

REGULATIONS

SUBJECT: Purchasing Goods and Services

This regulation sets out the requirements and manner, in which all goods and services needed by the LKDSB, including those items purchased by school generated funds and all other Board funds, will be purchased to ensure compliance with all regulatory and Board requirements. It applies to all Board personnel, volunteers and other individuals who wish to purchase goods and/or services for the Board.

1. PROCUREMENT REFERENCE TO OTHER DOCUMENTS

These regulations and the following documents listed below, shall govern the principles and practices used in conducting the Board's purchasing.

Province of Ontario "Broader Public Sector (BPS) Procurement Directive effective April 1, 2011" or the latest available edition.

Applicable Trade Agreements that currently include:

- i. Canadian Free Trade Agreement (CFTA)
- ii. Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
- iii. Canada-UK Trade Continuity Agreement (CUKTCA)
- iv. Ontario – Quebec Trade and Cooperative Agreement (OQTCA)
- v. Other Trade Agreements as approved by the Governments of Canada or Ontario.

Procurement Directives from the Ministry of Education

Education Act (s. 217)

Board Policy P-BU-503-11 Purchasing Goods and Services

Board Administrative Procedures:

A-BU-506-00	Payment Authorization Form
A-BU-509-00	Purchasing Card
A-BU-503-10	Formal Bid
A-BU-502-17	Expense Report

Board Regulation – Delegation of Authority

The "Purchasing Goods and Services" flowchart is provided as a tool to assist in understanding the LKDSB methods of purchasing goods and services.

2. CODE OF ETHICS

All members involved in the purchasing of goods and services for the LKDSB shall comply with the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics.

Goal: 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 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.

3. DEFINITIONS

In this regulation and the associated procedures, the words below have the following meaning:

Word	Meaning
Approval Authority	The authority delegated by the LKDSB to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to applicable legislation, regulations and procedures in effect at such time.
Bid	An offer or submission received from a Vendor in response to an RFX, which may be accepted or rejected
Blanket / Standing Purchase Order	Any contract for the purchase of goods and/or services which will be required frequently or repetitively but where the exact quantity required may not be precisely known or the time period during which the goods and services will be provided is not precisely determined but having a maximum on both the total price or value of the goods and/or services and the time period during which all goods and/or services were to be supplied under contract.

Board	Lambton Kent District School Board, including all Departments, schools and school generated funds
Budget Holder	The employee assigned to manage the funds for a specific school or department within the Board. Delegation of this responsibility shall be documented and is not permitted for consulting services.
Collaborative Purchasing	A coordinated event that facilitates purchasing on behalf of multiple organizations through buying groups, Group Purchasing Organizations (GPOs), or Shared Service Organizations (SSOs) for example. The goals of the collaborative purchasing are to leverage buying power, standardize processes through centralized buying, minimize risk and improve process controls, and generate savings and efficiencies that benefit the collective participants.
Contract Administrator	Board representative delegated the responsibility to administer a contract
Competitive Procurement	A set of procedures for developing a procurement contract through a bidding or proposal process, where the intent is to solicit fair, impartial, competitive bids.
Consultant	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.
Consulting Services	The provision of expertise or strategic advice that is presented for consideration and decision-making.
Contract	A formal, legal agreement between two or more parties, usually written, or a purchase order with binding legal and moral implications; usually exchanging goods and/or services for money or other consideration
Contract Extension	An amendment to a contract which can include either an increase in funds, increase in the scope of work, and/or an extension in time and must meet specified criteria.
Designate	A person authorized in writing by the Budget Holder to act on his/her behalf, for the purposes of this regulation and related procedures.
Direct Negotiation	Procurement method where the usual competitive process is suspended and negotiations are entered into with one or more than one vendor.
Dispose	Sale, exchange, transfer, destruction or gifting of goods owned by the Board which are deemed surplus. "Disposal" and "disposed" shall have similar meanings.
Emergency	A situation where the immediate purchase of goods and/or services is essential in order to maintain an essential service or to prevent danger to students, staff, or property within the Board.
Expression of Interest	A situation where a vendor approaches the Board or is solicited by the Board to advise the Board on their ability or desire to undertake Board requirements.

Goods	All materials, equipment, fixtures, and structures to be delivered, installed or constructed.
Invitational Competitive Procurement	The contractual acquisition by the Board of any good or service, which enables some but not all suppliers to compete in a fair and open environment. It occurs when three or more qualified suppliers are invited to submit written proposals to supply goods or services as specified by the Board.
Negotiated Contract	Negotiating directly with a supplier to establish a contract when it is in the best interests of the Board, and normally occurs when it is a single or sole source situation. Negotiations shall be entered into only by the Purchasing Department with the approval of the Superintendent of Business, and a report shall be submitted to the Superintendent of Business when negotiations have been used instead of the formal tender procedures.
Non-competitive procurement	Procurement of goods and services that does not go through a competitive process and is sourced directly to a supplier that can only be used in situations outlined in the exemption, exception or non-application clauses of the applicable trade agreements.
On-site Services	Services performed by a Supplier that require the supplier to access an LKDSB facility and perform Work. This may include installations, construction, maintenance, placement of rental equipment, etc.
Open, competitive procurement	The contractual acquisition by the Board of any good or service, which enables all suppliers to compete in a fair and open environment.
Preferred Contract	A contract whereby the Board can purchase goods and/or services without having to worry about purchasing thresholds, as Purchasing has already negotiated an agreement for specified goods and/or services.
Procurement Process	The process used to acquire by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction.
Purchase	The act of acquiring goods and/or services of any legal or equitable interest, right or title in goods and/or services or the making of any contract or offer for goods and services that includes the lease of goods and/or services. "Purchased", "purchasing", "acquisition", "procurement", "procure", "buy" shall have similar meanings.
Purchase Order	The legal document which is the Board's commitment to the vendor for the purchase of goods and/or services at an agreed upon price, terms, conditions and delivery date. It gives the vendor the authority to charge for the goods and/or services specified on the order, in accordance with the terms and conditions.

Purchase Card (P-Card)	A credit card approved by the Board that can be used by the cardholder to purchase low dollar items, as specified in the Purchase Card Admin procedure.
Purchasing Department	The Department within the Board authorized to perform the purchasing function.
Quotation	A request for prices on specific goods and/or services from selected vendors, which is submitted verbally, in writing or transmitted by facsimile or email as specified in an RFQ.
Relative	A spouse (including common-law partner), parent, child, brother, sister, brother-in-law, sister-in-law, grandparent, grandchild, nephew, niece, uncle, or aunt of an employee of the Board.
Request for Information (RFI)	A process where information is requested from vendors regarding the feasibility and availability of specific goods and/or services in the marketplace. This is used for information gathering purposes only.
Request for Expression of Interest (RFEI)	A process used to clarify the ability of the supplier community to provide the necessary services or solutions. This is used for information gathering purposes only.
Request for Proposal (RFP)	A process where a need is identified, but how it will be achieved is unknown at the outset. The process allows vendors to propose solutions or methods to arrive at the end product and it allows for evaluation on criteria other than price.
Request for Quotation (RFQ)	A process, similar to an RFT, where an organization specifies exactly what needs to be purchased and the evaluation is based solely on price.
Request for Supplier Qualification (RFSQ)	A process used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified vendors or a vendor of record.
Request for Tender (RFT)	A process where a vendor is requested to make an offer in writing to execute some specified services, or to supply certain specified goods, based on stated delivery requirements, performance specifications, terms and conditions. Evaluation criteria usually focuses on price and delivery requirements.
Responsive Bid	A vendor whose bid does not vary from the specifications and terms and conditions set out in the invitation for bids.
Requisition	A request for goods and/or services, initiated by an employee and approved by the Budget Holder, that is electronically submitted to Purchasing to procure.
RFX	An acronym that captures all references to "Request for" documents such as RFP, RFQ, RFT, etc.
Services	All professional, construction, or maintenance services, including the delivery, rental or installation, repair, restoration, demolition or removal of personal and real property.
Single Source	There is more than one source in the open market but only for reasons of function or service, one vendor is recommended for consideration for a particular good and/or service.

Sole Source	There is only one source of supply for the particular goods and/or services.
Tender	Refer to RFT
Total Acquisition Cost	The most cost efficient and effective manner, being the sum of all costs including but not limited to purchase price, warranty, life cycle cost, administrative, operating and disposal costs.
Total Aggregate Value	The sum of all costs that are paid for goods and services required to satisfy a need over a period of time.
Vendor	An individual, firm, supplier, vendor, contractor, architect, consultant, bidder or proponent
Vendor of Record	A vendor with whom the Board has a formalized relationship for a set of goods or services, but one that is not necessarily exclusive. The purpose of the relationship is to formalize the terms and conditions, and the ordering and payment channels. Purchases from a VOR must follow competitive bidding requirements for purchases over \$5,000.

4. PURCHASING PRINCIPLES

The Board advocates the following principles that are in accordance with the BPS Directive:

1. Accountability - The Board must be accountable for the results of the procurement decisions and the appropriateness of the processes.
2. Transparency – The Board must be transparent to all stakeholders. Where possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
3. Value for Money – Organizations must maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total life-cycle cost.
4. Quality Service Delivery – Front-line services provided by Organizations, such as teaching and patient care, must receive the right product, at the right time and in the right place.
5. Process Standardization – Standardized processes remove inefficiencies and create a level playing field.

5. SEGREGATION OF DUTIES

Segregation of duties prevents any one person from controlling the entire procurement process by separating approvals for key stages of the procurement process. The Board separates at least three of the five functional areas as per the table below:

FUNCTIONAL ROLE	RESPONSIBILITY	ACCOUNTABLE PARTY
Requisition	Authorize the Purchasing Department to place an order	Authorized by the Budget Holder
Budgeting	Authorize that funding is available to cover the cost	Authorized and approved by the Trustees on an annual basis
Commitment	Authorize release of the order to the supplier under agreed upon contract terms	Purchasing Department authorizes the release of the order
Receipt	Authorize that an order was physically received, correct and complete	Individual receiving the goods authorizes the receipt
Payment	Authorize release of the payment to the supplier	Accounts Payable authorizes the payment to the supplier

6. METHODS OF PROCUREMENT

1. The purchasing of goods and services shall be undertaken using one of the following methods:

GOODS AND NON-CONSULTING SERVICES		
Total Procurement Value	Means of Procurement	Requirements
\$0 - \$4,999	Purchasing Card (P-Card)	Required, except where noted below
	Requisition	Required for on-site services only
	PAF	When P-Card is not accepted & Purchasing approves the Vendor in advance of the purchase
\$5,000 - \$24,999	Purchase Order	Requires Purchasing to obtain three quotes via invitational or open procurement and a requisition is input when making the purchase
\$25,000 - \$99,999	Invitational or Open RFX	Requires Purchasing to conduct a bid process utilizing the Board electronic tendering system and a requisition is input when making the purchase.
\$100,000 or more	Open, competitive RFX	Requires Purchasing to conduct an open bid process utilizing the Board electronic tendering system and requisition is input when making the purchase.
CONSULTING SERVICES		
Total Procurement Value	Means of Procurement	Requirements
\$0 - \$99,999	Invitational or Open RFX	Requires Purchasing to conduct an bid process utilizing the Board electronic tendering system and requisition is input when making the purchase.
\$100,000 or more	Open RFX	Requires Purchasing to conduct an open bid process utilizing the Board electronic tendering system and requisition is input when making the purchase.

For other permitted uses of PAFs, refer to the Payment Authorization Form Administrative Procedure.

2. **Cooperative Purchasing**, when approved in advance by the Superintendent of Business or Designate, may be used in place of the LKDSB conducting its own formal tender, where the use of the Cooperative Purchasing is in the best interest of the Board.

3. **Non-competitive Procurement** may be used in unique circumstances, in accordance with the applicable trade agreements and Board regulations and procedures. Examples where non-competitive procurement may be used include but are not limited to; professional services, purchases of educational textbooks direct from the publisher, instances where pre-existing furniture or equipment is only available from one supplier, when necessary to maintain compatible technologies, where an open competitive process could interfere with the ability to maintain security or to protect human health, and various types of licensing or maintenance contracts. A “Non-Competitive Procurement Justification Form” shall be completed and approved prior to proceed with this form of procurement.

4. **Emergency Process** may be used for any dollar value, when the acquisition of any goods or services is deemed an emergency. This process is undertaken with the approval of the Superintendent of Business or their Designate within the Business Department. Completion of a “Non-Competitive Procurement Justification Form” is required.

7. APPROVAL AUTHORITY LIMITS

7.1. Purchasing shall be initiated for approved goods and non-consulting services within the limitations as defined in the following table.

APPROVAL AUTHORITY SCHEDULE (AAS) TO REQUEST GOODS AND NON-CONSULTING SERVICES	
Total Purchase Amount	Delegated Purchasing Authority Level
\$0 - \$2,500	Employee authorized by the Budget Holder
\$0 - \$4,999	Curriculum Leader, Coordinator, Vice Principal, Supervisor authorized by the Budget Holder
\$0 – \$24,999	Principal, Manager, Superintendent
>= \$25,000 (excluding real estate transactions and capital over \$250,000)	Superintendent of Business
All real estate transactions and Major Capital > \$250,000	Board of Trustees

7.2. Prior to commencement, any purchasing of consulting services must be approved in accordance with the table below, and approvals cannot be delegated to a lower organizational level.

APPROVAL AUTHORITY SCHEDULE FOR CONSULTING SERVICES		
Procurement Method	Total Purchase Amount	Approval Authority
Invitational Competitive	\$0 up to but not including \$100,000	Refer to AAS for goods and non-consulting services
Open Competitive	Any value	Refer to AAS for goods and non-consulting services
Non-competitive (exemption – based only)	\$0 up to but not including \$1,000,000	Superintendent of Business and Director of Education
	\$1,000,000 or more	Board of Trustees

8. FREEDOM OF INFORMATION

All proposals submitted to the Board become the property of the Board and as such are subject to the provisions of the Freedom of Information and Protection of Privacy Act regarding information, which may be provided in confidence. Bidders must clearly state, in their bids, if disclosure of any portion of the bid would cause injury to the company. Any information submitted by any vendor that is to be considered confidential must be clearly marked as such.

9. CONFLICT OF INTEREST

9.1. As outlined in the Education Act; any person involved in the ownership or operation as a potential supplier to the Board who is an employee or whose parent, spouse, child or other immediate family is an employee of the Board shall be considered to have a potential conflict of interest and will, therefore, declare this potential conflict prior to any sale, bid or proposal.

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