

## 803.1 Purchasing

1. The purpose of the Purchasing Procedures:  
Lethbridge School Division (the “Division”) is committed to buying goods and services and the disposing of goods in an efficient, cost-effective and consistent manner:
  - 1.1. To provide direction and clarity to all Division employees regarding purchasing of goods and services by the Division; and
  - 1.2. To ensure:
    - transparency and accountability when the Division is purchasing goods and services
    - maximum value is obtained for funds expended
    - goods and services are obtained in a competitive manner whenever possible and that competition is fair, transparent and open with no preferential treatment given to any particular vendor
    - award decisions are made ethically
    - practices comply with appropriate policies, regulations, legislation and trade agreement obligations
2. The scope of the Purchasing Procedures apply to:
  - 2.1 All Division Employees
  - 2.2 All purchases of goods and services from any and all Division managed funds including:
    - School and department centralized budget allocations;
    - Division administered staff development funds;
    - School decentralized budgets;
    - School generated funds (Fundraising, Fees, Donations, Grants & Other)
    - Funds raised by the Division revenue generating initiatives; and
    - Any other funds received by any school or department of the Division from any source.
  - 2.3 The Purchasing Procedures do not apply to:
    - Employee collective agreements;
    - Provincially managed capital projects specifically regulated by the Government of Alberta legislation, policies, and process;
    - Premiums paid to insurance companies;
    - Land acquisition and lease back of property; and
    - Joint-use property arrangements.
3. Compliance
  - 3.1 All Division Employees are responsible for knowing, understanding and complying with the Purchasing Procedures
  - 3.2 Failure to comply with the Purchasing Procedures may result in disciplinary action up to and including dismissal. Significant and/or repetitive (intentional) failure to comply with the Purchasing Procedures shall result in increased severity in the disciplinary action.

## 803.1 Purchasing, cont'd

4. Definitions:
- 4.1 Approval Authority is a position within the Division that has been given the authority to make budget, financial, and/or other decisions/approvals in their respective areas (i.e. School Principals, Directors, Superintendents)
  - 4.2 Approval Authority Level is the maximum dollar value that an approval authority can commit to for the purchase of goods, services and construction on behalf of the Division.
  - 4.3 Contract is a binding agreement outlining terms and conditions for the purchase of goods, services or construction, including the rights of the Division and the vendor.
  - 4.4 Emergency Purchase is a purchase required under a condition in which, in the opinion of an approval authority, risk to person or property may occur if immediate action is not taken.
  - 4.5 Goods are products of a tangible, durable or consumable nature, including software. This includes goods donated to the Division.
  - 4.6 Publications are textbooks, reference books, library books, magazine subscriptions, periodicals, newspapers, and other articles of print.
  - 4.7 Purchase Order is a contract between the Division and a vendor for the purchase of goods and/or services at an agreed upon price, quantity, quality and delivery date.
  - 4.8 Purchasing Department is the centralized department responsible for the purchase of goods, services and construction on behalf of the Division.
  - 4.9 Services refer to labour or tasks performed by individuals.
  - 4.10 Single Source means the specific vendor who is selected to provide goods and services without utilizing a normal competitive process.
  - 4.11 Sole Source means a specific vendor who is the only supplier of goods and services that are required.
  - 4.12 Surplus is excess inventory/goods that are no longer required.

## 803.1 Purchasing, cont'd

5. Regulations:
  - 5.1 The Purchasing Department facilitates the purchase of all goods and services.
  - 5.2 All purchases and procurement processes must be transparent, fair, and well documented.
  - 5.3 All purchases and procurement processes must align with the Division's Ethical Practices.
  - 5.4 All purchases must be approved by an appropriate approval authority.
  - 5.5 Only specific employees have the authority to requisition the purchase of goods and services or purchase directly from a supplier or sign contracts.
  - 5.6 Authority levels must not exceed the maximum values by position and situation.
  - 5.7 The Purchasing Department must be contacted to initiate the Request for Proposals (RFP), Request for Quotes (RFQ), or Invitation to Tender.
  - 5.8 A formal Division Purchase Order is required for all orders of \$2,500 (before GST) or more in aggregate value. The Division shall not be invoiced without a valid Division purchase order being issued to the vendor/supplier.
  - 5.9 Total committed and optional duration of a contract (initial term plus renewal terms) for procurement of goods and services is included in the aggregate value of the procurement.
  - 5.10 Purchases cannot be separated into separate orders for the purposes to reduce the purchasing limits. Splitting or dividing the purchase of goods or services in order to avoid exceeding an individual's authorized limit is strictly prohibited.
  - 5.11 Prior to authorizing an expenditure, the Approval Authority shall confirm that:
    - Sufficient funds remain within the relevant budget,
    - The purchase is necessary and appropriate, and
    - The requirements of this Purchasing Procedures have been followed.
  - 5.12 Sole or Single sourcing is only approved by the Purchasing Department under the following conditions:
    - An emergency condition exists
    - A confidential situation exists
    - Goods and/or services are supplied by a sole source
    - Proprietary acquisition, warranty requirements, patent rights, license agreement or other obligations exist which may prevent the Division from using normal competitive processes

## 803.1 Purchasing, cont'd

6. Ethical Practices in Purchasing - Further to the Employee Code of Conduct (Policy 400.1), the Employee Conflict of Interest (Policy 400.2.1), and other applicable Division policies; below are a listing of ethical and unethical practices to be aware of as they relate to purchasing:
  - 6.1 Ethical Practices
    - Maintain a high standard of honesty and integrity in all business relationships, both inside and outside the Division.
    - Maintain the highest standard of professional conduct.
    - Consider first the interest of the Division in all transactions, and carry out and support its established policies.
    - Buy without prejudice seeking the best value for each dollar spent.
    - Do not use one's position for personal benefit.
    - Avoid any undue influences that might produce a conflict of interest or injure the Division's reputation.
    - Cooperate with all organizations and individuals engaged in activities that support ethical purchasing practices.
    - Ensure that all acquisitions conform to the laws of Canada and Alberta and support all applicable trade agreements.
  - 6.2 Unethical Practices (that should not be applied in procurement)
    - Directing business to a supplier because the vendor/supplier is your personal friend or family member.
    - Directing business to your personal business, or registering your business with the Division without declaring a conflict of interest.
    - Accepting gifts (including kickbacks) from a vendor/supplier in exchange for business.
    - Using a Division procurement card for any unauthorized or inappropriate acquisition or for personal purchases.
    - Disclosing a supplier's pricing to another supplier in order to obtain better pricing or direct business to a specific supplier.

### 803.1 Purchasing, cont'd

7. Specified Goods and Services:
  - 7.1 Contracts for Services and Systems – managed through the Purchasing Department and/or through Business Affairs.
  - 7.2 Technology – the purchase of new computer software or computer hardware must go through the Technology Department. The Division is part of the Southern Alberta Computer Consortium (SACC) and have specific obligations to follow the respective contract requirements.
  - 7.3 Furniture – all furniture must be processed through the Purchasing Department. The Division requires that furniture (i.e. office furniture, chairs, tables, desks, cabinets, etc.) meet the applicable safety requirement.
    - Classroom furniture orders shall be submitted to the Purchasing Department by April 1<sup>st</sup> for the next school year.
    - Purchasing services or goods, including furniture, fixtures, and equipment that are associated with changes to the Division buildings of facilities, require the approval of the Facilities Services Department.
  - 7.4 Travel & Courses – the costs for travel, lodgings, & course registrations of approved travel and courses may be paid directly by a Division procurement card.
  
8. Restricted Supplies and Materials
  - 8.1 Warehouse Items – all supplies and materials that are stocked in the Division warehouse must be procured through a warehouse requisition.
  - 8.2 Tendered Supplies – all of the supplies and materials that are purchased through the annual tender process must go through the Purchasing Department. The following are the tendered supplies:
    - General School Supplies (*October 1<sup>st</sup> deadline for submission*);
    - Art Materials (*October 15<sup>th</sup> deadline for submission*);
    - Caretaking Supplies (*January 15<sup>th</sup> deadline for submission*); and
    - Physical Education Equipment (*May 15<sup>th</sup> deadline for submission*).
  - 8.3 Publications – all publication supplies are to be ordered through a publication purchase order or by a Division procurement card.
  - 8.4 Stationary – All non-tendered stationary items should be ordered on Staples E-way.
  - 8.5 Electrical Items – All electrical items must be processed through the Purchasing Department. The Division requires that electrical items (i.e. appliances, extension cords, lights/lamps, electronics, etc.) meet the applicable safety requirement.
  - 8.6 Gift cards – All gift cards shall be ordered through the Finance Department (Accounts Payable).

### 803.1 Purchasing, cont'd

9. Purchasing Thresholds on Supplies and Materials, which have not been specifically identified or restricted:
  - 9.1 For purchase of supplies and materials less than \$2,500 (before GST) in aggregate value:
    - a) If a contract exists with a vendor who can supply the required goods and/or services, then these goods and/or services shall be ordered from the contracted supplier. Refer to the Division's Purchasing Handbook for a listing of the Division's purchasing contracts.
    - b) In the absence of any contract, the goods and/or services may be ordered directly from a vendor but the purchases must align with the principles outlined in these Purchasing Procedures. These purchases shall be processed by the school or Division department and approved by the applicable Approval Authority:
      - i. Cannot include any of the restricted items
      - ii. Purchases must align with the principles outlined in the Purchasing Procedures and the guidelines provided the in the Division's Purchasing Handbook.
      - iii. A Division procurement card shall be used for these purchases. Should a vendor/supplier not accept credit card payments, please contact the Purchasing Department for assistance.
  - 9.2 For purchase of supplies and materials \$2,500 (before GST) or more in aggregate value:
    - a) If a contract exists with a vendor who can supply the required goods and/or services, then these goods and/or services shall be ordered from the contracted supplier. Refer to the Division's Purchasing Handbook for a listing of the Division's purchasing contracts.
    - b) In the absence of any contract, the goods and/or services must be purchased through the Purchasing Department:
      - i. A Division purchase order must be issued
      - ii. With an estimated aggregate costs between \$2,500 and \$25,000, a minimum of three (3) quotes must be requested
      - iii. With an estimated aggregate costs between \$25,000 and \$75,000, a minimum of three (3) quotes must be requested; however, the Purchasing Department may initiate the Request for Proposals (RFP), Request for Quotes (RFQ), or Invitation to Tender.
      - iv. With an estimated aggregate costs of \$75,000 or more, a formal competitive process is required such as a Request for Proposals (RFP), Request for Quotes (RFQ), or an Invitation to Tender.

## 803.1 Purchasing, cont'd

10. Disposal of Surplus Goods  
Surplus goods refer to the leftover or replaced items (furniture, equipment, etc.) that schools or central departments no longer need. The Purchasing Department is responsible for all surplus items. The schools and Division departments are not allowed/authorized to dispose of surplus equipment.
  - 10.1 Surplus goods may be re-purposed for another school, program or department
  - 10.2 Surplus goods may be provided in for trade-in for replacement goods
  - 10.3 Surplus goods may be provided to and/or sold to non-profit or other public organizations (i.e. other school divisions and other government entities).
  - 10.4 Surplus goods may be sold to the public at fair market value (i.e. through websites, auctions, and other competitive marketplaces)
  - 10.5 Surplus goods may be disposed if they are defective, unusable, or remain unclaimed after six (6) week being sold. Disposals must be done in the proper environmental manner.
  - 10.6 Surplus goods may not be provided and/or sold directly to any individual (including Division employees) nor to any for-profit organizations; unless sold at fair market value through a public competitive marketplace.