

# PURCHASING

## Background

Purchases of materials, supplies, and equipment are to be made in accordance with principles and procedures designed to acquire best value for Prairie South School Division.

## Procedures

### 1. Definitions

The following definitions are cited to ensure consistent interpretation:

- Formal Competitive Bid – A process requiring the invitation to bid to be advertised in such media as is required by the *Education Act 1995*, and applicable trade agreements (New West Trade Partnership Agreement, Canada Free Trade Agreement, Canada European Trade Agreement). This term would include tenders and requests for proposals
  - Formal Tender – A formal process for obtaining sealed bids from competing organizations where the specific goods or services required can be clearly defined and bidders cannot suggest alternatives.
  - Request for Proposal – A formal process for obtaining sealed proposals from competing organizations and evaluating those proposals against stated requirements, using a predefined evaluation process and a predefined set of evaluation criteria in which price is not the only factor and bidders have the ability to suggest alternatives or propose solutions. The process can include negotiation and the request for a best and final offer.
- Written Quotation – A less formal process requiring selected vendors to submit written quotations.
- Purchase Card – A type of credit card which includes management features available to the division issued by the division to chosen staff.
- Local Purchase Order – A legal contract between the school division and a vendor that gives the vendor authority to ship and charge for the goods specified in the order.
- Standing Order – A contract that provides 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.

## 2. Processing Purchases

- 2.1 A formal competitive bid is required when:
- The Director of Education deems it to be in the best interests of the school division; or
  - It is a requirement of *The Education Act, 1995*; or
  - It is required by a trade agreement covering the MASH sector.
  - Competitive bid processes should meet the requirements of the applicable trade agreements.
  - Competitive bids will be required for the purchase, lease or other acquisition of an interest in real or personal property for the purchase of building materials for the provision of transportation services and for other services exceeding \$75,000 and for the construction renovation or alteration of a facility and other capital works authorized by the Education Act 1995 exceeding \$200,000.
- 2.2 A minimum of three (3) written quotations should be requested when:
- The value of the item is expected to be between \$15,000 and \$75,000; or
  - The Director of Education deems it to be in the best interests of the school division.
- 2.3 Goods and services up to an aggregate cost of \$15,000 may be purchased directly by the applicable Budget Manager utilizing a local purchase order. Where possible contracts will be negotiated centrally and Budget Managers or their designate will order directly from that supplier. Goods and services obtained through the formal tender process are excluded from this authority.
- 2.4 Goods and services up to an aggregate cost of \$5,000 may be purchased by an authorized purchase card holder utilizing a purchase card. Exceptions must be cleared through the business department. Where a centrally negotiated contract is in place goods and services covered by that contract must still be purchased from the contracted vendor. Purchase card use should be maximized where use of the card does not impact price or conflict with other purchasing admin procedures.
- 2.5 It is expected that all requirements for goods and services purchased through the formal competitive bid process will be ordered by the schools and the Budget Managers at the time of the formal tender.
- 2.6 The lists of goods and services to be obtained through the formal competitive bid process is to be subject to an annual review to determine items of inferior quality and/or items to be added or deleted.
- 2.7 The Superintendent of Business has the lead responsibility for conducting formal tenders.
- 2.8 All equipment as defined by OH&S legislation purchased for use in PSSD facilities must be commercial grade and/or CSA approved where applicable.
- 2.9 In those cases where the competitive bid process is utilized, consideration is to be given to process, quality, and the supplier's reputation, as evidenced by previous performance and service.

- 2.10 Where no competitive supply market exists, or it is considered in the best interests of the Board, purchasing practices are to employ such value analysis and negotiation methods considered appropriate for obtaining acceptable materials at the lowest possible price.
- 2.11 The Government of Saskatchewan secures standing offers on various items from vendors that the school division can opt to purchase from. If a purchase is made from the approved vendor listing of the Government, then the requirement to obtain three (3) quotes for purchases over \$15,000 or a formal competitive bid over \$75,000 is waived. If a purchase is made from such an agreement, a note should be included with payment approval indicating that the purchase was made from the standing offer.
- 2.12 Another school division or group of school divisions may complete a competitive bid process where the successful proponent extends this same pricing to other school divisions. The Superintendent of Business Administration may approve these purchase(s) from the successful proponent and the requirement to obtain three quotes for purchases over \$15,000 or a request for proposal over \$75,000 is waived. If a purchase is made from such an agreement, a note should be included with payment approval indicating that the purchase was made from that bid agreement.
- 2.13 All goods and services up to \$15,000, not purchased through a competitive bidding process, are to be obtained through the use of a p-card or an approved purchase order. Where a vendor has an electronic ordering system and that system allows access to school division discounts, orders may be placed directly on the system without the use of a purchase order. Where possible charges will be set up to go to a school division p-card.
- 2.14 Purchasing processes, forms, and services are to be utilized only for authorized school division business.
- 2.15 No school division employee utilizing purchasing processes is to accept any gift or benefit, whether in the form of goods, services, loans, or favours, from any individual, organization, or corporation which is interested directly or indirectly in dealings with the Division, subject to normal exchange or hospitality between persons doing business together.

### **3. Membership Purchase Agreements**

- 3.1 Where it is deemed beneficial Prairie South School Division may enter into membership agreements with organizations that do group tenders on behalf of their members. The membership organization must adhere to procurement guidelines as outlined in this administrative procedure and the trade agreements.
- 3.2 These agreements shall be evaluated and approved by the Superintendent of Business.
- 3.3 If a membership agreement is signed, any competitive bidding requirements are deemed to be met.

- 3.4 If a purchase is made from such an agreement, a note should be included with payment approval indicating that the purchase was made from the membership agreement.

#### **4. Responsibilities and Authorities**

- 4.1 The Board of Education has delegated authority for the award of competitive bids to the Director of Education or designate except where bids received for capital projects exceed budget. In this case the Board reserves the authority to accept/reject those competitive bids. A report of competitive bids awarded since the previous Board Meeting will be prepared for each regularly planned Board meeting as an information item.
- 4.2 The Superintendent of Business is responsible for purchasing practices and procedures.
- 4.3 The Superintendent of Business has the authority to revise requisitions according to established standards, provided such revisions are discussed with the requisitioner.
- 4.4 Purchases may be authorized only by budget managers in the person of the Director of Education, Superintendents, managers, and principals. Budget managers can delegate authority to authorize purchases within certain limits.

Reference: Sections 69, 85, 87, 344, 354, 355 Education Act  
Education Act Regulations Section 83.1, 83.3

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