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Subject	PURCHASING PROCEDURES
Reference	Policy 2230 – General Purchasing Policy 4320 – Fundraising APM A2030 – Honoraria and Tokens of Appreciation APM A2502 – Expense Claims APM A2504 – Purchasing Card APM A2506 – Clearing Accounts APM A2510 – Signing Authorities APM A2600 – School Generated Funds APM A5200 – Alterations and Repairs to Facilities and Sites APM A6400 – Instructional Technology The Broader Public Sector Accountability Act - 2010 Ministry Broader Public Sector Procurement Directive Canadian Free Trade Agreement (CFTA) Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
Contact	Business Services

1. Purpose

This Administrative Procedures Memorandum (APM) provides direction to employees of the Simcoe County District School Board (SCDSB) with regard to the purchase of goods or services, regardless of the funding source.

2. Code of Ethics (as outlined through Ontario's Broader Public Sector (BPS) Procurement Directive.)

2.1 Personal Integrity and Professionalism

All board employees must act, and be seen to act, with integrity and professionalism. Honesty, care, and due diligence must be integral to all purchasing activities, qualified suppliers, and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Board employees must not accept gifts and favours, provide preferential treatment, publicly endorse suppliers or products, or engage in any other activity that would create, or appear to create a conflict of interest. This would include employees of the board seeking financial gain through any means, including fundraising opportunities.

2.2 Accountability and Transparency

Purchasing activities must be open, accountable and adhere to the Broader Public Sector Procurement directive (see training manuals on the StaffWeb – Departments – Purchasing – Procurement Training). In particular, tendering and request for proposals, 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.

2.3 Compliance and Continuous Improvement

All board employees must comply with this code of ethics and the laws of Canada and Ontario. All board employees will continuously work to improve policies and procedures, to improve knowledge and skill levels, and to share leading practices.

3. General

3.1 The board shall not purchase goods or services for the personal use of its employees.

3.2 The board shall not purchase goods or services from its employees or from board employees who are employed by another organization to sell goods or services, except where allowed under the *Education Act* (s217) and the *Income Tax Act*.

3.3 Purchases made in the name of the board without the proper authorization shall not be an obligation of the board. An employee who makes an unauthorized purchase may be held personally responsible for the purchase and may be subject to disciplinary action.

4. Definitions

4.1 Addendum – is prepared when the posted competitive procurement documents need to be modified (e.g., amending, adding, or deleting information due to errors, conflicts, or deficiencies in the document).

4.2 Consultant - is a person or entity that under an agreement other than an employment agreement, provides expert or strategic advice and related services for consideration and decision making.

4.3 Consulting Services - the provision of expertise or strategic advice that is presented for consideration and decision making.

4.4 Goods or Services - include goods, construction, and services, including, but not limited to, information technology and consulting services.

- 4.5 Emergencies - an unforeseen situation where urgency exists, and the goods or services cannot be obtained by means of an open procurement process. Emergencies may include such items as a building shutdown, health and safety, vandalism, fire, flood, etc.
- 4.6 Request for Expression of Interest (RFEI) - is used to gather information on supplier interest in an opportunity, or information on supplier capabilities and/or qualifications. This mechanism may be used when the board wishes to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed. Information collected can also facilitate selecting the best possible method for a follow-up competition. A response for an RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful respondent on any subsequent opportunity.
- 4.7 Request for Information (RFI) - is used to gather general supplier or product information. This mechanism may be used when researching a contemplated procurement that the board has not yet determined what characteristics the ideal solution(s) would have (e.g., when someone desires a new warehouse management system, but is unsure of which features are most important and needs more information to understand what is available and what are the suppliers' capabilities). A response from an RFI must not pre-qualify a potential supplier and must not influence their chances of being the successful respondent on any subsequent opportunity.
- 4.8 Request for Proposal (RFP) - is used to request a supplier to provide solutions for the delivery of complex products or services, or alternative options or solutions. The process uses predefined evaluation criteria in which price is not the only factor. An RFP is used for goods or services.
- 4.9 Request for Quotation (RFQ) - is an invitational bid process for obtaining a competitive bid for goods or services.
- 4.10 Request for Supplier Qualification (RFSQ) - is used to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service, or to identify qualified candidates in advance of expected future competitions.
- 4.11 Request for Tender (RFT) - is a document used to request supplier responses to supply goods or services based on stated delivery requirements, performance specifications, terms, and conditions. The evaluation criteria are predominantly based on price, delivery, and/or ability to do the work. An RFT is used for goods or services.

- 4.12 Single Source Procurement - is the use of a non-competitive procurement process to acquire goods, services, or construction from a specific supplier, even though there may be more than one supplier capable of delivering the same goods or services ([FORM A2500-1](#)).
- 4.13 Sole Source Procurement - is the use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of goods or service ([FORM A2500-1](#)).

5. Purchasing Authority Levels

- 5.1 Approved budget funds must be available prior to any procurement. Where a competitive bid process is required, evidence of approved budget funds may be requested.
- 5.2 Approval for purchases must be based on the total estimated value of the procurement, including any agreed upon renewals and excluding applicable sales taxes.

6. Signing Contracts

- 6.1 All contracts or agreements involving the purchase of goods or services for the board shall be signed by the Director of Education or designate.
 - 6.1.1 An authorized buyer from Business Services - Purchasing will sign and issue the purchase orders.

7. Procurement Process

- 7.1 Purchases shall be made by purchase order or purchasing card (P-Card).
 - 7.1.1 Cheque requisitions and personal reimbursements are to be used only when goods or services cannot be purchased by a purchase order or a P-Card.
 - 7.1.2 Staff must consult the Purchasing Directory or contact a purchasing representative to determine the appropriate method of procurement.
- 7.2 Invoices/receipts must provide all pertinent information related to the purchase, including name and address of vendor, harmonized sales tax (HST) number, details of the goods and applicable taxes. For service-related invoices, time and material must be detailed. A supplier statement of account, debit or credit card receipts are not considered an invoice/receipt.

- 7.3 The procurement process as outlined in the table below is required where the estimated value of goods or services fall within the thresholds identified.

VALUE	PROCEDURE
GOODS OR SERVICES	
\$100,000 or more	RFP or RFT (open competitive process)
\$10,000 to \$99,999	RFQ (invitational competitive process) (a minimum of three suppliers are to be invited to bid)
\$50 to \$9,999	Purchase order
< \$2,500	P-Card
>\$10,000 Where a competitive process has not been completed	single/sole source procurement (prior approval required from the Director of Education or designate)
CONSULTING SERVICES	
\$100,000 or more	RFP
< \$100,000	RFQ

- 7.4 Division of requirements into multiple procurements to reduce the estimated value of a single procurement and avoid the application of the identified value thresholds is not permitted.
- 7.5 Where an unforeseen situation in which time is of the essence, practical for cost or from an emergency or urgency standpoint, quotations may be obtained from pre-selected vendors, where available, rather than calling for sealed tenders. Prior approval must be obtained by email from the appropriate manager and the Controller.
- 7.6 During the competitive bid process, only the board designated contact(s) may communicate with potential suppliers. This period is referred to as a blackout period.
- 7.7 Terms and conditions of the RFSQ document must contain language that disclaims any obligation of the board to call on any supplier to provide goods or services as a result of pre-qualification.

- 7.8 Every competitive process must establish evaluation criteria. Evaluation criteria must be developed, reviewed, and approved by the appropriate buyer and the project coordinator before the competitive process begins. The criteria must be included in the competitive documents. The competitive documents must also identify the criteria that are considered mandatory, and any technical standards that need to be met. The evaluation criteria can only be changed or altered through an addendum once the competitive process has begun.
- 7.9 The board must monitor any conflict of interest that may arise as a result of employees, advisors, external consultants and suppliers' involvement with the supply chain activities. Individuals involved with the supply chain activity must declare actual or potential conflicts of interest. Where a conflict of interest arises, it must be evaluated, and appropriate mitigating action must be taken.
- 7.10 In accordance with the Canadian Free Trade Agreement (CFTA) and the Canada European Union Comprehensive Economic and Trade Agreement (CETA), a call for an open competitive bid shall be posted to at least one electronic tendering system website.
- For procurement valued at \$340,615 or more, the board must post a notice of intended procurement for up to 25 days. The notification must be posted after the agreement between the successful supplier and the board has been executed. Contract award notifications must list the name of the successful supplier, agreement start and end dates, and any extension options.
- 7.11 Calls for competitive bids must have a minimum response time of 15 calendar days for bid documents valued at \$100,000 or more.
- 7.12 Each member of the evaluation team, if required, must complete an evaluation matrix which rates each of the respondents. Records of evaluation scores must be returned to Business Services - Purchasing. Evaluators must be aware that everything they say, or document must be fair, factual, fully defensible, and may be subject to public scrutiny.
- 7.13 Bid submission date and closing times must be clearly stated in competitive bid procurement documents. The board must set the closing date of a competitive procurement process on a normal working day (Monday to Friday, excluding provincial and national holidays).
- 7.14 Employees must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.
- 7.15 All contracts must include appropriate cancellation or termination clauses. When conducting complex procurements, where appropriate, consideration should be given to the use of contract clauses that permit cancellation or termination at critical project lifecycle stages.

- 7.16 The term of the agreement and any options to extend the agreement must be set out in the bid document.
- 7.17 Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion.
- 7.18 Mandatory criteria (i.e., technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified.
- 7.19 Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.
- 7.20 In rare or exceptional circumstances where a single or sole source prevents a competitive bid process from taking place, the Sole or Single Source form ([FORM A2500-1](#)), with supporting documentation, must be completed, approved, and given to the appropriate buyer. Prior approval will be obtained from the Director of Education, or designate, before commencement of non-competitive procurement.
- 7.21 In the situation of compliant identical bids, the suppliers will be invited to witness a coin toss to determine the successful bidder. Under no circumstance will the award be divided between suppliers submitting identical bids.
- 7.22 The lowest or any proposal may not necessarily be accepted. The board reserves the right to decline any or all proposals, in whole or in part, for due reason, at any time prior to making an award. The decision by the board may be governed by the consideration of all factors that have an impact upon the ultimate cost of the project, the completion date, or the experience and capability of the bidder(s).
- 7.23 Certain competitive procurement processes require an evaluation team to be responsible for reviewing and evaluating the compliant bids. The team will review the evaluation handbook for more detail.
- 7.24 Competitive bidding may be broken down and awarded by location, goods, or services as described in the bid document.
- 7.25 The agreement between the board and the successful supplier(s) must be formally defined in a signed written contract, referred to as service agreement, that was released with the procurement documents, before the provision of supplying goods and/or services commences.
- 7.26 In circumstances where an alternative procurement strategy has been used, (i.e., a 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.
- 7.26.1 The justification of such decision must be documented and approved by the appropriate authority.

- 7.27 Where the successful respondent has been selected and an immediate need exists for goods or services, and the contract has not been finalized, an interim purchase order may be used. The justification of such decision must be documented and approved by the Superintendent of Business and Facility Services, or designate.
- 7.28 Where a board report is required, the report is to be reviewed prior to issuance to ensure compliance with the competitive bid process by the Assistant Manager of Accounting and Purchasing, or designate.
- 7.29 For all competitive bid processes, the name(s) of the successful supplier(s) must be posted in the manner as outlined in the bid document.
- 7.30 Competitive procurement documents must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion. Bid dispute resolution procedures must comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.
- 7.31 The submission that receives the highest evaluation score and meets all mandatory requirements set out in the competitive procurement document must be declared the winning bid.
- 7.32 When purchasing commodities that have been contracted by an outside entity, the Assistant Manager of Accounting and Purchasing will ensure that the BPS Procurement Directive has been followed and documented.
- 7.33 For purchases valued at \$100,000 or greater, all suppliers who participated in the procurement process are informed of their entitlement to a debriefing.

8. Contract Management

- 8.1 Procurements and the resulting contracts must be managed responsibly and effectively.
- 8.2 Payments must be made in accordance with provisions of the contract.
- 8.3 Assignments must be properly documented. Supplier performance must be managed and documented, and any performance issues must be addressed.
- 8.4 For services, there must be an established clear term of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements and knowledge, and transfer requirements.

9. Approvals

- 9.1 Purchases of goods or services that exceed the approved budget will require Board approval after the competitive bid process. In these situations, the signature of either the Director of Education, or designate, will be required.
 - 9.1.1 Business Services will submit an information report to the Business and Facilities Standing Committee on a monthly basis, summarizing awarded contracts within budget.
- 9.2 Any change order which increases the approved cost of a project must be submitted to the Director of Education and the Board for approval.
- 9.3 The board must have a written policy for handling, storing, and maintaining the suppliers' confidential and commercially sensitive information.

10. Customs for Out-of-Country Purchases

- 10.1 Whenever an order is sent from outside of Canada, the board's custom broker clears the package, pays the applicable taxes, and schedules entry.
 - 10.1.1 All fees and taxes associated with clearing the package will be charged to the same account as the original purchase.
 - 10.1.2 Goods on consignment or free of charge are subject to fees and taxes based on the value of the product as determined by the vendor.

11. Disposal of Obsolete and Surplus Furniture and Equipment

- 11.1 Every effort will be made to find further uses within the system for furniture and equipment that has been declared as surplus (excluding technical equipment). Departments or schools that have surplus furniture and equipment are required to contact Business Services - Purchasing. Items that are considered to be of further value to the system will be added to the board's existing inventory.
- 11.2 For the removal of items that have been deemed as surplus, and have no value to the board, contact Business Services - Purchasing.
- 11.3 Surplus furniture and equipment may be shared between schools/locations at no expense, outside of shipping costs, which will be absorbed by the receiving school.

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Issued under the authority of the Director of Education



SOLE OR SINGLE SOURCE PROCUREMENT

To be compliant with the Simcoe County District School Board's (SCDSB) Purchasing Policy, Administrative Procedures Memorandum (APM) and the Broader Public Sector (BPS) Procurement Directive, purchase of good and services are subject to a competitive bid process. In rare or exceptional circumstances where a single or sole source prevents a competitive bid process from taking place, this form must be completed and returned to Business Services - Purchasing, Attn: Assistant Manager of Purchasing and Accounting or appropriate buyer, before the requisition or contract can be approved.

***Single Sourcing** is the use of a non-competitive procurement process to acquire goods, services, or construction from a specific supplier, even though there may be more than one supplier capable of delivering the same goods, services, or constructions.*

***Sole Sourcing** is the use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of goods or service.*

FOR THE ACQUISITION OF GOODS OR SERVICES

To ensure optimal value is obtained, fair market value (FMV) must be demonstrated where noted below.

This acquisition is intended for the following:

Good or service description:

Recommended supplier name:

Expected term (maximum three years):

Proposed contract value (over expected term):

Select the reason that applies:

Single Sourcing

Allowable exceptions for competitive procurements include:

- Where an unforeseen situation of urgency exists and the goods, services or construction cannot be obtained by means of open procurement procedures. Where a non-competitive procurement is required due to an urgent situation, the (SCDSB) may conduct the procurement prior to obtaining the appropriate approvals provided that the urgency has been justified in writing.
- Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open competitive process could reasonably be expected to compromise confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- Where a contract is awarded under a cooperation agreement that is financed, in whole or in part, by an international organization only to the extent that the agreement includes different rules for awarding contracts.
- Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt compound and pre-mixed concrete for use in the construction or repair of roads.
- Where an open competitive process could interfere with SDCSB's ability to maintain security or order, or to protect human, animal, or plant life or health.
- Where there is an absence of any bids in response to an open competitive process that has been conducted in compliance with this document.

Sole Sourcing

- To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright, and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
- Where there is an absence of competition for technical reasons and the goods or services can only be supplied by a particular supplier and no alternative or substitute exists.
- For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly.
- For the purchase of goods on a commodity market.
- For work to be performed on or about a leased building or portions thereof that may be performed only by the leaser.

- For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- For a contract to be awarded to the winner of a design contest.
- For the procurement of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
- For the procurement of original works of art.
- Other reasons not listed above.

Software Purchases, Maintenance Contracts & Renewals (these questions must be answered)

1. What is the purpose of this software/maintenance contract?
2. Who is it used by (user group or department/location)?
3. If this purchase is for a maintenance contract or renewal, how long have we owned this software?
4. Was a competitive process done when the initial software was purchased?
5. Is there any other comparable software out there that can do the same thing?
6. How many more years do you foresee purchasing the annual maintenance contract and/or renewal?
7. What service do we benefit from by purchasing the maintenance contract?

Rationale: Explain why the supplier requested is the only one that can satisfy the requirements, as well as why alternatives are unacceptable. Attach additional page(s) if necessary.

I understand and accept that the Simcoe County District School Board's APM A2500 – Purchasing Procedures requires three quotations from different suppliers (for goods or services valued in excess of \$10,000), or formal competitive bids (for goods or services valued over \$100,000). I have attached the required back-up documentation in support of the selected condition(s), and I also acknowledge that the order has NOT been placed with the supplier, and will not be placed until authorized to do so by the signing authorities below.

(*Requester and second signing authority cannot be the same person.)

Signing Authority	Requester	Business Services – Purchasing	>\$10,000 Director of Education or designate
Printed Name			
Signature			

The signature of the Director of Education, or designate, indicates that this purchase falls within the reasons as noted above. Once this request has been approved, a purchase order will be issued, or a contract signed in accordance with the details specified on this form.

Date