



## AP 5 – 10 Purchasing Procedures

**Classification:**

**Effective Date:** 2012 September 27

**Sponsor/Contact:** Superintendent

**Last Reviewed:** 2013 Mar 28

**Exhibits:** none

### PURPOSE

To ensure that established purchasing procedure guidelines direct all employees in the ethical attainment of the goods and services necessary to achieve the Division's objectives. This procedure applies to all employees, not just those with purchasing roles. This procedure applies to all purchases, whether completed by purchase order, purchasing card, petty cash or reimbursement. This procedure applies whether the purchase is from a Division budget or from School Generated funds. The purchase of goods and services should be initiated by persons who are authorized to do so.

### SCOPE

This procedure applies to all staff.

### DEFINITIONS

None

### PROCEDURES

1. The Division will attempt to obtain the maximum value for each dollar expended, consistent with Division and local school or department objectives, and competitive purchasing practices. The Division will use appropriate price comparison practices to ensure achievement of this objective.
2. Consideration should be given to the supplier's reputation and experience, the ability to deliver or perform within the time specified, and the ability to provide after-sales maintenance and service. Past experience on previous orders will also be considered.
3. All other factors being equal, the Division's preference is to purchase from local, provincial, and Canadian suppliers.
4. The Division enters contracts with vendors through groups such as the Calgary and Area Public Purchasing Group (PPG). Whenever possible, goods and services available through these contracts are to be purchased from these vendors. The Treasurer will provide schools and departments with a list of PPG contracts.
5. The Division chooses a preferred vendor for technology purchases. Permission must be obtained from the Supervisor of Information Technology to purchase from an alternate vendor.
6. All items purchased in the name of the school or Division will become property of the Division.

### Restrictions

7. The Treasurer is responsible for establishing and maintaining purchasing procedures subject to the following:
  - The Principal / Department manager or designate is responsible for approving purchases at the school / department level in accordance with site-based management philosophy and the approved budget, and subject to the following restrictions:

Purchases may be made in the following manner:

- **Up to \$1,000**

Through petty cash accounts held by schools and departments, subject to the approval of the Principal or department manager.

Purchased by the employee and claimed on their monthly expense claim form, subject to the approval of the Principal or department manager.

Purchase and then stamp, code, and seek approval and submit to accounts payable for payment.

- **Up to \$2,500**

By Division purchasing card, within the confines of the approved budget and the Purchasing Card agreement signed by the Superintendent, Treasurer, and card holding employee.

By purchase order signed by the Principal or Department manager prior to making the purchase.

- **\$2,501 to \$14,999**

Purchase Order or Visa requisition signed by the Principal or Department manager prior to making the purchase.

- **\$15,000 to \$49,999**

Purchase Order signed by the Treasurer, Associate Superintendent, or Liaison Superintendent prior to making the purchase.

- **Over \$50,000**

Purchase Order signed by the Superintendent.

The Director of Facilities may authorize the following:

- Purchases up to \$50,000 for budget items, excluding capital items as noted in 1.7
- Purchases from Infrastructure Maintenance and Renewal funds as per the plan approved by the Board of Education
- Purchases for a capital project as per the approved budget.

Purchases, from an operating budget, of furniture, equipment, or vehicles over \$5,000 per unit (including non-refundable GST) must be preapproved by the Treasurer, Associate Superintendent, or Liaison Superintendent prior to making the purchase; signed by the Superintendent if in excess of \$50,000.

The purchase of technology over \$500 requires pre-approval by the Supervisor of Information Technology. The supervisor may need to consult with the appropriate Director or Senior Administrator regarding the fit of the technology with Division system planning.

Purchases from AISI budgets, in excess of \$500, require pre-approval from the Associate Superintendent Learning Services.

No Division employee should split transactions with the willful intent of circumventing purchasing restrictions.

## 8. **Tenders and Quotes**

The lowest bid consistent with the specifications will normally be accepted. However, a tender other than the lowest may be accepted if the reasons in support of such action are deemed by the Superintendent, Associate Superintendent or Treasurer to be in the best interests of the Division.

A record of the tenders or quotations on each article or service for which prices are called shall be retained for one year after the date of the decision.

The name of the successful bidder and the price on each tender shall be made available on request. For construction and maintenance work, upon receipt of a requisition and supporting tender information, a purchase order authorizing the work shall be issued.

#### 9. **Obtaining prices**

##### **Estimated value under \$10,000**

Two or more verbal quotations shall be obtained where possible and practical.

##### **Estimated value \$10,000 to \$19,999**

No fewer than three written quotations shall be obtained where possible.

##### **Estimated value over \$20,000 to \$74,999**

A formal request for proposals shall be invited from suppliers appropriate to the commodity required.

##### **Estimated value over \$75,000**

As a MASH entity (Municipalities, Academic Institutions, School Boards and Regional Health Authorities) we are required by TILMA (Trade, Investment and Labour Mobility Agreement) to use a fair tendering process. For goods and services of \$75,000 or greater, and for construction of \$200,000 or greater, we are required to post tender notices electronically on the Alberta Purchasing Connection (APC), Alberta's electronic tendering system.

For immediate emergency repairs necessitated through fire, water, sewage, wind, or electrical damage, the Director of Facilities and Maintenance and Associate Superintendent shall take whatever action is necessary to restore operations. The Superintendent shall be advised of any emergency action taken resulting in an expenditure in excess of \$5,000.

#### 10. **Authorization**

The Principal, department manager, or designate is responsible for approving invoices for goods and services received and forwarding them to Division office for payment. A copy of the complete purchase order must be attached to the invoice when it is submitted for payment.

Invoices should be submitted to Division office on a timely basis.

#### 11. **Purchasing from Employees**

Purchases of materials or services from Division employees is discouraged, and when permitted, must be approved by the Superintendent before the purchase.

#### 12. **Pecuniary Interest**

No Division employee, in a position to recommend or influence purchasing from any specific suppliers, should hold a significant interest in any company from which the Division makes purchases without adequate disclosure to the Superintendent. Nor should any member of an employee's immediate family hold such interest.

#### 13. **Gifts and Favours**

No Division employee should accept from any present or perspective supplier any money, loans, gifts, or favours that might influence, or give the appearance of influencing, a purchasing decision of the Division. Vendors should be advised periodically that the Division prefers not to have friendship expressed in this form. If a gift with a very nominal value should be inadvertently received, the gift need not be returned. Any employee who has doubts or questions about this procedure should consult a supervisor. Gifts of travel are not permissible.

#### 14. **Purchasing Cards**

The Division has established a purchasing card program to provide a more convenient, efficient, cost-effective method of purchase and payment for small dollar transactions and to provide schools with a simple method of direct purchases.

All purchases are in effect pre-approved by the principal or department manager when the principal/supervisor authorizes a card for a particular employee. The credit limits (single transaction limit and monthly limit) as well as the default general ledger distribution should reflect the amount and nature of purchasing that the principal or department manager is approving. No Division employee should split transactions with the willful intent of circumventing purchasing limits. All expenses are subject to approval after the fact by the principal or department manager.

The purchasing card is not intended to be used for:

- Capital Purchases
- Personal Purchases
- Fuel
- Lottery tickets or betting
- Any merchant, product or service normally considered inappropriate use of Division funds.

Exceptions must be pre-approved by the Superintendent.

All cardholders are responsible for the security of their Purchasing Card and the transactions made against it. A Purchasing Card bears the name of the individual cardholder, must only be used by that card holder, but is the property of the Division and is only to be used for Division purchases.

Cardholders must obtain a receipt when using the Purchasing Card and attach to the purchasing card transaction log which must be reconciled monthly to the US Bank Visa Statement. The principal/supervisor must approve each purchasing card transaction log to ensure transactions are accurate and legitimate.

If for some reason the cardholder does not have receipts or other documentation of the transaction to send with the statement, he/she must attach a description of the purchase using the Missing Receipt Documentation Form. Continued incidents of missing receipts or supporting documentation may result in the cancellation of the employee's purchasing card.

#### 15. **Petty Cash**

As individual schools and departments may incur miscellaneous expenses from time to time, the Treasurer is authorized to establish appropriate petty cash funds for schools/departments as required up to a maximum of \$3,000.

Original itemized receipts must be submitted to Division office on a monthly basis for replenishment of funds. Records of transactions must be maintained in a suitable format:

- Schools – in accordance with procedures outlined for accounting for school generated funds.
- Departments – on a spreadsheet.

#### 16. **Expense claims**

Expense claim forms are intended to be used by Division employees to obtain reimbursement for travel and other expenses incurred while conducting Division business or during pre-approved trips for professional development.

Expense claim forms may occasionally be used to obtain reimbursement for small items purchased for educational or administrative purposes. These would generally have prior approval in principle, and would not exceed \$1,000. Principals and Department managers may set lower limits for their staff.

Expense claim forms can be used to reimburse the Division for personal calls on a Division phone, for personal copying, etc. Simply fill out your expense claim as usual and then deduct the amount owed for personal calls, etc.

**17. Travel and Other Expenses**

The following are guidelines to be followed by Chinook's Edge employees who are responsible for the authorization of expenditures. The list is intended to identify travel expenses that are appropriate and allowable and those that are not. While it is not an exhaustive list, the examples convey the concept of reasonableness. Employees are expected to make every effort to produce the most economical use of all resources by considering cost, time spent traveling and convenience.

**18. Meals**

Employees will receive reimbursement for actual, reasonable expenses. Alcohol is not a reimbursable expense. The Division will reimburse a maximum amount for meal expenses per person. Breakfast \$20, Lunch \$25, Dinner \$30 including GST and a reasonable tip. Itemized receipts are required.

**19. Accommodations**

Employees will receive reimbursement for actual, reasonable accommodations.

Employees are encouraged to share rooms when traveling on division business. Where possible, employees shall ask for Government of Alberta room rates when booking hotel rooms.

**20. Business Use of Personal Vehicles**

When employees use their personal vehicle on Division business, employees will receive reimbursement at Board approved rates per kilometre. Travel must be by the most direct, practical route to the business destination. Each employee will ordinarily claim for the distance from their main work site to the business destination.

When an employee stops, for business purposes, at a site, other than their work site, on their way to or from work at the beginning or end of their work day, they will be reimbursed for kilometres one way from their work site to that site. If he/she returns to their normal work site, he/she will be reimbursed for the round trip.

Employees will not be reimbursed for kilometres travelled to purchase resources for their school or department when the cost of having the goods delivered would be less than the cost of mileage. Employees will be reimbursed at the Board approved rate for each kilometre traveled on Division business.

**21. Air Travel**

The most economical airline accommodations, e.g. economy, coach, tourist, excursion, discount flights consistent with the business schedule requirements are to be used. Travel should be planned to take advantage of any possible discount fares. Costs associated with travel insurance, excess luggage weight or multiple pieces of luggage will not be reimbursed. First class and business class airfare will not be reimbursed unless approved by the Superintendent in advance. Air travel will be reimbursed only for that portion which is directly related to Division business. If you extend the duration of a business trip by use of personal or vacation time, thereby qualifying the entire trip for a reduced fare, the division will reimburse the lesser of the total actual fare (including the air fare for a side trip) or the airfare authorized for the business trip only.

**22. Parking Fines & Tickets**

The Division is not responsible for employees that receive parking fines or traffic tickets while on Division business. These will not be reimbursed.

**23. Personal Expenses**

The Division will not reimburse personal expenses. If expenses of a personal nature, including hotel shop purchases, laundry, valet, non-business telephone calls, movie charges, health club use, alcoholic beverages, sundry items, are charged against the room, the amount so charged is to be deducted from the expense claim submitted to the Division.

**24. Spouses (and families) Travelling with Employees**

When traveling with a spouse, or family, employees are expected to pay the additional cost, if any, for a double room.

**25. Gratuities / Tips**

The Division will reimburse reasonable and actual gratuities disbursed for business purposes by employees while traveling on approved Division business.

**26. Parking**

The Division will reimburse reasonable and actual parking costs disbursed for business purposes by employees while on approved Division business. Actual receipts should be provided where possible.

**27. Attendance at Fundraisers**

The Division will **not** reimburse expenses related to fundraisers for political parties, individual politicians or political causes. Under no circumstances shall Division funds be used to offer gifts, hospitality or the purchase of event tickets or donations to a political party, registered political candidate or to a riding constituency association.

**REFERENCE AND LINKS**

*School Act*

*Collective Agreement*

*Elections Finances and Contributions Disclosure Act*

**HISTORY**

Approved: 2012 May 25

2012 September 27