

PURCHASING

**AB&F 16.0
2016 01 12**

POLICY:

IT SHALL BE THE POLICY OF THE Nipissing-Parry Sound Catholic District School Board (NPSC) to coordinate the purchasing function in the Purchasing Department in order to be accountable to its ratepayers and to the public in general to provide for the purchase and/or lease of the best quality goods and services that can be afforded, from the most reliable sources available, at the best possible value.

This policy will be reviewed every two years.

Ontario Broader Public Sector (BPS)

Supply Chain Code of Ethics

The goal is to ensure an ethical, professional and accountable BPS supply chain.

I. Personal Integrity and Professionalism

Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

II. Accountability and Transparency

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

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PROCEDURE

1. Application and Scope

- 1.1 This procedure applies to the purchase of all goods, consulting & non-consulting services, and construction services.
- 1.2 All individuals involved in any stage of the purchasing process, must comply with this procedure and must conduct procurement activities in accordance with the laws of Ontario.

2. Conflict of Interest

- 2.1 The Purchasing Officer will monitor any conflict of interest that may arise as a result of Board employees, advisors, external consultants, or supplier’s involvement with the procurement activities.
- 2.2 Individuals involved with the procurement activities must declare actual or potential conflicts of interest and must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products. Refer to Appendix A: Conflict of Interest Declaration for a copy of the declaration.
- 2.3 Where a conflict of interest arises, it will be evaluated and an appropriate mitigating action will be taken.

3. Authority Schedule

3.1 Approval Authority Schedule

3.1.1 All purchases shall be authorized and approved according to the levels of approval as set out in the Approval Authority Schedule below:

Approval Authority Schedule	
Goods, Non-Consulting Services, Construction and Consulting Services	
Central Office	
Less than \$100 (Petty Cash)	Supervisors
\$0 - \$10,000	Managers
\$10,001 - \$100,000	Superintendents
\$100,001 - \$1,000,000	Director of Education
Greater than \$1,000,001	Board of Trustees
Schools	
\$0 - \$5,000	Principal
\$5,001 - \$100,000	Superintendent of Business

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Corporate Credit Cards	
\$0 - \$1,500	Cardholder + Supervisor
Fiscal Year and Multi-Year Contracts	
\$0 up to, but not including \$100,000	Superintendents
\$100,000 or more	Director of Education

Note:

Any non-competitive procurement of goods or non-consulting services must be approved by an authority one level higher than the Approval Authority Schedule requirements for competitive procurement.

3.2 Temporary/Permanent Changes

3.2.1 All changes, temporary or permanent, must be communicated in writing to the Superintendent of Business. The following information must be communicated in writing from the person delegating authority:

- Name and position of delegation.
- Effective date or date range.
- Exceptions.

3.3 Alternates

3.3.1 Assigned signatories must designate, in writing, signing responsibility to an alternate individual in their absence. A higher level of authority may restrict, limit or authorize exceptions for approval authorities at lower levels. Such decisions must be communicated in writing.

4. Segregation of Duties

4.1 At least three of the five functional procurement roles must lie with a different department or, at a minimum, with different individuals. Segregation of duties prevents any one person from controlling the entire procurement process. There are five typical functional procurement roles that require segregated approval: requisition, budgeting, commitment, receipt and payment.

Functional Role	Responsibility	Accountable Party
Requisition	Authorize the procurement department to place an order.	All Departments - Principals Managers Superintendents Director of Education
Budgeting	Authorize that funding is available to cover the cost of the order.	Finance Department – Financial Analyst

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Functional Role	Responsibility	Accountable Party
Commitment	Authorize release of the order to the supplier under agreed contract terms	Finance Department – Purchasing Officer
Receipt	Authorize that the order was physically received, correct and complete.	All Departments - Principals Managers Superintendents Director of Education
Payment	Authorize release of payment to the supplier.	Finance Department – Accounting Supervisor

5. Procurement Process

5.1 Goods, Non-Consulting Services, and Construction

5.1.1 Under the Broader Public Sector Procurement Directive, all purchases of goods, non-consulting services, and construction must be competitively procured according to the thresholds below:

Goods, Non-Consulting Services, and Construction	
Total Procurement Value	Procurement Method
\$0 - \$100	Direct purchase via Petty Cash, or Corporate Credit Card.
\$0 - \$1,500	Direct purchase via Corporate Credit Card or Purchase Order if Corporate Credit Card is not an option.
\$1,501 up to \$20,000	Request three quotes, verbal or in writing Direct purchase via Purchase Order
\$20,001 up to \$100,000	Invite at least three capable firms. Purchase Order is issued.
\$100,001 or more	Open competitive process (solicitation posted on MERX, Electronic Tendering System, and/or local newspaper) Purchase Order is issued after the competitive process.

NOTE:

When determining values of the procurement, applicable taxes should not be included.

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A division of requirements into multiple procurements to reduce the estimated value of a single procurement and avoid the application of the identified thresholds is not permitted.

“Purchase Orders” must not be issued after the purchase or service has been provided.

5.2 Consulting Services

5.2.1 Under the Broader Public Sector Procurement Directive, all consulting services must be competitively procured according to the thresholds below. For the purpose of this procedure, Consulting Service is defined as the provision of expertise or strategic advice that is presented for consideration and decision-making.

Consulting Services	
Total Procurement Value	Procurement Method
\$0 up to \$100,000	Invitational - at least three capable firms are invited. Competitive Formal - if three potential proponents cannot be identified, then an open competitive process must take place.
\$100,000 or more	Open competitive process Electronic Tendering System and/or local newspaper

NOTE:

When determining values of the procurement, applicable taxes should not be included.

A division of requirements into multiple procurements to reduce the estimated value of a single procurement and avoid the application of the identified thresholds is not permitted.

5.3 Cooperative Procurement - Professional Partnerships

5.3.1 The Board participates in the Ontario Educational Collaborative Marketplace (OECM) and Ministry of Government Services (MGS) collaborative buying when there are benefits to the Board.

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<p>5.4 Non-Competitive Procurement</p> <p>5.4.1 Non-competitive procurements should be avoided at the greatest extent possible. If required, a non-competitive procurement must adhere to the strict requirements outlined in the Agreement on Internal Trade (AIT), which lists the limited exemptions, exceptions, or non-application clauses, and other applicable trade agreements. Supporting documentation must be completed and approved by an authority one level higher than the Approval Authority Schedule (3.1) requirements for competitive procurement.</p> <p>6. Procurement Documents</p> <p>6.1 To conduct a competitive procurement process, procurement documents must be developed to be provided to potential proponents. The competitive procurement documents should include the following listed below as a minimum.</p> <ol style="list-style-type: none"> 1) Name, telephone number and location of the person to contact for information about the procurement documents. 2) Clear description of required goods or services. Goods or services must be described in generic and/or functional terms specific to the business needs. Where it is necessary to provide specifications in non-generic and/or non-functional terms, the specifications must set out the performance requirements in a manner that would not unfairly favour certain suppliers. 3) Conditions that suppliers must meet before obtaining procurement documents, such as conflict-of-interest declarations, confidentiality agreements and non-disclosure agreements. 4) Submission rules and other competitive procurement clauses to follow in order for a bid to be compliant. These may include bid format, language, number of copies to be submitted, attendance at a bidder's conference, etc. 5) Process and time deadline for the submission of questions regarding the procurement documents. 6) Address and time deadline for bid submissions, including a caution that submissions received after the deadline will be returned unopened. 7) Time, place and method of bid opening. 8) Mandatory criteria (e.g., technical standards) that must be met. Competitive documents must clearly outline that submissions that do not meet the mandatory criteria will be disqualified. 9) Full disclosure of the evaluation criteria (including weights), process and methodology to be used to assess submissions. 	

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<ul style="list-style-type: none"> 10) Request for a list of subcontractors to be used to complete the procurement, where applicable. To ensure that the full responsibility for completing the contract rests with the primary supplier, the Board may specify that the request is for information purposes only. 11) Period of bid irrevocability. 12) Notice that any confidential information supplied, may be disclosed where it is obliged to do so under the Freedom of Information and Protection of Privacy Act (FIPPA), by an order of a court or tribunal, or otherwise required by law. 13) A draft form of agreement to be signed in the event of procurement award. 14) The Bid Deposit or Tender Security. 15) A request for a Workers' Compensation Insurance Board (WSIB) clearance certificate clearly identifying that the contractor is in good standing with the WSIB. 16) A request for a minimum of two million dollars (\$2,000,000) for each occurrence of Commercial General Liability Insurance naming the Board in the insurance policy. This liability policy shall contain coverage for personal injury, property damage, and public liability. 	
<p>7. Procurement Process Requirements</p>	
<p>7.1 Unauthorized purchases</p>	
<p>7.1.1 Any purchase made in the name of the Board without an authorized Purchase Order, or in violation of this policy, may be considered an obligation of the person making the purchase and not an obligation of the Board.</p>	
<p>7.1.2 The Board does not allow the purchase of personal goods through the organization's purchasing system. Employees are not permitted to inappropriately use the Board's name to secure personal goods.</p>	
<p>7.2 Emergency Purchases</p>	
<p>7.2.1 Emergency purchases shall only be used for the purchase of emergency supplies or services by a Supervisory Officer or his/her designate where the immediate purchase is essential to prevent danger to life, damage to property or disruption of work. Purchase orders are permitted to be issued after the purchase or service has been provided.</p>	
<p>7.3 Environmental Concerns</p>	
<p>7.3.1 Purchasing toxic products should be avoided. When this is not possible, adequate care should be taken in the use and storage of such products especially in relation to the health and safety of pupils and staff.</p>	

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<p>7.4 Cooperative Purchasing</p> <p>7.4.1 The requirements from another publicly funded organization may be added to the Board’s quotation or tender invitation if it is deemed expedient to the participants. The Board may also add its requirements to another publicly funded organization’s quotation or tender invitations for the same reason.</p> <p>7.5 Exempt purchases/payments:</p> <p>7.5.1 The following purchases/payments do not require a Purchase Order and are not subject to the rules outlined in the “<i>Procurement Process</i>”.</p> <ol style="list-style-type: none"> 1) Trustees' honoraria; 2) Employees' salaries and benefits; 3) Remittances for statutory payroll deductions, employee benefits, union dues, and deductions for donations; 4) Utilities; 5) Petty cash claims; 6) Travel claims; 7) Debenture payments; 8) Tuition fees to other Boards; 9) Membership fees; 10) Payments resulting from formal contracts; 11) Purchases made with the purchasing card in accordance with the Policy AG 27.0 - Purchasing Cards; <p>7.6 Request for Information (RFI) or Request for Expression of Interest (RFEI)</p> <p>7.6.1 A response to a RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.</p> <p>7.7 Supplier Pre-qualification</p> <p>7.7.1 The Request for Pre-qualification must contain terms and conditions in the document that disclaims any obligation of the Board to call on any supplier to provide goods or services as a result of the pre-qualification.</p> <p>7.8 Competitive Document Posting Requirements</p> <p>7.8.1 Calls for open competitive procurements must be made through an electronic tendering system readily accessible by all Canadian suppliers (example: MERX).</p>	

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7.9 Competitive Document Posting Timelines

7.9.1 Competitive procurements valued at \$100,000 and greater must give suppliers the following minimum response time:

- 1) Normal non-complex procurements – a minimum of 15 calendar days
- 2) High complexity, risk, and/or dollar value - a minimum of 30 calendar days

7.10 Bid Receipt

7.10.1 Closing date and time must be clearly stated in the competitive procurement document with a closing date or time within normal working hours (i.e. Monday to Friday, excluding provincial and national holidays). Any competitive procurement document received after the closing date and time will not be considered and will be returned unopened.

7.11 Authority to Request Proposals, Tenders and Quotations

7.11.1 The Purchasing Officer, a Superintendent or their designate shall be responsible for the issuing and receiving of all proposals, tenders and quotations. A written record of all proposals, tenders and quotations shall be kept on file in the Purchasing Department.

7.12 Opening Proposals, Tenders and Quotations

7.12.1 All sealed packages will be opened by the Purchasing Officer, and at least two other persons at least one of whom is a Superintendent.

7.13 Bid Deposit and Contract Security

New construction, alterations, or renovations		
Bid Deposit		
<u>Project Value</u>	<u>Bond</u>	<u>Certified Cheque</u>
\$20,001 - \$100,000	10%	15%
\$100,001 - \$200,000	15%	20%
\$200,001 and over	15%	N/A
Contract Security		
<u>Project Value</u>	<u>Bond</u>	<u>Certified Cheque</u>
\$20,001 - \$100,000	50%	15%
\$100,001 - \$200,000	50%	20%
\$200,001 and over	50%	N/A

Note:

The percentages specified above may be increased or decreased for a specific project with the approval of the Director of Education or the Superintendent of Business upon the recommendation of the Board's consultant.

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<p>8. Procurement Evaluation Process</p> <p>8.1 Rejecting the Bid</p> <p>8.1.1 The Board reserves the right to accept or reject, for valid reasons, all or part of a quotation or tender submitted by suppliers.</p> <p>8.2 Evaluation Team</p> <p>8.2.1 Competitive procurement processes require an evaluation team to evaluate compliant bids.</p> <p>8.2.2 Team members must be made aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information and must refrain from engaging in activities that may create or appear to create a conflict of interest.</p> <p>8.2.3 Evaluation team members must sign a conflict of interest declaration and non-disclosure of confidential information agreement before the evaluation process begins. Refer to Appendix A: Conflict of Interest Declaration for a copy of the declaration.</p> <p>8.3 Evaluation Criteria</p> <p>8.3.1 Evaluation criteria must be developed, reviewed and approved by a Superintendent prior to commencement of the competitive procurement process.</p> <p>8.3.2 Competitive procurement documents must clearly outline mandatory, scored and other criteria that will be used to evaluate submissions, including the weight of the criteria.</p> <p>8.3.3 Criteria must be non-discriminatory and must not limit competition.</p> <p>8.3.4 Evaluation criteria can only be altered by means of addendum to the competitive procurement documents.</p> <p>8.4 Evaluation Matrix</p> <p>8.4.1 Evaluation team members must complete an evaluation matrix, rating each submission.</p> <p>8.4.2 Evaluators must ensure that everything they say or write about submissions is fair, factual, and fully defensible.</p> <p>8.5 Evaluation Process Disclosure</p> <p>8.5.1 Competitive procurement documents must fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving tie scores.</p> <p>8.5.2 Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.</p>	

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<p>8.6 Tie Scores</p> <p>8.6.1 In the event of a tie between the overall scores of two or more proposals, the contract will be awarded to the proponent with the lowest price. Other tie-breakers which may be considered may include such factors as more favorable delivery times, payment discounts and after sales service, which must be identified in the evaluation criteria.</p> <p>8.7 Winning Bid</p> <p>8.7.1 The submission that meets all mandatory requirements and has the highest evaluation score as set out in the competitive procurement document must be declared the winning bid.</p> <p>8.8 Non-Discrimination</p> <p>8.8.1 Must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of the competitive procurement process.</p> <p>8.9 Bid Dispute Resolution</p> <p>8.9.1 Competitive procurement documents must outline bid dispute resolution procedures that comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.</p> <p>8.10 Supplier Debriefing</p> <p>8.10.1 For procurements \$100,000 or more, the Board must inform all successful respondents about their entitlement to a debriefing. Respondents have 60 calendar days following the date of the contract award notification to request a debriefing. The Financial Services Department will conduct vendor debriefings in coordination with the end-user.</p> <p>9. Procurement Execution</p> <p>9.1 Contract Award Notification</p> <p>9.1.1 For procurements valued at \$100,000 or more, the Board must post, in the same manner as the procurement documents were posted, contract award notification. The notification must be posted after the agreement between the successful supplier and the Board was executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.</p> <p>9.2 Executing the Contract</p> <p>9.2.1 Contracts must be finalized using the form of agreement that was released with the competitive procurement document. The agreement between the Board and the successful supplier must be formally defined in a signed written contract before the provision of supplying goods or services commences.</p>	

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<p>9.2.2 Where an immediate need exists for goods or services, and the Board and the supplier are unable to finalize the contract as described above, an interim purchase order must be used. The justification of such decision must be documented and approved by a Superintendent.</p> <p>9.3 Establishing the Contract</p> <p>9.3.1 In the event where an alternative procurement strategy was used (where the form of agreement was not released with the procurement document), the agreement between the Board and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.</p> <p>9.4 Term of Agreement</p> <p>9.4.1 The term of agreement and any options to extend the term of agreement must be set out in the competitive procurement documents. An approval by an appropriate authority must be obtained before executing any modifications to the term of agreement.</p> <p>9.4.2 Extending the term of the agreement beyond what was set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.</p> <p>9.5 Termination Clauses</p> <p>9.5.1 All procurement contracts must include appropriate cancellation and termination clauses. For complex procurements, the contract should include clauses that permit cancellation or termination at critical project lifecycle stages.</p> <p>10. Contract Management</p> <p>10.1 Payments</p> <p>10.1.1 Payments must be made in accordance with the provision of the contract. All invoices must contain adequate information to warrant payment. Any overpayments must be recovered in a timely manner.</p> <p>10.2 Assignments</p> <p>10.2.1 Assignments of contracts must be properly documented. Supplier performance must be managed and documented. Any performance issues must be addressed and the Financial Services Department must be advised.</p> <p>10.3 Contract Dispute Resolution Process</p> <p>10.3.1 All contracts must include a dispute resolution process. All disputes with suppliers must be managed throughout the life of the contract.</p>	

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<p>10.4 Service Contracts</p> <p>10.4.1 Service contracts must establish clear terms of reference for the assignment. The terms should include objectives, background, scope constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements.</p> <p>10.4.2 Establish expense claim and reimbursement rules that are compliant with the Broader Public Service Expense Directive and ensure all expenses are claimed and reimbursed with these rules.</p> <p>10.4.3 Expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.</p> <p>11. Documentation and Record Retention</p> <p>11.1 All procurement documents, as well as any other pertinent information for reporting and auditing purposes, must be maintained for a period of seven years after the contract ends and be in recoverable form if requested.</p> <p>11.2 All records that relate to pending litigation, government investigations, regulatory proceedings or other disputes, must be retained during the pending litigation and/or proceeding (including the appeal process) until litigation is complete. As soon as litigation is contemplated or threatened, parties should immediately take reasonable good faith steps to preserve relevant documents.</p> <p>11.3 Handling, storing & maintaining and disposing (e.g. secured shredding) the suppliers' confidential and commercially sensitive information must be done in a manner that safeguards the confidentiality of the information.</p>	