

3301: PURCHASING (AP)

Approved: 94 06 07
Amended: 95 11 14

POLICY

The Board of Education is aware of its responsibility to carefully manage public funds for the acquisition of goods and services. By delegating this responsibility primarily to the Secretary-Treasurer, the Board seeks a fair, open, ethical and professional purchasing system, where goods and services are acquired on the basic criteria of price, quality and service.

ADMINISTRATIVE PROCEDURES

1.0 PURCHASING GENERAL

1.1 Authority

Purchasing is authorized only to procure goods or services which have been approved in the annual operating or capital budgets. Variations from budgets will be authorized by the Secretary-Treasurer.

1.2 Purchasing defined

The Purchasing activity includes; specifying the item(s) to be bought, searching for alternative suppliers, requesting bids or quotes, evaluating the bids or quotes, issuing the verbal or written purchasing decision and completing the necessary documentation.

1.3 Related functions

1.1.1 The Receiving function includes; physical receipt, verification, damage inspection, acknowledgement of the receipt, storage and distribution.

1.1.2 The Accounts Payable function includes encumbering the purchase, receiving the invoice, verifying the invoice, obtaining authority to pay, preparing a cheque and all related accounting functions.

2.0 PURCHASING PRINCIPLES

- 2.1 A purchasing decision, given by an employee to a vendor verbally or in writing is a legal contract that commits the vendor to provide the goods or service and the District to pay for the goods or services upon the agreed terms.
- 2.2 Employees performing purchasing functions are to obtain good value when acquiring goods or services. Good value means obtaining the right goods or service to meet the specified need at the lowest overall cost, including the cost of acquiring the goods or service. Furthermore, purchasing activities must be carried out with probity (honestly in fact and appearance) and suppliers must be treated equitably.
- 2.3 Searching for alternative suppliers

Goods or services should always be selected on the basis of price, quality or service in an objective manner. In cases where price, quality or service are equal, suppliers should be selected in the following order:

- i.) local
- ii.) British Columbia
- iii.) Canada
- iv.) other

3.0 PURCHASING FORMS

3.1 Purchase Order

The Purchase Order must be used for all purchasing transactions in excess of \$75.00. Purchases less than \$75.00 may be made with petty cash, otherwise a Purchase Order is to be used.

3.2 Purchase Requisition - optional.

A purchase requisition form may be used as a means to initiate the need to purchase goods or services within a school or department. The requisition is to be retained in the school department, or attached to the Purchase Order that is forwarded to Accounting.

4.0 PURCHASE ORDER AUTHORIZATIONS AND ROUTING

- 4.1 School Principals, Department Managers and Senior Managers are authorized to approve Purchase Orders only within their budget authority and after ensuring sufficient funds exist.
- 4.2 Purchase Orders for amounts greater than \$500.00 are forwarded to accounting for data input. Purchase Orders are then approved by the Controller or Secretary-

Treasurer and forwarded to the vendor. Purchase Orders for amount less than \$500.00 may be forwarded directly to the vendor and a copy sent to accounting.

- 4.3 Purchase Orders initiated by the Operations Department for amounts less than \$2,000 may be forwarded directly to the vendor and a copy forwarded to accounting. All other Purchase Orders are forwarded to accounting for data input and approval before being forwarded to the supplier.

5.0 PURCHASING GUIDELINES

- 5.1 Bulk Purchases are encouraged to take advantage of volume discounts.
- 5.2 The purchase of some goods and services warrant issuance of open purchase orders. Where possible, the annual requirements are to be determined and orders placed to vendors for a specified time and/or volume of goods or services as required. Examples are school or office paper products, home economics and cafeteria supplies, custodial and maintenance supplies such as fasteners, electrical and plumbing products, common wood products.
- 5.3 Purchase orders are not needed for the purchase of utilities such as natural gas, water, telephone or garbage disposal.
- 5.4 Purchase orders are not generally needed for telephone or copier leases where a lease document already exists.

6.0 QUOTES, BIDS AND TENDERS

- 6.1 At least three (3) competitive quotes or bids are required for purchases in excess of \$2,000.
- 6.2 Copies of all quotes or bids must be attached to the Purchase Order and forwarded to Accounting. The documentation should clearly indicate the successful supplier. If the selection is not based on lowest price, a written explanation of the reason for the selection must be provided.
- 6.3 Tenders are required for all capital projects which exceed \$50,000.
- 6.4 A copy of all contracts with suppliers which relate to a purchase order or tender must be forwarded to Accounting.
- 6.5 It is the responsibility of the School Principal, Department Manager or senior Manager to ensure that the documentation for the above quotes, bids or tenders is provided.

7.0 CONFIRMING PURCHASE ORDERS

- 7.1 A Purchase Order is to be completed at the time of the purchasing activity. It is recognized that often purchases are made orally via the telephone; a Purchase Order is to be prepared at that time and forwarded to the vendor.
- 7.2 Preparing a Purchase Order after the receipt of the goods or service, or receipt of the invoice is illogical and unproductive. Invoices received without Purchase Order numbers will be referred to the Controller; where a Purchase Order should have been prepared, the matter will be discussed with the originator, noted and processed for payment.