

Policy 27 - Purchasing Oversight

Purchasing of supplies and services shall be completed in a fair, responsible and respectful manner optimizing the use of resources so as to provide the maximum benefit to the Division. It is recognized that in purchasing goods and services practical considerations such as time constraints, available vendors and reputation of quality must be weighed against the financial advantage of completely competitive buying.

Specifically

1. The following categories of purchasing are established to provide guidance in reconciling these considerations.
 - 1.1 Category I: Purchases of goods, materials or services (including supply of goods and/or materials) with estimated cost less than \$30,000;
 - 1.2 Category II: Purchase of goods, materials or services (including supply of goods and/or materials) with estimated cost from \$30,000 to \$75,000;
 - 1.3 Category III: Purchase of goods, materials or services (including supply of goods and/or materials) with estimated cost greater than \$75,000.
2. Purchasers must be aware of and avoid actions constituting fraud, as discussed under *Administrative Procedure 404 Appendix - Conflict of Interest and Fraud Prevention*.
3. Authorized purchasers for the Division shall be those with budget responsibility as defined and developed through the budget allocation model and process (“budget managers”). The budget managers are defined as principals, directors, Secretary-Treasurer, Deputy Superintendent, and Superintendent.
4. Purchases may be done through designates of the budget manager, however, these purchases must be signed off by the budget manager. Designates must receive pre-approvals from the budget manager for purchases, including items and expected costs, from the budget manager prior to making the purchase. In all cases, the Secretary-Treasurer may authorize purchases for budget centres and define the budget manager for purchases.
5. The Secretary-Treasurer shall maintain signature and authorization sheets which must detail the budget centre, budget manager, designates (if applicable) and sample signatures for verification.
6. Budget managers shall not share their electronic password for purchasing authorization and will make all reasonable efforts to secure the password.
7. All payments requiring Secretary-Treasurer approval prior to payment shall be done in accordance with AP 515. Where the Secretary-Treasurer is not available, the Superintendent may approve payments.

8. All payments greater than \$30,000 must be reviewed by the Board Chair (or if unavailable Vice-Chair) prior to payment for compliance with Board Policy. The Board Chair may request evidence of payments less than \$30,000 as desired to ensure compliance with Board Policy.
9. The Board shall have monthly (where possible) a listing of all payments for supplies and services (excluding payroll), to be submitted as information. Trustees may make requests for information on cheque payments as desired, and the Secretary-Treasurer shall provide information within a reasonable timeframe.
10. Under no circumstances:
 - 10.1 shall the contents of any bid be disclosed to any third party for any reason.
 - 10.2 shall any employee benefit from the acceptance of any bid.
 - 10.3 shall bids be added or changed after the closing date.
11. The Superintendent and Secretary-Treasurer shall have administrative procedures developed to reflect adherence to this policy, and the procedures for departments to make purchases.

Process

1. Subject to budgetary control or special approval by the Board, purchases within each category shall be made in accordance with the following procedures:
 - 1.1. Category I: Direct Purchase (estimated costs less than \$30,000)
 - 1.2. Purchases may be made by the appropriate agent of the Division (principals, directors, Secretary Treasurer, Deputy Superintendent, and Superintendent) from the vendor considered by the purchaser to be the best choice considering all relevant circumstances, without competitive pricing.
 - 1.3. A purchaser may proceed in accordance with Category II or III if in that person's judgment it is desirable to do so.
2. Category II: Invitational Quotations (estimated costs between \$30,000 and \$75,000)
 - 2.1. Purchases in excess of \$30,000 shall be made under the oversight of the Secretary-Treasurer.
 - 2.2. The budget manager inviting quotations shall develop in written form minimum specifications for the goods or service to be purchased.
 - 2.3. Purchases shall be made on the basis of written quotations submitted to the appropriate agent, obtained by invitation from a list of vendors who have indicated a desire to provide goods and services for the Division, and in such other media as deemed necessary by the Secretary-Treasurer.
 - 2.4. Advertisements shall be placed in newspapers serving the jurisdiction of the Division indicating the existence of the policy of invitational purchasing and inviting

vendors to submit their business for inclusion on the vendors' list. This notice shall be given at least annually.

- 2.5. Vendors on the vendors' list who repeatedly fail to respond to invitations to quote within the time provided may be removed from the list.
 - 2.6. The most favourable or any quotation may not necessarily be accepted.
 - 2.7. Acceptance of the successful quotation shall be made by the Secretary-Treasurer.
 - 2.8. A purchase may proceed in accordance with Category III if in the Secretary-Treasurer's judgment, it is desirable to do so.
 - 2.9. Purchases made under the Government of Alberta or the Alberta Association of Municipal Districts and Counties (AAMDC) Trade Division standing offers are allowable under this category without further steps, as approved by the Secretary-Treasurer.
3. Category III: Tenders (estimated costs higher than \$75,000)
- 3.1. Written specifications for the request for proposal (RFP) or request for quotation (RFQ) shall be prepared for the goods or services to be purchased.
 - 3.2. The Secretary-Treasurer shall advertise for sealed tenders in response to the tender specifications in the *Alberta Purchasing Connection*, to vendors on the interested vendor's list, and in such other media as deemed necessary by the Secretary-Treasurer.
 - 3.3. Tenders must follow the process outlined under the *Trade, Investment and Labour Mobility Agreement*.
 - 3.4. Copies of the tender advertisement may contain the specifications or describe how they may be obtained and shall indicate the closing time for receipt of tenders and the time and place at which the tenders will be opened.
 - 3.5. Tenders shall be received, retained and opened under the auspices of the Secretary-Treasurer at the advertised time for their opening, which shall be done publicly and in the presence of at least one witness.
 - 3.6. Deposits and/or performance bonds may be required if deemed desirable considering our particular circumstances.
 - 3.7. Acceptance of the successful tender shall be made by the Board
 - 3.8. The most favourable or any tender may not necessarily be accepted.
 - 3.9. The summary of quotations shall be available to all bidders and the public on request.
4. Best Interest Provision

- 4.1. In instances where it is not reasonable to proceed in accordance with the provisions of the above (such as vendor monopoly, limited national or international distribution, and direct transactions with wholesale suppliers) the Secretary Treasurer in consultation with the Board Chair and Superintendent, may make alternative purchasing arrangements to expedite the affairs of the Division while protecting its financial interest in the transaction so far as is reasonable. The Secretary-Treasurer shall report to the Board each time that alternative purchasing arrangements are made.

Reference: Section 33, 52, 53, 68, 85, 188, 196, 197, 204, 222, 225, 229 Education Act
Freedom of Information and Protection of Privacy Act
School Buildings and Tendering Regulation 383/88
Agreement on Internal Trade; Annex 502.4
New West Partnership Trade Agreement
Trade, Investment and Labour Mobility Agreement

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