendar days to respond to all RFTs and RFPs. The closing date will be set on a normal working day (Monday to Friday, excluding provincial and national holidays).

Submissions will be legible, preferably written in ink or typed (pencil not acceptable), and will not be qualified by any statement that conflicts with the terms and conditions of the tender call. All submissions will be double-checked for accuracy and will be signed by an authorized representative.

Submissions will be complete and include delivery dates and schedules as required in the terms and conditions.

After the tender or RFP closing time, a tender opening committee will be formed and comprised of one trustee, the Superintendent of Business Services or his/her designate and appropriate staff representation from the applicable department. Each tender or RFP will be opened in the presence of the committee and initialled by:

- a) the trustee; or
- b) the Superintendent of Business Services or his/her designate.

The name of the bidder(s) and prices tendered will be announced at tender

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openings for the following types of tenders:

- a) facility services tenders for major renovations or new construction;
- b) major items such as portables and vehicles; and
- c) other items at the discretion of the Superintendent of Business Services.

At Request for Proposal openings only the names of the bidders will be announced.

6.2.0 Tender or RFP Approval

6.2.1 In the instance when funding for a tender has been approved by the Board in its budget and all tender or RFP specifications have been met, the tender or proposal will go to the Board for information. The tender or proposal, in this instance, will be awarded by the Director and the Superintendent of Business Services.

6.2.2 If other than the lowest price for a tender or highest evaluation for a proposal is to be recommended for acceptance on an item or all items, the Director or designate will submit a report to the Board through the appropriate committee before an award is made. The report will provide information as to the price(s) of the tender(s) or evaluations for the RFP which are less or more respectively than the tender(s) or RFPs being recommended for acceptance and the reasons for the recommendation.

6.2.3 Where only one valid tender or proposal is received, a recommendation will be submitted to the Board before an award is made.

6.2.4 Where the tendered price exceeds the estimate by more than 10%, a recommendation will be submitted to the Board before an award is made.

6.2.5 Tenders or RFPs that are new and have not been accounted for in the budget will be referred to the Board for approval.

6.3.0 Late Tenders

Any tender or proposal received by the Board after the closing time specified in the tender or RFP, will not be accepted for consideration and will be sent back to the bidder, with a letter stating the reason for the return.

6.4.0 Tenders or RFPs Received by Electronic Means or Facsimile

Tenders or RFPs transmitted to the Board by electronic means or facsimile (FAX) will not be accepted.

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6.5.0 Bid Rejection

- 6.5.1 The lowest or any proposal may not necessarily be accepted. The Board reserves the right to decline any or all tenders or proposals, in whole or in part, at any time prior to making an award. The decision may be governed by the consideration of all factors that have an impact upon the ultimate cost of the project, the completion date, or the experience and capability of the bidder.
- 6.5.2 Bidders who do not meet the mandatory requirements stated in the specifications of the Tender/RFP to bid, will be disqualified. Documentation regarding the unacceptable bid will be kept on file in the purchasing department in accordance with statutory limitations, and will clearly state the reason(s) for the rejection of the bid.
- 6.5.3 Bids that are unsigned, improperly signed, conditional, illegible, or obscure will be regarded as disqualified and the bidder will be notified.
- 6.5.4 Errors in calculations, erasures, alterations (except as indicated above), or irregularities of any kind contained in the bid, will not be reason for rejection provided all such changes remain legible and have been initialed by the authorized person signing on behalf of the bidder.

7.0.0 EVALUATIONS

7.1.0 Criteria

Evaluation criteria will be developed, reviewed and approved before the competitive process begins and will be included in the competitive documents. The competitive documents will also identify those criteria that are considered mandatory and any technical standards that need to be met. The evaluation will not be changed or altered once the competitive process has begun.

7.2.0 Process

The evaluation methodology and process to be used in assessing a bidder's submission will be fully disclosed in the competitive documents.

7.3.0 Team

Evaluation team members will be made aware of the restrictions related to confidential information shared through the competitive process and refrain from engaging in activities that may create, or appear to create, a conflict of interest. Evaluation team members will sign a conflict of interest declaration and non disclosure of confidential information form.

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7.4.0 Matrix

All evaluation team members will complete an evaluation matrix rating each of the proponents. Records of evaluation scores must be auditable. Evaluators will be made aware that everything they say or document must be fair, factual, and fully defensible and may be subject to public scrutiny.

8.0.0 AWARDS

8.1.0 Selection process

The board will select only the highest ranked submission(s) that have met all mandatory requirements set out in the related documents. Unless expressly requested in the procurement documents, alternative strategies or solutions proposed by a bidder will not be considered.

8.2.0 Identical Bids

8.2.1 The method to resolve a tie score will be the lowest price and will be identified in the evaluation criteria of the RFT or RFP.

8.2.2 If, after all the factors are considered, any otherwise successful bids for supplies, services or equipment are identical, the award will be made at the discretion of the Director or designate. Under no circumstances will the awards be divided between the suppliers submitting the identical bids. The reason(s) for deciding on one supplier over another will be clearly documented and kept on file in the purchasing department.

8.3.0 Non-Discrimination

The Board will refrain from any discrimination or preferred treatment in awarding a contract.

8.4.0 Local Preference

If service, quality and price are considered equal, priority for the order will lie first with a supplier whose place of business is within the Board's jurisdiction, and second with a supplier whose place of business is within Ontario.

As much as is practical from the standpoint of service, quality, and price, preference will be given to "Canadian Made" products.

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8.5.0 Notification

For purchases in excess of \$100,000 the Board will post the name of the successful supplier, agreement start and end dates and any extension options, on the same nationally accessible electronic bulletin boards that the procurement documents were posted on.

8.6.0 Bid protest and supplier debriefing

Bid protest procedures for suppliers will be disclosed in all procurement documents to ensure that disputes are handled in a reasonable and timely fashion.

For purchases in excess of \$100,000 the Board will inform all suppliers who participated in the procurement process of their entitlement to a debriefing.

8.7.0 Contract

8.7.1 The Board will enter into a signed written contract with the successful proponent prior to the provision of the goods or services. The contract will be the form of agreement that was released with the procurement document. The term of the agreement, any options to extend the contract, a dispute resolution process, and appropriate cancellation or termination language will be set out in the procurement document. An extension to the term of agreement beyond what is set out in the procurement document requires a higher approval than that set out in 3.3.0. For example the Superintendent of Business Services would be the required approval for a contract equal to or less than \$50,000.

8.7.2 Payments will be made in accordance with the contract. Supplier performance will be managed and documented and performance issues will be addressed. Expense claim and reimbursement rules will be compliant with Board administrative procedures in this regard for staff and expenses will only be claimed where the contract explicitly provides for their reimbursement.

8.8.0 Retention of Procurement Documents

All procurement documents will be retained in a recoverable form for a period of seven years. Suppliers' confidential and commercially sensitive information will be maintained to ensure its confidentiality.

8.9.0 Special Circumstances

8.9.1 Certain manufacturers allow special prices such as discontinued lines, demonstration models, or excess stock. Similarly, it may be advantageous to call for lump sum bids where the compatibility of several items of furniture or

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equipment is desirable, or some co-ordination of design or layout is required. In such circumstances the Superintendent of Business Services shall have the discretion to decide whether to call for sealed tenders.

8.9.2 From time to time the Board has furniture and equipment requirements where individual pricing is below tender limits but where the total district-wide requirement is sufficient to warrant a tender. In such circumstances the Superintendent of Business Services may call for tenders.

8.10.0 Time and Material (construction only)

For construction projects under the supervision of facility services, where time is of the essence, or where it is practical for cost or time purposes, pre-qualified suppliers can be used for "time and material" quotes for goods and services costing less than \$100,000.00. A list of pre-qualified suppliers will be maintained in the purchasing department and updated annually. A list of the pre-qualified suppliers and all quotes associated with each job must be submitted to the purchasing department to be put on file. Approval by the Superintendent of Business Services shall be obtained prior to any commitment being made.

9.0.0 CO-OPERATIVE PURCHASING

The Director and designates support the concept of co-operative purchasing with other public bodies with demonstrated value to the district.

The Board may enter into co-operative purchasing agreements with other public bodies providing their purchasing policy adheres to accepted public purchasing practices. In these cases, the Board may accept pricing obtained by other public bodies and will not be required to solicit independent price quotations or tenders.

10.0.0 UNAUTHORIZED PURCHASES

Purchases made in the name of the Board without using a Board-authorized process are considered an obligation of the person making the purchase and not an obligation of the Board. Such processes are unauthorized and are subject to an administrative handling fee and or suspension of purchasing privileges.

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Legal References:

Education Act S. 286 Duties of Supervisory Officers

Ministry of Finance BPS Supply Chain Guideline

BPS Procurement Directive issued by Management Board of Cabinet April 1, 2011

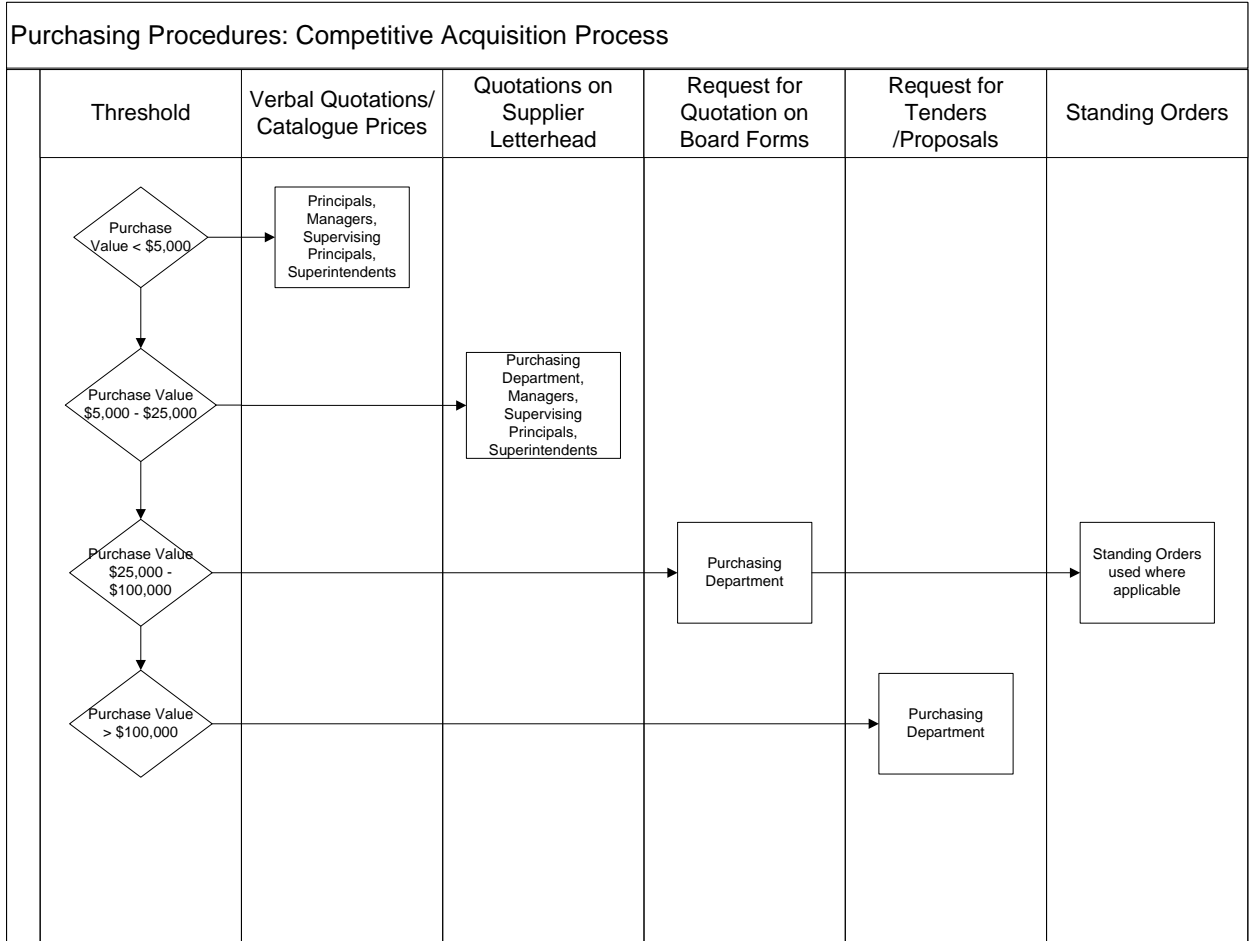
BPS Procurement Directive Implementation Guidebook issued by Ministry of Finance
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Appendix A



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Appendix B

