



## ADMINISTRATIVE GUIDELINE

**Title:** Purchasing

**Effective Date:** January 22, 2013

**Responsibility:** Superintendent of Business

**Updated:** March 1, 2019

### 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/with the most economical use of funds expended in the support of its students and schools.

It is incumbent on 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**  
Organizations must be accountable for the results of their procurement decisions and the appropriateness of the process.
- **Transparency**  
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**  
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 the 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 honesty, integrity, professionalism, and responsible management guide all procurement decisions. 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 that may present a conflict of interest.

No employee 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 trustee 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 implementing and administering this policy, and establishing 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 as well as schools, administrative departments, individuals and groups' fundraising under the umbrella of the Board.

### **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.

### **Segregation of Duties**

At least three of the five functional procurement roles must lie with a different department or, at a minimum, with different individuals. Segregation of duties prevents any one person from controlling the entire procurement process. There are five typical functional procurement roles that require segregated approval: requisition, budgeting, commitment, receipt and payment.

<b>Functional Role</b>	<b>Responsibility</b>	<b>Accountable Party</b>
Requisition	Authorize the Purchasing Department to place an order	Senior Administration Principal Department Manager Supervisor
Budgeting	Authorize that funding is available to cover the cost of the order	Departmental budget holder
Commitment	Authorize release of order to supplier under agreed contract terms	Purchasing Agent and Buyer
Receipt	Authorize that the order was physically received, correct and complete	Receiver of goods
Payment	Authorize release of payment to supplier	Accounts Payable Department

## General Purchasing Direction

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

- Petty Cash (up to \$200) – refer to Administrative Guideline – Petty Cash
- Board Purchasing Cards – refer to Administrative Guideline – Purchasing 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:

Value of Procurement	Means of Procurement Excluding Taxes	
\$0-\$200	Petty Cash	Recommended
Varies	Board Purchasing Card (Limits vary with positions of authority)	Recommended for travel, and where a purchase order is not accepted.
\$0-\$10,000	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.	Recommended
Exception	If the value is under \$100,000 and deemed to be sole/single source initiative, written explanation supporting the sole/single source procurement is submitted to the Superintendent of Business for review and approval.	Required
\$10,001 - \$50,000	Request for Quotation (RFQ) Informal – which describes exactly the goods and services to be provided; the proposal evaluations based solely on price. Three (3) written quotations on firm's letterhead to be attached electronically with the requisition and submitted to the purchasing department.	Required

\$50,000 - \$100,000	<p>Request for Quotation (RFQ) – Formal/Sealed response.</p> <p>Three (3) written quotations on Board Bid Form to be completed with suggested suppliers by requesting department/school submitted to the Purchasing Department, Date and Time as prescribed. RFQ shall describe exactly the goods and/or services to be provided. The RFQ evaluations to be based solely on price. Award to be made in collaboration with Purchasing.</p>	Required
\$100,001- +	<p>Request for Tender (RFT) or Request for Proposal (RFP)</p> <p>Request for Tender (RFT) and/or Request for Proposal (RFP) are to be advertised and posted on the Board’s website, local newspapers, and available through an electronic tendering system that is readily accessible by all Canadian Suppliers nationally. Vendor responses are sealed. 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>	Required

For purchases where the total value of the order(s) is over \$10,000 and less than \$100,000 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 appended electronically to the requisition and retained with the Purchase Order. 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 \$50,000
Superintendents of Program	Up to \$50,000
Managers/Assistant Managers	Up to \$30,000
Principals	Up to \$10,000
Purchasing Supervisor	Up to \$10,000
Facility and Maintenance Supervisors	Up to \$10,000
Facilities Clerk	Up to \$3,000
Coordinators	Up to \$3,000
Executive Assistants	Up to \$3,000
Program Department (Coordinator) Secretary	Up to \$3,000
Special Education Department Secretary	Up to \$3,000
Teacher Resource Centre Supervisor	Up to \$3,000
IT Supervisors	Up to \$3,000

All long-term rental commitment 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.

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, in either end use or price. In such instances, the originator will be consulted.

The requisition will be verified for availability of budget funds by the requisitioner, subject to supervisor's approval 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:**

A School may wish to use School Generated Funds 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 an item 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**

Based on 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. Blanket orders for products purchased for classrooms such as woodworking & hospitality will be limited to \$1,000.00.

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**

Emergency purchases shall 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. Purchase orders are permitted to be issued after the purchase or service has been provided with the authorization of Superintendent of Business.

### **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 / Professional 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 K212 Accounting System and adhering to current receipting process in place as communicated by the Finance Department.



## **Outstanding Purchase Orders and Closing Purchase Orders**

Open Purchase Order Reports contained within the K212 accounting system should be run monthly 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. No participants must 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.