

# North East School Division - Administrative Procedures



## AP 706 Purchasing

### References:

The Education Act, 1995  
New West Partnership Trade Agreement, 2010 (NWPTA)  
Canadian Free Trade Agreement (CFTA)  
Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

### Related:

AP 702 – Budget

### Tracking:

Revised - June 2016  
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Revised - Jan 2021  
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Revised – Sept 2022  
Revised – April 2024

**Status:** For Board Approval – May 2024

## PURCHASING

Purchases of materials, supplies, and equipment by the Board are to be made in accordance with principles and procedures designed to acquire best value for the school division.

## PROCEDURES

### 1. Definitions

The following definitions are cited to ensure consistent interpretation:

- *Formal Competitive Bid*—A process requiring the document be posted publicly on SaskTenders.ca.
- *Request for Proposal (RFP)*—A formal process for obtaining offers 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.
- *Request for Quotation (RFQ)*—A formal or informal process requiring vendors to submit written quotations.
  - a) Formal RFQ – May be utilized when the value exceeds \$75,000 for goods and services or \$200,000 for construction. Must be posted publicly.
  - b) Informal RFQ – Utilized when the value is between \$10,000 and \$75,000 for goods or less than \$200,000 for construction. Selected vendors submit written quotations.
- *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 Purchase 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.
- *Good* – means a good that is produced, manufactured, grown or obtained in, used for a commercial purpose in, or distributed from.
- *Service* – means a service supplied or to be supplied.
- *Construction* - means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a 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.

- *Memberships* – means a contract whereby NESD enters into agreement to allow for bulk purchasing arrangements.
- *Prequalified Consulting Services* – The school division has completed a request for proposal process to short-list vendors that would provide similar services.

## 2. Processing Purchases

a) *Formal Competitive Bid* is required when:

- The Director of Education, or designate deems it to be in the best interests of the school division; or
- It is a requirement of *The Education Act, 1995* and *The Education Regulations, 2019*; or
- It is a requirement of the *New West Partnership Trade Agreement, 2010*, *Canadian Free Trade Agreement*, or *Canada-European Union Comprehensive Economic Trade Agreement* for goods, services and construction.
- All *Formal Competitive Bid* processes are to be administered by the Business Manager.

A *Formal Competitive Bid* process for goods or services valued at \$75,000 or more and at \$200,000 or more for construction will require posting on the [SaskTenders.ca](http://SaskTenders.ca) website. See threshold table below:

MASH SECTOR	New West Partnership Trade Agreement <i>Part II, Article 14.1 (c)</i>	Canadian Free Trade Agreement* <i>Article 504.3 (b)</i>	Canada-EU CETA** <i>Annex 19-2</i>
Goods	\$75,000	\$133,800	\$353,300
Services	\$75,000	\$133,800	\$353,300
Construction	\$200,000	\$334,400	\$8,800,000

\*The procurement thresholds for the Canadian Free Trade Agreement are adjusted with inflation by the Internal Trade Secretariat in accordance with Annex 504.4 of that Agreement. The values above are for the years 2022-2023

\*\*The procurement thresholds for the World Trade Organization (WTO) Agreement on Government Procurement, the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership are periodically adjusted to account for changes in currency strength. The values above are for the calendar years 2022-2023. The Canadian-U.K. Trade Continuity Agreement means that CETA procurement obligations and thresholds continue to apply to the United Kingdom.

b) Prior to July 1, 2024: a minimum of three (3) written quotations shall be requested (and a minimum of two (2) received) when:

- The value of the item(s) is expected to be between \$10,000 and \$75,000 for good and services; or
- For the Facilities Department, the value of the services is expected to be between \$40,000 and \$75,000;
- The value is between \$10,000 and \$200,000 for construction; or
- The Director of Education or designate deems it to be in the best interests of the school division.
- A quote is not needed for prequalified consulting services.

c) Starting July 1, 2024: a minimum of three (3) written quotations shall be requested (and a minimum of two (2) received) when:

- The value of the item(s) is expected to be between \$10,000 and \$75,000 for goods; or
- The value is between \$50,000 and \$200,000 for construction (excluding services); or
- The Director of Education or designate deems it to be in the best interests of the school division.
- A quote is not needed for prequalified consulting services.

- d) Goods up to an aggregate cost of \$10,000 may be purchased directly by budget managers. Goods obtained through the *Formal Competitive Bid* process are excluded from this authority.
- e) Purchase orders are a legal contract with the vendor and are required for purchases of goods greater than \$5,000 for terms less than one year, when a purchase card is not used. For multi-year purchases, refer to clause l).
- f) For purchases not requiring a purchase order (purchases less than \$5,000), authorization for payment will be indicated by an authorizing individual signing the invoice. An authorizing individual must be identified on the 'Designated Signing Authorities' document.
- g) 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.
- h) For purchases that have only a single source provider prior approval is required from the Business Manager. If approval is granted a purchase order is still required for schools and departments based on the threshold limit identified in 2(d). However, if the purchase is over \$10,000, the requirement to obtain three (3) quotes is waived. A quote is still required from the single source provider, and a note on the invoice must be made indicating that the vendor is the sole source provider of the item being purchased.
- i) The Government of Saskatchewan secures pricing on various items from vendors that the school division can opt to purchase (i.e. standing offers). If a purchase is being made from the approved vendor listing of the Government, then the requirement to obtain three (3) quotes for purchases over \$10,000 or a request for proposal over \$75,000 is waived. A note on the invoice must be made indicating that the purchase was made from the Government of Saskatchewan's listing (standing offer). If possible, proof of the standing order should be provided.
- j) Another school division or group of school divisions may complete a procurement process consistent with the guidelines noted in this administrative procedure. The successful proponent, as a result of this process, may extend 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 \$10,000 or a request for proposal over \$75,000 is waived. A note on the invoice must be made.
- k) 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 Board, subject to normal exchange or hospitality between persons doing business together.
- l) Purchases shall not be split to avoid following the requirements of this Administrative Procedure.
- m) Contracts
  1. Purchase of goods and services with a term exceeding one year in length and that in the opinion of the Superintendent of Business Administration includes complex terms and conditions requiring more formal documentation, will be made using a written contract as the purchasing document.
  2. The Superintendent of Business Administration may consult with the School Division's legal counsel as necessary to establish contract terms and conditions for purchase orders and written contracts for goods and services.
  3. The Director of Education or Superintendent of Business Administration may sign the contracts referenced in this section.

### 3. *Membership Purchase Agreements*

- a) NESD may enter into membership agreements that allow for bulk purchasing arrangements. The membership organization must adhere to procurement guidelines as outlined in this administrative procedure.
- b) These agreements shall be evaluated and approved by the Superintendent of Business Administration.
- c) If a membership agreement is signed, the procurement process outlined in Administrative Procedure 706-Purchasing is deemed to be met.
- d) If a purchase is being made through a membership agreement, the requirement to obtain three (3) quotes for purchases over \$10,000 or a request for proposal over \$75,000 is waived. A note on the invoice must be made indicating that the purchase was made from the membership agreement.

### 4. *Responsibilities and Authorities*

- a) The Board of Education provides approval for award of tenders for all major capital construction.
- b) The Board of Education provides approval for tangible capital expenditures for motor vehicles, furniture and fixtures, equipment and computer hardware and software, as well as minor renovations and Preventative Maintenance and Renewal items through the budget approval process.
  - 1. Any tangible capital asset items purchased through *Formal Competitive Bid, Request for Quotes or Requests for Proposal* that were not included in budget or exceed budget by more than 10% require approval by the Director or designate.
  - 2. Any purchases with a budget variance greater than the Director limitations require board approval in accordance with **ADMINISTRATIVE POLICY 702 - BUDGET**.
- c) The Superintendent of Business Administration is responsible for purchasing practices and procedures.
- d) The Superintendent of Business Administration has the authority to revise requisitions according to established standards, provided such revisions are discussed with the requisitioner.
- e) Purchases may be authorized only by budget managers, namely the Director of Education, Superintendents, Managers, Supervisors, Coordinators, Principals, Consultants, and other designated managers as identified on the 'Designated Signing Authorities' document.