



ADMINISTRATIVE GUIDELINE

Title: Purchasing

Effective Date: January 22, 2013

Responsibility: Superintendent of Business

Rationale:

It is the intent of the Near North District School Board to acquire goods and services at an acceptable level of quality and in an efficient and timely fashion in order to support the educational goals of the system, while dealing with all vendors in a fair, equitable, consistent and transparent manner. The Board will utilize professional and ethical purchasing practices and procedures to obtain maximum value for funds expended in the support of its students and schools.

Principles:

Procedures shall be developed that will:

Ensure that goods and standards are maintained in the purchase of all goods and services;

Consider not only the price of goods and services but also quality, delivery, service, warranty, and reliability of the vendor;

Ensure economical and efficient expenditure of tax dollars by purchasing goods and services on a competitive basis at the lowest cost consistent with the quality required;

Provide a level of service to ensure goods and services are obtained within the time frame requirements of the Board schools and departments;

Avoid duplication, waste, and obsolescence through standardization where applicable with respect to all purchases;

Monitor and maintain consistency;

Provide controls that will ensure purchasing policies and procedures are followed by all personnel;

Adhere to appropriate Federal and Provincial legislation, regulation, standards and guidelines, including Ministry of Finance Broader Public Sector Procurement Directive.

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 are 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.

Responsibilities

The Superintendent of Business shall have the overall responsibility for establishing and maintaining this policy.

It is the responsibility of the Superintendent of Business to implement and administer this policy, and establish appropriate purchasing guidelines and procedures consistent with this policy.

It is the responsibility of each Senior Administrator, Principal, Department Manager and Supervisor to ensure that his/her staff are appropriately informed and comply with the Board's purchasing policy and procedures, and to ensure staff adhere to them.

The Board will ensure that the purchasing function is performed with:

- a) Open competitive bidding on the acquisition of goods and services.
- b) A high level of service to all schools and administrative departments.
- c) The required quality of products and services through purchase, lease or rental at the lowest total acquisition cost from the most responsive and responsible vendor. The lowest of any submission shall not necessarily be accepted.

This policy applies to all personnel involved in the procurement of goods and services on behalf of the Board.

Schools, administrative departments, individuals and groups' fundraising under the umbrella of the Board will operate in accordance with proper purchasing and cash handling procedures and within approved budgets.

Unauthorized Purchases

Purchases made in the name of the Near North District School Board without proper authorization, without an authorized purchase order or in contravention of this policy, may be considered an obligation of the person making the purchase and not an obligation of the Board.

General Purchasing Direction

The following outlines the methods by which a purchasing transaction can be carried out:

- Petty Cash (up to \$100) – refer to Administrative Guideline – Petty Cash
- Board Purchasing Cards – refer to Administrative Guideline – P Cards
- Purchase requisitions/purchase orders
- Local and out-of-town travel expense claims

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). Refer to Administrative Guideline – Public Tendering.

For purchases where the total value of the order(s) is over \$3,000 and less than \$30,000 the purchasing department may be contacted to assist with the obtaining of respective quotations. The purchasing

department in conjunction with the authorized person responsible for the purchase shall determine the successful supplier. The three written quotations obtained are to be retained with the Purchase Order in the purchasing department. Exceptions may be permitted when it is neither practical nor possible to obtain such pricing (i.e., cases where the product is available from a limited number of suppliers). However such exceptions must be documented on the purchase order with approval obtained by the Superintendent of Business or “designates” prior to the purchase occurring.

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

Procedures associated with these levels are established through the Purchasing department. 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.

Purchase Requisitions

Every purchase with the exception of purchases made by petty cash or purchasing card must be made by means of a purchase requisition/purchase order.

Items such as emergency purchases, all periodical subscriptions and renewals, the purchase of items on approval for preview, long-term rental commitments and service contracts require completion of respective purchase requisition or purchase order form and approval prior to the purchase actually being incurred.

The Purchasing Department may change the originator’s specification if the item is no longer available, or if another manufacturer or model might possibly fill the requirement to better advantage, either in end use or price. In such instances, the originator will be consulted.

The requisition will be verified for availability of budget funds in the Finance Department and then processed by Purchasing Department into a purchase order. The purchase order will be sent to the Supplier by the purchasing department.

Goods for Previewing or On Approval

When purchasing items on approval for preview, e.g. Books, kits, etc. normal purchasing procedures must be followed and a requisition should be submitted to purchasing. There must be a quote on the requisition indicating that the items are for “approval” and must indicate “right of return” on the purchase order. If items are then later returned, please advise the purchasing department. The person requesting the purchase is responsible for returning the materials.

Principal’s Account for Expenditures relating to School Generated Funds Money:

A parents’ group, student council, principal or another group may wish to purchase supplies and/or equipment such as playground equipment, music equipment, etc. for the school from fund-raising monies utilizing the Board’s purchasing department in order to take advantage of any HST rebates.

When planning the expenditure of such monies, schools must complete and submit a purchase requisition for the items required. When the cost of the item(s) has been determined by the purchasing department, the individual or group will be advised to make payment in full for this amount to the finance department indicating on the back of the cheque the purchase order number covered by the payment. It is expected that full payment for such purchases will be forwarded to the finance department simultaneously with the request for the respective purchase order number. The administrator or designate must ensure that all materials ordered meet safety requirements (e.g., hazardous substances, CSA standards, OFM standards) and are authorized for use according to Board Policy and Administrative Procedures.

Blanket/Standing Orders

On the basis of an analysis of past purchases, it may be determined that one purchase order number for the fiscal year would be an efficient manner to purchase. The purpose of the standing order is to reduce the cost of issuing and handling small dollar value purchase orders. The standing order will be used for repetitive purchases of goods and services such as bus trips throughout the year, utility bills, photocopy charges or telephone charges for the year.

The responsibility for the appropriate use of the standing order is assigned to the staff responsible for the budget of their respective school or department.

Emergency Procedure – Confirming Purchase Orders

Will only be used for the purchase of emergency supplies or services by a Supervisory Officer or his/her delegate where the immediate purchase is essential to prevent danger to life, damage to property or disruption of work or education services.

Periodical Subscriptions

A requisition for subscriptions for renewal or new subscriptions should be submitted to the purchasing department via purchase requisition.

Long-Term Rental Commitments

All long-term rental commitments and service contracts are not to exceed a period of 60 months. All contracts entered into by the Board are to be endorsed and approved by the Board. The only signing

authorities of the Board are the Chair of the Board of Trustees and either one of the Director of Education or Superintendent of Business.

Environmental Consideration

Where appropriate, purchasing staff and end user departments and schools will strive to source, promote and support environmentally friendly products and services.

Industry Safety Standards

All goods and services purchased by the Board must comply with current Federal, Provincial and Municipal legislation, regulations and standards, and all Board requirements related to Health and Safety.

Exempt Purchases/Payments:

The following purchases/payments will not require a purchase requisition/purchase order:

- Conference expenses
- Local and out-of-town expense claims
- Meals as submitted with receipts on expense claims
- Petty cash items
- Purchases made with Board purchasing cards
- Membership fees
- Emergency purchases (upon approval)
- Professional fees (auditor, legal, labour relations, etc.)
- Reverse tuition fees
- Purchases specifically authorized by the Board.
- Other as approved by appropriate Supervisory Officer or Director of Education.

Receiving of Goods and Services

In order to ensure that payment is made for goods received or services obtained, immediately upon receipt of goods, check for shortage or damage.

Acknowledge receipt of goods is to be completed electronically in Auto-Receipting function of K12 Accounting System. Where appropriate, acknowledgment of receipt of goods or services received can be acknowledged on appropriate forms and sent to Accounts Payable, noting thereon amounts received or confirmation of services received.

Outstanding Purchase Orders and Closing Purchase Orders

Open Purchase Order Reports contained within the K212 accounting system should be run periodically to monitor status of open purchase orders and close if necessary. To close purchase orders notify purchasing of purchase orders to close. These orders should be closed to release the committed amounts. Releasing committed funds reverses commitment of budget dollars making available for other uses.

Likewise if a purchase order has been cancelled, the Purchasing Department should be notified in order that the purchase order is cancelled accordingly.

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.