

# KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD

## ADMINISTRATIVE REGULATIONS

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**Section:** Business and Administrative Services  
• Purchasing

**Regulation Code:** BA-5.1.1  
**Policy Code Reference:** BA-5.1

**Regulation:** PURCHASING PROCEDURES

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This administrative regulation is written in accordance with the guiding principles in Board Policy No. BA-5.1, Purchasing Procedures, and to meet the requirements of the Ministry of Finance Procurement Directive.

### **1. Purchasing Services Objectives**

The Board supports the concept of centralized purchasing. The Manager of Purchasing Services has the responsibility for the co-ordination of purchasing of all goods and services necessary for the operation of the Board, up to the amounts approved in annual budgets, as well as for special funding initiatives.

Purchasing Services will provide support to the system for all procurement processes. Contract Vendors of Record (CVOR) and/or collaborative purchasing agreements will be sought, to ensure the requirements of the policy regarding expenditure of public funds are met.

All requests for new vendors will be reviewed by Purchasing Services in order to seek opportunities for aggregation of commodities and services by vendor and to prevent proliferation of vendors on file.

### **2. Purchasing Approval Processes and Authority Levels**

2.1 All financial commitments of Board funds will be in the form of written and executed contracts and/or authorized purchase orders, issued before the goods and services are acquired, **or** through authorized use of purchasing cards in accordance with approved procedures. A purchase order, approved by the appropriate authority level, will be issued with all executed contracts.

2.2 A purchase requisition is required for procurement of all goods and services. Authorization of all purchase requisitions will be completed by the authorized budget holder before processing to a purchase order. Confirmation orders (including by phone, on-line) and expense reimbursement claims in excess of \$200 are not acceptable methods of purchasing goods and/or services without prior approval by Purchasing Services.

2.3 Budget holders can authorize requisitions, in accordance with approved procurement processes, within their approved budgets, and in accordance with Administrative Regulation No. B-1.4.1, Signing Authority.

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**3. Methods and Values of Procurement**

Procurement of all goods and services must be completed as detailed below. Purchasing Services will provide assistance for all procurements and will conduct open competitive procurement processes over \$25,000 as noted in Appendix A.

3.1 Purchasing Services will establish contracts with Vendors of Record (VOR), through an open and competitive process for the acquisition of common, standardized goods and services used within the Board. Acquisition of goods and services through CVORs is the preferred method of purchase (subject to Budget approval and authorization limits). When placing orders through CVORs, further competitive processes are not required.

3.2 Consultants required to provide expert or strategic advice and related services for consideration and decision-making, must be procured through a competitive process irrespective of value according to the following table.

Non-consulting providers who are contracted to provide task-based services must be procured according to the following table.

Consultants or other contractors will be reimbursed for allowable expenses only where specifically provided for in contract. Hospitality, incidentals or food expenses are not allowed expenses.

3.3 For the acquisition of all goods and services, the following procurement processes apply. Definitions of terms and details are provided in Appendix A.

**How to Order within Dollar Thresholds**

<b>Goods and Services Excluding Consultants (exclusive of tax)</b>		
<b>Spend Amount</b>	<b>Procurement Process/Method</b>	<b>Responsibility</b>
\$0 up to but not including \$5,000	No quotation required – direct acquisition by petty cash, purchase order using CVOR where established, purchasing card, expense reimbursement not to exceed \$200.	User school/department, with Purchasing Services assistance if requested
\$5,000 up to but not including \$25,000	Three written quotations – acquisition by purchase order.	User, with Purchasing Services assistance if requested – allow minimum of 2 weeks’ notice for process

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<b>Goods and Services Excluding Consultants (exclusive of tax) – continued</b>		
<b>Spend Amount</b>	<b>Procurement Process/Method</b>	<b>Responsibility</b>
\$25,000 up to but not including \$100,000	Solicitation of formal quotations – advertise where advantageous.	Purchasing Services – allow a minimum of 3 weeks’ notice for process
\$100,000 or more	Open Competitive Bid Process (request for tender/proposal/other) – advertising required.	Purchasing Services – allow minimum 60 days’ notice for process

<b>Consulting Services (exclusive of tax)</b>		
<b>Spend Amount</b>	<b>Procurement Process</b>	<b>Responsibility</b>
\$0 up to but not including \$100,000	Invitational or Open Competitive Bid Process – advertise where advantageous.	Purchasing Services – allow minimum of 3 weeks’ notice for process
\$100,000 or more	Open Competitive Bid Process – advertising required.	Purchasing Services – allow minimum of 60 days’ notice for process

*Important Note:* Direct Acquisition – Refers to the acquisition of products and/or services that can be ordered directly by the user by petty cash, purchase order issued through the requisitioning system (RQS), purchasing card or expense reimbursement not exceeding \$200. A competitive process is not required.

Board approval shall be required for:

- 3.3.1 capital project tenders and consulting services in excess of \$1,000,000,
  - 3.3.2 expenditures which exceed the budgeted amount by 10% and \$100,000,
  - 3.3.3 multi-year commitments where the annual budget amount is greater than \$200,000.
- 3.4 *Splitting of purchases to avoid authority levels is prohibited.* No purchase of goods and/or services may be divided into two or more parts to avoid the requirements of Board policy and administrative regulations. This includes requirements for multiple years, when quantities for goods and/or services are known or can be estimated.

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- 3.5 Contracts are not to be entered into by any school authority and must be directed to Purchasing Services for determination of proper approval level for signature purposes. Board Policy No. B-1.4, Signing Officers of the Board, and Administrative Regulation No. B-1.4.1, Signing Authority, provide information regarding titles and levels of signing authority for the Board.
- 3.6 The standard maximum length of any contract is five years including extensions. Exceptions will require Board approval. This will support the regular review of existing contracts under changing market and organizational circumstances. Contract extensions beyond an established original term must be considered an exemption (Appendix B) and will require approval by the appropriate authority level.
- 3.7 Purchases through websites must be reviewed with Purchasing Services staff, who will confirm an appropriate purchasing process unless specified elsewhere. Purchases outside of Canada should be researched through Purchasing Services, to ensure all costs are included and tax and customs and duties requirements are met. An authorized purchase order must be processed wherever possible. Purchase of items from auction sites is prohibited.
- 3.8 Any purchases made personally for goods or services over \$200 per month will not be reimbursed.
- 3.9 Purchases that do not comply with the required acquisition process will be considered an obligation of the employee procuring the items and not an obligation of the Board.

#### 4. Segregation of Duties

Segregation of duties and authorization in the procurement process are essential controls that ensure integrity of the process by reducing exposure to inappropriate, unauthorized or unlawful expenditures. The following table details roles requiring segregated approval, wherever possible. A minimum of three roles must be segregated.

<b>Segregation of Duties</b>		
<b>Role</b>	<b>Explanation</b>	<b>Who</b>
Requisition	Initiates the purchasing cycle up to and including requisition entry.	User department
Budget	Authorizes that funding is available to cover the cost of the order for processing of requisition to purchase order.	Budget holder (subject to authorized amount)

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<b>Segregation of Duties – continued</b>		
<b>Role</b>	<b>Explanation</b>	<b>Who</b>
Commitment	Authorizes the processing of the purchase order to the supplier, under agreed upon terms and conditions.	Purchasing Services
Receipt	Confirms that the order was received, correct and complete.	User department
Payment	Authorizes release of payment to the supplier.	Accounts Payable

### 5. Code of Ethics

#### 5.1 Conflict of Interest

In conjunction with the Education Act, R.S.O. c.E.2, as amended, Section 217, no employee may promote, offer for sale, or sell directly or indirectly, any supplies, service, book or other teaching or learning materials, furniture, or equipment, stationery, or other article to any board, provincial school or teacher college, or to any pupil enrolled therein. Authors are excepted from the above by Subsection 2 of Section 217.

Declaration of any conflict of interest during procurement activities are required of all employees, elected officials, external consultants or suppliers.

#### 5.2 Gifts, Hospitality

In the interest of maintaining the integrity of both the Board and employees, acceptance of any gifts, reward or benefit, except items of very nominal value, shall be prohibited (i.e. pens, coffee cups, calendars).

Employees may accept product samples of very nominal value and invitations to receptions or lunches so long as doing so does not appear to impose any obligation to buy, receive, or refer on behalf of the Board.

When in doubt concerning what is acceptable in terms of gifts or hospitality, the offer should be declined.

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### 5.3 Purchasing for Personal Use

The facilities or agencies of the Board shall not be used to purchase or otherwise acquire goods, services, or materials for the personal use, benefit, or enjoyment of any employee or elected official except for authorized student use or where an employee purchase plan has been approved by the Board.

### 5.4 Ethical Goods and Services Purchasing Guidelines

Any infringement of human rights, especially those of children, is of concern to the Kawartha Pine Ridge District School Board. Bidders are expected to promote the purchase of goods and services from companies that operate in full compliance with the laws of their respective countries, including all applicable child labour laws, rules and regulations related to hiring, wages, hours worked, overtime, working conditions and the International Labour Organization conventions. Should any supplier be found to be in violation of these laws and regulations, the Board may take corrective action up to and including cancellation of orders and/or contracts.

## 6. Exemptions from Competitive Process

Exemptions to the prescribed procurement must be identified to Purchasing Services prior to any procurement action. Exemptions must be documented and pre-approved by the appropriate authority level for the entire cost of the procurement. Examples of exemptions are noted in Appendix B.

In the event that the Manager of Purchasing Services or designate is not in agreement with the request for exemptions, the matter shall be referred to the Superintendent of Business and Corporate Services.

## 7. Advertising Competitive Opportunities

Purchasing Services will co-ordinate advertising of all competitive bid opportunities. Bid opportunities will be advertised in accordance with the Agreement on Internal Trade, and other applicable agreements and legislation through an electronic tendering system that is equally accessible to all suppliers (Appendix A).