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**504 Business Services AP – Purchasing/Tendering**

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1. The authority to purchase materials, equipment, supplies and services is extended to staff through the budget adopted annually by the Board.
2. The Superintendent, Deputy-Superintendent, Assistant Superintendent, Chief Financial Officer (CFO), Controller, Director of Building Operations, Director of Transportation and principals have authority to purchase goods and services that are budgeted, appropriate and necessary for each area of authority.
3. As the dollar value of goods and services being purchased increases, there is a corresponding increase in the requirements for approval and documentation. No contract or purchase shall be divided to avoid the requirements of the purchasing procedures.
4. Within legislated limitations, the Division will purchase locally whenever goods and services of equal quality at competitive prices are available.
5. Purchases will not be made from any Board member, officer or employee of the Division or any of their immediate families unless in compliance with conflict-of-interest provisions in the Education Act and this policy.
6. Conflict of interest exists where a Division employee is in a position to influence specifications, tenders, purchases or contracts. Employees must not provide preferential treatment on behalf of relatives, friends or an organization in which an employee or their relatives or friends have an interest.
7. Supplies and equipment are not to be purchased for resale to employees unless expressly authorized by the CFO.
8. Sole Source Purchases
  - a) A “sole source” is a supplier of a specialized good or service that can be obtained from only one source. Examples include suppliers of some copyright materials, textbooks, repair parts, photocopier toner and utility services.
  - b) Sole source purchases for less than \$10,000 do not require a purchase order or written quotes.
9. In rare cases, an exception is permitted, and an emergency purchase may be made. An “emergency purchase” is one made in the case of an urgent situation involving the safety of persons, protection of property or the prompt restoration of service to minimize interruption of fundamental activities.

#### 10. Purchases up to \$1,000

- a) Purchases of goods, materials or services with estimated cost of less than \$1,000 may be made by the appropriate agent of the Division (principal, supervisor, CFO) from the vendor considered by the purchaser to be the best choice considering all relevant circumstances.
- b) Quotations and purchase orders are not required.

#### 11. Purchases from \$1,001 to \$5,000 (Verbal Quotes)

- a) Purchases of goods, materials or services with estimated cost between \$1,001 and \$5,000, excluding taxes, may be made by the appropriate agent of the Division (principal, supervisor, CFO) from the vendor considered by the purchaser to be the best choice considering all relevant circumstances.
- b) Whenever practical, competitive price quotation shall be obtained from suppliers to ensure the timely acquisition of goods and services at the lowest total cost.
- c) The financial commitment will be in the form of a purchase order, except where the purchaser will also be authorizing the vendor's invoice for payment or where the VISA Purchasing Card is being used by an approved individual, within VISA card limits.

#### 12. Purchases from \$5,001 to \$30,000 (Written Quotes)

- a) A minimum of three written quotations must be obtained for specific products or services estimated to cost from \$5,000 to \$30,000, excluding taxes.
- b) Minimum specifications shall be provided in writing to interested suppliers.
- c) Purchases shall be made on the basis of written quotations submitted to the appropriate employee within the specified time period. Fax quotations are acceptable. All quotations must be kept on file for two years for audit purposes.
- d) Quotations are to be evaluated on the basis of service, quality, availability, price and the supplier's ability to fulfill the requirements of any standards or specifications that form part of a contract. The lowest or any quotation will not necessarily be accepted.
- e) The financial commitment will be in the form of a purchase order.

#### 13. Purchases over \$30,000 (Sealed Tenders)

- a) Sealed tenders must be publicly requested for specific products or services with an estimated value over between \$30,000.
- b) Written specifications shall be prepared for the goods or services to be purchased.
- c) All public invitations to tender shall be advertised in newspapers serving the jurisdiction of the Division and in such other publications as considered appropriate by the purchaser.

- d) The tender advertisement must describe how specifications 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.
  - e) All tenders must be submitted in a sealed envelope clearly stating the product or service to which the tender applies. Facsimile tenders will not be accepted. Tenders shall remain sealed until the specified opening date and time and shall be opened publicly and in the presence of at least two Division employees.
  - f) Tenders received after the specified time and date will not be considered. Tenders may be withdrawn prior to the scheduled opening.
  - g) Tenders are to be evaluated on the basis of service, quality, availability, price and the supplier's ability to fulfill the requirements of any standards or specifications that form part of a contract. The Board reserves the right to reject any or all tenders and to accept the tender that appears to be in the best interest of the Division. Where the lowest price is not accepted, reasons shall be provided.
  - h) A summary of quotations shall be available to all bidders and the public on request. All quotations must be kept on file for two years for audit purposes.
  - i) The financial commitment is to be in the form of a purchase order.
14. Notwithstanding the above, the Division will call for public tenders pursuant to Annex 502.4 of the Agreement on Internal Trade for the following purchases:
- a) The purchase of goods and/or services where the cost is expected to exceed \$100,000 and
  - b) Construction projects where the cost is estimated to exceed \$250,000.
15. Notwithstanding the above, the Division will call for public tenders pursuant to the Alberta / British Columbia *Trade, Investment and Labour Mobility Agreement (TILMA)* for the following purchases:
- a) The purchase of goods and/or services where the cost is expected to exceed \$75,000 and
  - b) Construction projects where the cost is estimated to exceed \$200,000

## **Procedures**

1. It is the responsibility of the authorized purchaser to determine that funds are available and to approve the purchase.
2. Where purchase orders are required, individuals with purchasing authority shall maintain a record of purchase orders issued. This record will provide the purchase order number, date, supplier and school or department name on whose behalf the purchase order was issued.

3. Deliveries are to be unpacked at the final destination and contents are to be verified with the packing slip.
4. Each invoice for payment should be verified to the amount as to price, quantity and receipt of goods. Individuals with purchasing authority should initial or sign the invoice to indicate it is approved for payment. Duplicate or faxed invoices are not to be approved for payment except in unusual circumstances where the original will not be available.
5. Record the general ledger account code (eleven-digit accounting code) on the front of the invoice.
6. Forward the original invoice with a copy of the purchase order, if applicable, to the Dunmore Office. Packing slips are not to be sent with the invoice. Documents that are to accompany payment are to be submitted with the original invoice.
7. Schools and other departments shall be responsible for ensuring the timely submission of invoices for payment. Interest charges on overdue accounts will be charged to the site of the purchase if the delay in payment was attributed to the site.

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