



ADMINISTRATIVE GUIDELINE

Title: Public Tendering

Effective Date: February 14, 2013

Responsibility: Superintendent of Business

Rationale:

It is the intent of the Near North District School Board to ensure that publically funded goods and services, including construction, consulting services, and information technology are acquired through a process that is open, fair and transparent.

Principles:

As a Broader Public Sector (BPS) organization, the Near North District School Board will embrace five key principals that will allow such organizations to achieve value for money while following a procurement process that is fair and transparent to all stakeholders:

- **Accountability**
Public organizations must be accountable for the results of their procurement decisions and the appropriateness of the processes.
- **Transparency**
Public organizations must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
- **Value for Money**
Public organizations must maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total lifecycle cost.
- **Quality Service Delivery**
Front-line services provided by Board must receive the right product, at the right time, in the right place.
- **Process Standardization**
Standardized processes should provide efficiencies and create a level playing field.

Purchasing Code of Ethics

The Board expects that all procurement decisions are guided by honesty, integrity, professionalism, and responsible management. All individuals involved in the purchasing or other supply-chain related activities must comply with the Board's Purchasing Code of Ethics and the laws of Canada and Ontario.

Refer to Appendix # 1 for the Purchasing Code of Ethics.

Conflict of Interest

In procurement activities with suppliers seeking to do business with the Board, staff is responsible for using good judgment and to avoid situations which may present a conflict of interest.

No employee on behalf of the Near North District School Board shall knowingly purchase on behalf of the Board any goods or services from a supplier that is owned or operated by an employee of the Board or by a relative of an employee of the Board (including parent, child, spouse, partner, sibling, in-law). No employee nor trustees shall have a pecuniary interest, either directly or indirectly, in any contract with the Board or with any person acting for the Board in any contract for the supply of goods or services for which the Board pays or is liable, directly or indirectly. Such supplier, or employee, could be perceived to have a direct influence on the use of a particular good or service by the Board.

In procurement activities with suppliers, staff must declare a conflict of interest if the circumstances could give, or be perceived to give a supplier an unfair advantage. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.

All Board staff must adhere to Section 217 of the *Education Act* regarding the promotion or sale of goods and services of the Board.

Criteria for Dollar Limits on Purchases related to Quotations, Tenders and Proposals

The following dollar limits indicate the competitive purchasing process to be followed by all staff when acquiring supplies and services:

\$0 - \$100	Petty Cash
\$0 - \$1,500	Board Purchasing Card (Limits vary with positions of authority)
\$0 - \$3,000	Purchase order. No quotes required. Purchase must be within the authority and budget limits ensuring that the acquisition of such goods and services has encouraged open, fair and competitive pricing and that such is in the best interest of the Board.
\$3,001 - \$30,000	Purchase order. Three (3) written quotations on firm's letterhead to be provided to purchasing department prior to purchase being made. If deemed to be a sole/single source initiative, written explanation supporting the sole/single source procurement is submitted to Superintendent of Business for review and approval.
Over \$30,000	Tender or Request for Proposal (RFP).

	<p>Tenders and RFP’s over \$30,000 are to be advertised and posted on Board website, local area newspapers, or other appropriate locations. Vendor responses are to be sealed.</p> <p>Tenders and RFP’s over \$100,000 are to be advertised or posted on nationally accessible electronic tendering website.</p> <p>If deemed a sole/single source procurement, written explanation supporting the sole/single source procurement is submitted to Superintendent of Business for review and approval.</p>
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The Board reserves the right to accept or reject any or all bids, quotations, tenders and proposals, in whole or in part, submitted by suppliers in accordance with the terms and conditions of the bid and the Board’s policies and procedures, and the lowest or any bid will not necessarily be accepted.

Procurement documents and other pertinent information must be retained for seven years. Information provided by suppliers should be considered confidential and commercially sensitive. Use and distribution of the information provided should be restricted to those involved in the procurement process and must be kept in a secure location such as a locked file cabinet, when not in use during and after the procurement process.

Signing Authorities – Approval Authority Schedule (As approved by Board)

Superintendents, school administrators and managers are responsible for their budgets. They can make purchases of goods and services on behalf of the Board in accordance with the purchasing policies of the Board within their approved budgets as approved by the Board of Trustees and subject to the following Commitment Approval Authority Schedule:

Commitment Approval Authority Schedule:

Board of Trustees	Over \$300,000
Director of Education	\$100,000 to \$300,000
Superintendent of Business	Up to \$100,000
Superintendent of Support Services	Up to \$100,000
Superintendents of Program	Up to \$50,000
Managers	Up to \$30,000
Principals	Up to \$10,000
Other staff as delegated by primary budget holder	Up to \$3,000
Facility and Maintenance Supervisors	Up to \$10,000

All multi-year contracts – any contracts extending over a one year period will require Board approval regardless of the value of the contract.

If an individual department has a unique structure, the Superintendent of Business must approve the signing authority that is being requested outside of the above mentioned staff. In addition, contracts or purchases shall not be divided to avoid the requirements of the purchasing policy.

Request for Tender (RFT)

A document used to invite sealed supplier responses to supply goods or services based on defined performance and product specifications, defined terms and conditions, and stated delivery requirements.

Request for Proposal (RFP)

A document used to invite sealed responses from suppliers to propose solutions for the supply and delivery of complex products or services, or to provide alternative options or solutions. It requires proponents to apply their best judgement and knowledge in order to fulfil the RFP requirements. The RFP process uses evaluation criteria in which price is not the only factor, and which may be subject to further negotiation prior to final award.

Request for Quotation (RFQ)

A request for prices on specific goods or services from selected vendors which are submitted verbally, in writing, or transmitted by facsimile or email as specified in the RFQ.

Request for Supplier Pre-Qualification (RFSQ)

A request for supplier qualification enables the Board to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions. Terms and conditions of the RFSQ document must contain language that disclaims any obligation of the Board to call on any supplier to provide goods or services as a result of the pre-qualification.

Vendors of Record (VOR) Arrangements

May want to consider establishing VOR arrangements with suppliers to:

- Increase procurement process efficiency, and
- Obtain consistent competitive prices for identified goods and services

Would need to determine business need based on frequency of purchases, volume, ceiling prices of arrangement, etc.

Criteria for Dollar Limits on Purchases of Consulting Services (As approved by Board)

The following dollar limits indicate the competitive purchasing process to be followed by all staff when acquiring consulting services. The following Procurement Approval Authority Schedule outlines procurement method, procurement value and approval authority:

Procurement Approval Authority Schedule for Consulting Services:

Procurement Value:	Procurement Method:	Approval Authority:
\$0 - \$30,000	<p>Invitational Competitive:</p> <p>Minimum of 3 written quotations on supplier’s letterhead or through a Request for Quotation (RFQ) process conducted by Board, school, department or by purchasing, or in consultation with purchasing. If deemed to be a sole/single source initiative, written explanation supporting the sole/single source procurement is submitted to the Superintendent of Business for review and approval. .</p>	Refer to Commitment Approval Authority Schedule
Over \$30,000	<p>Open Competitive</p> <p>Request for Tender (RFT) or Request for Proposal (RFP). Issued to invited vendor list and/or advertised on Board website, local area newspapers, or other appropriate location. Vendor responses are sealed. RFT’s and RFP’s over \$100,000 are to be advertised or posted on a nationally accessible electronic website. If deemed to be a sole/single source initiative, written explanation supporting the sole/single source procurement is submitted to Superintendent of Business for review and approval.</p>	Board of Trustees
\$0 - \$1,000,000	Non-competitive (exemption-based only)	Board of Trustees
\$1,000,000 or more	Non –competitive (exemption-based only)	Board of Trustees

Exemptions

Competitive bidding requirements may be waived for the following purchases:

- a) Library books, textbooks and publications.
- b) Goods and services available only from a sole source which means that there is only one known source of supply for the goods or services.
- c) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- d) Where expenditure is mandated by a municipality or other body (e.g., building permit, utilities).
- e) Subject to proper authorizations, in cases where the Ministry of Education or other entity provides special grant funding for specific projects, and where grant money must be spent within a timeline that does not allow for the normal process to occur.
- f) Due to market conditions, goods or services are in short supply.
- g) The Board may participate in cooperative purchasing groups such as the Ontario Educational Cooperative Marketplace (OECM) or The Educational Computing Network of Ontario (ECNO) when it is in the best interests of the Board through cost savings or efficiencies.
- h) In cases of emergencies, the Director of Education or designate has the authority to obtain goods or services in the most expedient manner possible regardless of the amount. When an emergency exists, the Director of Education or designate will inform the Chair of the Board regarding the action taken. Emergencies are defined as circumstances or situations beyond the Board's control which have the potential of affecting the health or safety of students or personnel, or will result in undue financial loss.

Negotiation:

In addition to the above exemptions, purchase by negotiation may be used with the approval of the Director of Education if any of the following conditions exist:

- a) Two or more identical low bids have been received.
- b) All bids fail to comply with the specifications, tender terms and conditions.
- c) The extension or revision of an existing contract would prove more cost effective or beneficial to the Board.
- d) A sole source situation exists where there is only one known source of supply for the goods or services.
- e) When only one bid is received through the tendering process.
- f) Purchase of an item where compatibility with an existing product, service or program is an overriding consideration.

Board Approval Requirements

1. All contracts involving the acquisition or disposition of real property of the Board.
2. All contracts with a term exceeding one year.
3. All contracts with a value of \$300,000 or greater.
4. Composition listing of capital projects that are part of annual Ministry funding for School Renewal and School Condition Improvement grant allocations or other capital grant allocations.

Capital Projects

Public tenders or requests for proposal shall be called for construction contracts of new schools, additions, and major renovations.

Capital projects are not to commence until after the Board has approved the current year's budget as well as approved detailed lists for School Renewal and Condition Assessment projects.

Change Orders for Capital Projects

Prior to any change order being issued, the Manager of Plant will budget each project and provide documentation to the Superintendent of Business or Superintendent of Support Services. If for any reason it is anticipated that a project cost will exceed its original budget a detailed summary shall be provided by the Manager of Plant for consideration and subsequent approval.

Any requests for changes during a project resulting in change orders must under all circumstances be approved prior to work commencing. The Commitment Approval Authority Schedule is to be followed for authorization of all change orders.

Vendor Suspension/Removal from Pre-Qualified or Vendor of Record List

The Superintendent of Business may through written notification suspend a vendor from participating in any Board request processes if any of the following causes occur:

- a) Unsatisfactory performance on Board contracts, failure to respond promptly to service calls.
- b) Poor delivery, failure to deliver, under or over shipments.
- c) Failure to abide by contract terms and conditions or failure to meet specifications.
- d) Making unauthorized substitutions.
- e) Continuous billing errors.
- f) Poor quality or workmanship.
- g) Conviction of the business or an officer or principal shareholder of the business, of a criminal offence in connection with obtaining, attempting to obtain or performance of a contract or subcontract.
- h) Bankruptcy.
- i) Unethical practices or violation of Board policies.

Operational Procedures:

Procedures for Publically Advertised Tenders or Requests as indicated above.

For all purchases requiring public procurement, a formal procurement process must be conducted, led by the initiating administrator in conjunction with the purchasing department. The Purchasing Department will assist in formulating and issuing Request for Tender (RFT) or Request for Proposal (RFP) based on specifications developed in consultation with the applicable departments. The RFT or RFP process shall be as follows:

1. The initiating departmental administrator is the lead of their department RFT or RFP and as such is to provide the Purchasing Department with the necessary specifications and RFT or RFP details that are to be contained in the RFT or RFP.

2. The Purchasing Department will assist in formulating and issuing an RFT or RFP based on specifications and RFT or RFP details as provided in (1) above.
3. All public RFT's or RFP's must be advertised by the Purchasing Department in a medium that will provide the best coverage across the geographical region of the Board. Open procurement calls in excess of \$100,000 must be advertised through an electronic tendering system that is readily accessible by all Canadian suppliers.
4. The Supervisor of Purchasing is the sole contact for receipt of questions relating to any RFT or RFP and as such is responsible for the documentation of such questions to be subsequently followed up with initiating departmental administrator.
5. The initiating departmental administrator is responsible for addressing any questions arising out of (4) and providing written responses to the Supervisor of Purchasing. The Supervisor of Purchasing will then distribute such written responses to all vendors registered as receiving the respective RFT or RFP.
6. RFT or RFP documents will state the date, time and location of the opening meeting, and will include an invitation to bidders to attend the meeting.
7. The Supervisor of Purchasing shall arrange the location of the RFT or RFP opening meeting.
8. Sealed RFT or RFP documents when received shall be delivered unopened to the Purchasing Department. RFT or RFP documents will not be accepted by fax or email. All documents shall be date and time stamped when received by the Purchasing Department.
9. The Purchasing Department shall keep all tenders or requests in a secure file until the opening.
10. The Supervisor of Purchasing along with one other witness shall be present to open and record the RFT or RFP documents received.
11. Where necessary a committee shall be established to review the RFT or RFP documents received. The committee shall consist of the Supervisor of Purchasing; the initiating administrator concerned and one other staff member as selected by the initiating administrator. The committee may also at its discretion have other individuals present to provide additional expertise.
12. All RFT or RFP request openings shall be open to concerned participating parties as well as persons as established in (10) above.
13. Only the Director of Education or designate shall be allowed discretion outside of the competitive procurement process when an item is urgently needed in an emergency situation.
14. The Purchasing Department shall use an appropriate RFT or RFP listing sheet showing the names of the bidders, date and time of the opening and other pertinent information. The RFT or RFP listing sheet is to be initialed by the Supervisor of Purchasing and one other witness present.

15. The Supervisor of Purchasing shall ensure that the submitted RFT or RFP documents conform to all stipulated conditions. Any circumstances or conditions that might invalidate the tender or requests may be listed.
16. Upon completion of the opening, the Supervisor of Purchasing shall have all bids summarized.
17. The purchaser reserves the right to accept or reject any quotation whether or not it meets the required specifications or is the low bid.
18. Where applicable, the committee members within a reasonable time of opening a RFT or RFP submission document will review the RFT or RFP submission and prepare a recommendation to the Superintendent of Business for approval, if warranted. If such approval is not necessary, the committee will award the successful candidate.
19. Where the lowest tender meets all the specifications, conditions, and requirements of the Board, the administration is authorized to accept and award that tender. If other than the lowest tender is recommended for acceptance, a report providing information and a recommendation with supporting reasons will be placed before the Superintendent of Business for consideration and approval.
20. The Superintendent of Business or Supervisor of Purchasing shall notify the successful bidder as soon as possible after the tender or request for proposal has been accepted.
21. The name of the successful bidder and the accepted prices will be available to the unsuccessful bidders by either visitation to the Board office, by phone or by email. This information will be provided to Trustees monthly as part of the agenda of regular board meetings as pertains to tenders awarded.
22. All RFT or RFP submission documents arriving at the Board office/purchasing department after the indicated closing hour will not be opened. They shall be stamped with the date and time of arrival and clearly marked “LATE ARRIVAL – NOT ACCEPTED”. The unopened envelopes will be taken to the tender or requests opening meeting, where the late RFT or RFP submission documents will be announced and noted in the record. Following the meeting all late arrival – not accepted RFT or RFP submitted documents shall be returned to the sender “unopened”.
23. If, after all factors considered, any bids for equipment, materials, supplies, or services are identical, the award will be made at the discretion of the tender committee or Superintendent of Business where warranted.
24. The Purchasing Department shall retain RFT or RFP documentation in accordance with the approved Near North District School Board Retention of Records Policy and Ministerial legislation as it pertains to retention of such records.

Requests for Proposal (RFP)

The RFP provides a special procedure to obtain goods and services on a competitive basis where the specifications and technical details cannot be clearly defined as in the tendering process. The Purchasing

Department will assist in the development of the RFP in consultation with the department requiring the goods or services.

The issue and receipt of requests for proposals will be handled in the same fashion as tenders. The committee evaluating the proposals will take into consideration **all relevant evaluation criteria as pre-established in an evaluation matrix including but not limited** to the capability of the firm, its personnel, experience, past performance and level of expertise. Competitive procurement documents used in the RFP process must clearly outline mandatory, rated, and other criteria that will be used to evaluation submissions, including weight of each criterion.

- a) The initiating departmental administrator is also responsible for the development of the evaluation matrix to be utilized in assessing the requests for proposal. The Supervisor of Purchasing and Purchasing Department are available to provide assistance, if needed.
- b) The committee members within a reasonable number of days of opening a request for proposal document will review, assess and complete the evaluation matrix and prepare a recommendation to the Superintendent of Business for approval, if warranted. If such approval is not necessary, the committee will award the successful candidate.

Tenders and Requests for Proposal – Disclosure of Information

The results of all tenders and requests for proposal shall be available through the Board's purchasing department.

A binder with up-to-date tender and request for proposal bid results shall be maintained at the Purchasing Department.

The name of the successful bidder and the accepted price is public knowledge and is to be released in accordance with the Municipal Freedom of Information and Protection of Privacy Act. However, a request for this information can be made informally. It need not be made under the Act.

Appendix 1

Purchasing Code of Ethics

Goal:

The purpose of the Purchasing Code of Ethics is to provide all employees and trustees with a framework to guide them in the conduct of their responsibilities to ensure an ethical, professional and accountable supply chain. All Board employees involved in any aspect of purchasing or other supply-chain related activities must comply with the following Code of Ethics based on the Broader Public Sector Procurement Directive:

Personal Integrity and Professionalism

All individuals involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between BPS organizations, suppliers and other stakeholders.

Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publically endorsing suppliers or products.

Accountability and Transparency

Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

Compliance and Continuous Improvement

All individuals involved in purchasing and other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.