

	Lloydminster Catholic School Division – Administrative Procedures	
	AP 515 – Purchasing	
Related LCSD AP's	AP 500 – Budget AP 510 – Financial Accounting and Auditing AP 517 – Appendix B Purchase Card User Manual	
Form(s)		
References:	<i>The Education Act, 1995</i> sections, 85, 344 The Education Regulations, 2019 sections 72, 73 Annex 502.4 Agreement on Internal Trade Canadian Free Trade Agreement – Chapter Three: Parts A, B New West Partnership Trade Agreement - Article 14: 1(a)(c)	
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Background

The purchase of goods and services for Lloydminster Catholic School Division (LCSD) shall be conducted in accordance with the most current version and amendments of The Education Act, of the Province of Saskatchewan and/or Board Policy 2; and be consistent with the following basic principles:

Best Value	Purchase of goods and services at the best value to the division. Value is defined as the best possible combination of price, suitability, quality, availability, service, related administrative costs, disposal value and all other relevant factors.
Open Competition	Goods and services to be purchased through open competition wherever possible.
Tendering	The tendering practices shall be transparent and shall not discriminate.
Practices	Competition will be documented on purchases where required. Transparency and non-discrimination will be supported by placing all tendering requirements on a recognized public electronic tendering system.

Definitions

The following definitions are cited to ensure consistent interpretation of terms used in this administrative procedure:

Budget Manager – The specific positions within LCSD that have been given authority to approve expenditures from specific budgets. In schools, the principal is always the budget manager. A budget manager may delegate their authority, but cannot delegate their accountability.

Goods – Products that consist of tangible, durable or consumable items.

Services – Outputs that consist of tasks performed by individuals, service providers or consultants

Construction – A construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work add include site preparation, evacuation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in an incidental to the instruction, and the installation and repair of the fixtures of the building structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

Contract - a written document outlining terms and conditions for the purchase of goods and services, including rights and obligations of Lloydminster Catholic School Division and the supplier.

Purchase Order (PO) – A contract between Lloydminster Catholic School Division and supplier for the purchase of goods and services, including rights and obligations of Lloydminster Catholic School Division and the supplier.

Request for Tender - A formal structured invitation that allows suppliers to submit a bid to supply products and/or services. Notice of any tender is advertised locally and nationally where required by the New West Partnership Trade Agreement (NWPTA), the Canadian Free Trade Agreement (CFTA) and/or the Canadian-European Union Comprehensive Economic and Trade Agreement (CETA).

Request for Proposal - A formal request to suppliers to submit proposals for goods and/or services. The request may require technical expertise, specialized capability, or research and development where the product or service does not yet exist.

Quotations - A process where bids are received by request from qualified vendors or contractors selected by the Chief Financial Officer. Such quotations are received only up to a specified time and date, are not advertised and are not opened publicly.

Informal Quotation - A more informal process of securing price quotations from selected vendors either by facsimile or electronic mail with no specified closing time and date.

Standing Offer - A Government of Saskatchewan contract that extends to School Divisions providing for a vendor to supply specified products or services for a specified period of time with actual requirements to be determined, requested and delivered when and as required.

1. General Guidelines

- 1.1. The authority for the annual purchase of materials, equipment, supplies and services is approved by the Board through the adoption of the budget.
- 1.2. All purchases are to fall within the framework of budget limitations and be consistent with the approved educational goals and programs of the Division.
- 1.3. Purchasing authority is delegated to the Principal of each school relative to the school budget; to the Deputy Director, CFO, Superintendent or Supervisor(s) relative to the department budgets.
- 1.4. Purchases are to be done competitively without prejudice and are to seek maximum educational value for every dollar expended. All things being equal, the lowest price or tender shall be accepted.

- 1.5. In purchasing goods and services, practical considerations such as time constraints, availability of vendors, vendor reputation and experience, and the ability to provide after-sales maintenance and service must be weighed against the financial advantage of competitive buying.
- 1.6. Purchase is to be made locally whenever goods and services of equal quality at competitive prices are available.
- 1.7. All purchases are the property of the Division and shall not personally benefit the purchaser.
- 1.8. Subject to approval by the Director of Education, the CFO shall establish administrative procedures to govern the purchasing function and to indicate the employees who have been authorized to purchase on behalf of the Division.

Pecuniary Interest

No Division employee, in a position to recommend or influence purchasing of materials or services from any specific suppliers, should hold a significant interest in any company from which the Division makes purchases without adequate disclosure to the Director of Education. Nor should any member of an employee's immediate family hold such interest.

Procedures and Purchase Orders

1. Gift Cards

- 1.1. Gift Cards require a signed Purchase Order prior to purchase regardless if paid by Pcard or cheque.
- 1.2. Purchase Order to be signed by budget Manager and Chief Financial Officer.

2. School Purchases

Under \$5,000 in value:

- Schools may obtain goods and services up to a maximum of \$5,000 in value directly from a supplier
- Purchase Orders are not required for items below \$5,000 in value.

Over \$5,000 in value:

School purchases in excess of \$5,000 paid for by:

- Pcard do not require a Purchase Order prior to or after the purchase.
- Cheque requires a Purchase Order prior to initiating the purchase.
 - i. Principal and CFO are required to sign the Purchase Order.

(Exceptions: SCC hot lunches ordered by students do not require a purchase order)

Principal Discretion:

Principals may request the creation of PO's regardless of amount to:

- a. Track costs;
- b. Hold a quoted price by Vendor;
- c. Track product orders; or

- d. As required by vendor.

3. Transportation and Maintenance Purchases

- 3.1. The respective supervisors must assign a purchase order prior to the purchase if the dollar value of the purchase is greater than \$10,000
- 3.2. Purchases in excess of \$10,000 paid for by:
 - 3.2.1. Pcard do not require a Purchase Order prior to or after the purchase.
 - 3.2.2. Cheque requires a Purchase Order prior to initiating the purchase.
 - i. Supervisor and CFO are required to sign the Purchase Order.

Supervisors Discretion:

Supervisors may request the creation of PO's regardless of amount to:

- a. Track costs;
- b. Hold a quoted price by Vendor;
- c. Track product orders; or
- d. As required by Vendor.

4. Division Purchases

- 4.1. The Division will comply with the requirements of the New West Partnership Trade Agreement, the Canada Free Trade Agreement and/or the Canadian-European Union Comprehensive Economic and Trade Agreement. Purchasing goods and services required for the Division will be through competitive buying practices as specified below. Tenders/Proposals shall be requested in all of the following cases:
 - 4.1.1. Goods and service purchases over seventy-five thousand dollars (\$75,000) and construction over two hundred thousand dollars (\$200,000) shall be publicly posted on the Alberta Purchasing Connection and Sask Tenders websites.
 - 4.1.2. All publicly posted tenders/proposals must include the full tender documents prepared in accordance with appropriate protocol and careful business practice.
 - 4.1.3. The Chief Financial Officer deems it to be in the best interest of the Division; or it is a requirement of the Education Act.
 - 4.1.4. Quotations shall be requested when the value of the item is expected to be between ten thousand (\$10,000) and seventy-five thousand dollars (\$75,000).
 - 4.1.5. Quotations may be requested at the discretion of the Chief Financial Officer for items under the dollar value of \$10,000 that were not identified within the annually approved budget.
 - 4.1.6. Informal quotations shall be requested when purchasing goods and services up to the value of \$10,000. These quotations required as support for the creation of the local purchase order. Quotations received may be in writing or verbal.
 - 4.1.7. Where no competitive supply market exists, or it is considered in the best interests of the Division, the Chief Financial Officer shall employ such value analysis and negotiation

methods considered appropriate for obtaining acceptable material at the lowest possible cost.

- 4.1.8. Orders will not be "split" for the purpose of circumventing the limitations specified in this procedure.
- 4.1.9. Subject to the MASH Procurement Policy, where an item required has been previously tendered within the preceding six (6) months and there has been no increase in pricing, the manager is authorized to negotiate the purchase with the successful bidder from the previous tender.

4.2. Purchases in excess of \$10,000 paid for by:

- 4.2.1. Pcard do not require a Purchase Order prior to or after the purchase.
- 4.2.2. Cheque requires a Purchase Order prior to initiating the purchase.
 - i) CFO required to sign the Purchase Order

4.3. Supervisors Discretion:

- 4.3.1. Supervisors may request the creation of PO's regardless of amount to:
- 4.3.2. Track costs;
- 4.3.3. Hold a quoted price by Vendor;
- 4.3.4. Track product orders; or
- 4.3.5. As required by Vendor.

Annual Purchase Orders

Annual purchase orders may be used to authorize purchases from vendors and control budgets that have repetitive and somewhat predictable monthly charges. Annual purchase orders will be created by the Accounts Payable Clerk upon request.

Responsibilities and Authorities

1. The Chief Financial Officer is responsible for the general supervision of the purchasing function in the Division.
2. It is the responsibility of the principal/supervisor to ensure the appropriate general ledger budget code distribution has been assigned for each transaction.
3. The Chief Financial Officer or designate is authorized to affect all purchases and to dispose of all surplus equipment, furniture and materials and to establish procedures to ensure conformity with this purchasing procedure.
4. Purchase or lease of goods and services shall be initiated by properly authorized personnel.
5. The Chief Financial Officer shall have the responsibility for obtaining tenders and quotations and will review the information with the originator prior to placing the order if the cost exceeds the estimate given on the requisition.
6. The Chief Financial Officer or designate shall have the sole authority to execute purchase or lease contracts or purchase orders on behalf of the Division.

7. In order to gain advantages arising out of quantity buying, the Chief Financial Officer shall, whenever it is reasonably possible, coordinate common requirements from all schools and buy for the entire system at once.

Award of Contract

Normally all awards shall be made on the basis of the lowest price complying with all applicable specifications, but where appropriate, suitability, quality, availability, service, related administrative costs, disposal value and supplier's previous record of performance and service will be taken into account.

The Board has reserved approval of the awarding of all contracts and all capital projects in excess of one hundred thousand dollars (\$100,000) not previously approved in budget, and the financing of capital projects.

Confidentiality of Information

All tenders proposals shall be requested in sealed, marked envelopes. Names or numbers of bidders will not be released prior to the closing of tenders/quotations.

After an award has been made, the successful bidder's name and pricing detail will be released upon request and/or recorded within the Alberta Purchasing Connection or Sask Tenders website.

Under exceptional circumstances, when it is deemed to be in the best interests of the Division and suppliers, detailed pricing information will not be disclosed.

Conflict of Interest

No staff member of the Division shall purchase or lease any goods or services from or through the Division for personal use or gain. If any purchase or contract is made contrary to this Administrative Procedure the Division shall not be bound thereby.