
Subject: Purchasing
Effective: September 1987
Revised: June 1994; July 1, 2001; July 2002

1.0 PURPOSE

1.1 This policy replaces the former policies:

- 104 – Lease of Equipment
- 106 – Tenders for Contracted Services
- 107 – Purchases General
- 108 – Purchase of TV and VCR Equipment
- 109 – Purchase of Computers, Related Peripheral Equipment, and Major Software
- 110 – Contracted Cleaning Services

1.2 The purpose of this policy is to:

- outline the methods by which school districts obtain the supply of goods and services.
- highlight the major provisions of the [Public Purchasing Act](#) and [Regulation \(94-157\)](#).

2.0 APPLICATION

This policy applies to all school districts and schools.

3.0 DEFINITIONS

Contract of Supply means a contract for the delivery of goods or services that has no quantities listed, has an effective date and an expiry date and an estimated value and whereby users can obtain goods or services by sending a Supply Requisition directly to the vendor. (See website at <http://intranet/gnb.ca/supply/sqs/0337/01-e/08-e.htm> for details)

Construction means the building, altering, repairing, improving or demolishing any public structure or building, or other public improvement of any kind to any public real property. It does not include the routine operation, or routine maintenance of existing structures, building or real property.

Invitation to Tender means a written announcement for prospective vendors to submit tenders or proposals for specified services, goods or concessions.

Lease Purchase Contract means a long-term contract for the acquisition of equipment over a period of time in return for payments made at specified intervals. Ownership passes from the vendor to the buyer on the final payment or at time of a minimal buy-out option being exercised.

Request for Proposal (RFP) means a bid solicitation method used where other criteria listed in the document will be considered in the selection of the contractor in addition to price.

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Standing Offer Contract means a long term contract for the delivery of goods or services that has no quantities listed, has an effective date and an expiry date, an estimated value; and whereby users must submit a supply requisition to Central Purchasing for processing. Standing offers are differentiated from contracts of supply for the following reasons:

- The vendor has a condition whereas they deal only with the Department of Supply and Services
- Central Purchasing may be participating in a procurement with another government funded body or agency
- The technical details on the order must use very specific language
- Central Purchasing needs to monitor the orders processed because of sensitivity, complexity, or in order to gather statistics as to volume, trends, etc. (See website at <http://intranet/gnb.ca/supply/sqs/0337/01-e/08-e.htm> for details)

Violation means the procurement or authorization of the procurement of services or goods that was not processed according to the [Public Purchasing Act](#) and [Regulation \(94-157\)](#).

4.0 LEGAL AUTHORITY

4.1 [Education Act](#) section:

50.1 Unless otherwise specifically provided for in this or any other Act of the Legislature or in any regulation under this or any other Act of the Legislature, a District Education Council is subject to those provisions of the [Financial Administration Act](#), the [Public Purchasing Act](#), the [Crown Construction Contracts Act](#) and the regulations under those Acts that apply to the Department of Education, and those provisions apply to a District Education Council with the necessary modifications.

4.2 [Education Act](#), section:

40.1(3) The Minister may require that such information systems and data standards are specified by the Minister be used in schools and school districts if, in the opinion of the Minister, such are required to facilitate information sharing, data transfer, technical support and reporting requirements.

4.3 [Crown Construction Contracts Act](#) and [Regulation 82-109](#).

5.0 GOALS / PRINCIPLES

The goals of this policy are to ensure that:

- vendors have an equal opportunity to obtain business contracts with school districts;
- school districts obtain the best value in regards to price and quality for goods and services;
- items obtained are of sufficient quality and durability; and
- Information technology infrastructure and common management applications comply with government standards and technology strategies supported by the Department of Education.

6.0 REQUIREMENTS / STANDARDS

In order to comply with the [Public Purchasing Act](#), [General Regulation 94-157](#), and purchasing directives in the [Province's Administration Manual](#), school districts are to adhere to the following:

6.1 Delegating the Authority to Approve

- 6.1.1** School districts must ensure that the process for delegating signing authorities for budget spending, payment of expenditures, and the release of cheques is established and documented in a manner consistent with [AD-6402 – Approval of Payments](#).
- 6.1.2** School district "Authority Delegation Approval" forms must be approved by the superintendent and submitted to the Department of Education.

6.2 Responsibility of Employees

An employee who intentionally purchases or intentionally authorizes the purchase of goods or services contrary to the [Public Purchasing Act](#) and [General Regulation 94-157](#) is considered to have committed an unlawful act and may be subject to suspension or dismissal by the Superintendent.

6.3 Obtaining Supplies

6.3.1 Methods of Obtaining Supplies

School district offices and schools will obtain supplies by using provincially approved purchasing methods, (ie. Petty Cash, Local Purchase Order, Supply Requisition), containing all pertinent information.

6.3.1.1 Purchases up to \$75 must be made from Petty Cash if available.

6.3.2 Obtaining Supplies up to \$1500

6.3.2.1 School districts are to use the Province's Local Purchase Order (LPO) to obtain supplies directly from the vendor when the required supplies cost up to \$1500 (excluding taxes and freight).

6.3.2.2 School districts are **not** to use an LPO to obtain the following:

- a supply of similar items with unit prices less than \$1500, where the total cost exceeds \$1500
- a set of related or interdependent items with component prices less than \$1500 where the total cost is in excess of \$1500
- an item costing over \$1500 with more than one LPO
- services, construction, printing, photocopying, lease, or rentals.

6.3.3 Obtaining Supplies Over \$1500 (Excluding Taxes and Freight)

6.3.3.1 Direct From Vendor

School districts are to send a supply requisition directly to the vendor when purchasing goods from a Contract of Supply and when purchasing from other provincial departments and agencies (i.e., printing services, Queen's Printer, Central Stores catalogue). See <http://www.gnb.ca/0380/> for contracts of supply.

6.3.3.2 Through Central Purchasing Branch

School districts are to send a supply requisition to the Central Purchasing Branch of the Department of Supply and Services for the purchase of supplies through the following methods:

- Standing Offer contracts (see <http://www.gnb.ca/0380/> for contracts)
- Request for Proposal (RFP), Invitation to Tender, and Exemptions from the tendering process (see section 6.5 of this policy)
- Lease or Lease Purchase (see section 6.3.6 of this policy)

6.3.4 Information Technology Infrastructure

6.3.4.1 In order to ensure that school districts conform with information technology standards as outlined in [Policy 802](#), school districts must consult with and forward all supply requisitions to their Information Systems section for approval.

6.3.4.2 Where the Province has established contracts with vendors for computers, hardware, software, communication, and other infrastructure; and where these contracts meet the specifications of the school district, the school district must purchase that item from the contract of supply or standing offer contract. (See the Microcomputer Buyer's Guide, professional services and related contracts at <http://www.gnb.ca/nosearch/0382/>.)

6.3.4.3 For items that are not covered by a contract or where the specifications of the contracted items do not meet school district requirements, school districts will follow the purchasing requirements as outlined in this policy.

6.3.5 Lease or Lease Purchase

6.3.5.1 For the lease or lease-purchase of vehicles, schools districts must comply with the Province's administrative directive [AD-1702 Vehicle Policy](#).

6.3.5.2 Prior to entering into equipment lease contracts, schools districts must comply with the requirements of section 6.2.1.5 of [Policy 101](#). This section requires the following:

- compliance with provincial administrative directives [6701](#) and [6203](#) regarding present value analysis and classification of a lease as either capital or operating; and
- prior approval from the Assistant Deputy Minister of Finance and Administration before entering into lease initiatives with major financial implications. See [Policy 101](#) for details.

6.3.5.3 Leasing initiatives approved by Assistant Deputy Minister of Finance and Administration are to be acquired with a Supply Requisition submitted to Central Purchasing Branch for the most appropriate method of acquisition. (I.e. existing contract or tendering)

6.4 Obtaining Services

6.4.1 Services up to \$10,000 per Project (Including Taxes)

6.4.1.1 For purchase of services up to \$10,000, school districts are not required to send the supply requisition to the Central Purchasing Branch for tendering. Where possible, all services purchased must be obtained through a competitive process.

6.4.1.2 School districts are required to have a written agreement/contract between the school district and the service provider. This written agreement/contract must provide a description of the services to be provided, start date, end date, and firm price of the service. The agreement /contract must be signed by both parties.

6.4.1.3 For the purchase of maintenance or minor repairs to buildings, see section 6.4.3 of this policy.

6.4.2 Services Over \$10,000 per Project (Including Taxes)

6.4.2.1 Services with an estimated value exceeding \$10,000 must be obtained by school districts with a supply requisition submitted to the Central Purchasing Branch for the most appropriate method of acquisition; i.e. existing contract or tendering.

6.4.2.2 School districts must submit with the requisition, a proposal containing a clear description of the services to be provided, start date, end date, and any other information that will be required for the tendering or acquisition process.

6.4.2.3 When tendering, school districts must submit the supply requisition at least three months in advance of the required commencement date of the contract.

6.4.2.4 The Department of Supply and Services, in conjunction with school districts shall accept the lowest bid or highest scoring proposal where price is not the main criteria, unless there are strong and valid extenuating circumstances to do otherwise.

6.4.2.5 The school district must prepare a formal written contract to be executed between the successful bidder and the school district.

6.4.3 Construction

6.4.3.1 School districts must follow the [Crown Construction Contracts Act](#) and [Regulation 82-109](#) when repairs or alterations are required to lands or structures owned by the Crown.

6.4.3.2 For construction with an estimated cost up to \$10,000, school districts must obtain a written quotation from at least one contractor and must complete a short form contract (which is available from Central Stores).

6.4.3.3 For construction with an estimated cost from \$10,001 to \$40,000, schools districts must invite tenders from a minimum of three contractors. School districts must complete a short form contract with the contractor awarded the tender.

6.4.3.4 For construction with an estimated cost over \$40,000, school districts must consult with the Director of Educational Facilities at the Department of Education to arrange for a public invitation to tender.

6.4.4 Other Specific Services

School districts are to refer to the following policies for detailed information:

- [Policy 126](#) – The provision of legal advice to school boards
- [Policy 501](#) – Acquisition and Disposal of School Buses

6.5 Tendering Exemptions

6.5.1 Special Exemptions for the Department Of Education

In accordance with section 30.1 and 35 of [General Regulation 94-157](#) under the [Public Purchasing Act](#), school districts are exempt from tendering for:

6.5.1.1 Goods with an Estimated Cost of up to \$25,000

- school textbooks and textbook materials
- instructional films for the Audio-Visual Branch
- microcomputer software designed for educational purposes only

- supplies for schools and school district offices, where the estimated cost, excluding shipping, taxes, duties or other incidental costs, does not exceed one thousand five hundred dollars per transaction
- parts and supplies to be used in the repair and overhauling of equipment which is charged back to the owner of the equipment but not including tools or items to be placed in stock

6.5.1.2 Services with an Estimated Cost Between \$10,001 and \$50,000

- Student conveyance services (see [Policy 501](#) – Acquisition and Disposal of School Buses).

6.5.2 Other Purchases Exempted from the Normal Tendering Process

6.5.2.1 School districts must seek prior approval from Department of Supply and Services for an exemption from the normal tendering process for goods and services not specifically exempted for the Department of Education, as described in section 6.5.1 of this policy. (I.e. goods and services purchased from a single source)

6.5.2.2 School districts must submit to the Department of Supply and Services, along with the supply requisition, a letter or memo signed by the Superintendent or delegate explaining the reasons the tendering exemption is being requested.

6.5.2.3 In accordance with section 5 of the [Public Purchasing Act](#), school districts are held accountable for purchasing violations and must submit to the Minister of Supply and Services, a letter signed by the Superintendent or delegate explaining the reasons for the violation and requesting permission to allow vendor payment.

7.0 **GUIDELINES / RECOMMENDATIONS**

7.1 School districts should consult with the Central Purchasing Branch for the most appropriate method of acquiring goods or service. For many goods or services, existing contracts or standing offers may already be in place, or the service may be exempted. Central Purchasing Branch may also be able to provide advice or sample material to assist the school district in drafting proposal documents, contracts, etc.

7.2 School districts are encouraged to obtain competitive quotes for goods and services that are exempt from the tendering process, (e.g. supplies up to \$1,500 on an LPO, services up to \$10,000, etc).

8.0 **DISTRICT EDUCATION COUNCIL POLICY-MAKING**

School districts may adopt more restrictive policies and procedures.

9.0 REFERENCES

9.1 Related Provincial Administrative Manual Policies

- [AD-1501](#) – Printing and Photocopying
- [AD-1701](#) – General Purchasing
- [AD-1702](#) – Vehicle Policy
- [AD-1703](#) – Office Equipment Policy
- [AD-1704](#) – Office Furniture Policy
- [AD-1706](#) – Acquisition of Services
- [AD-1707](#) – Tender Advertisements
- [AD-7103](#) – Strategic Information Planning Guide
- [AD-7104](#) – Information Technology Standards

9.2 Related Departmental Policies

- [101](#) – Financial Responsibilities of School Districts
- [126](#) – The Provision of Legal Services to School Districts
- [127](#) – Food Services
- [404](#) – Modular Classroom Units (Portable)
- [501](#) – Acquisition and Disposal of School Buses
- [502](#) – Disposal of School Vehicles
- [802](#) – Information Technology and Data Standards

9.3 Related Procedures

Department of Education Cleaning Contract Procedures. For a copy of this procedure please refer to the School District's Accounting Manual or contact District Financial Services (Anglophone), (506) 453-6533.

10.0 CONTACTS FOR MORE INFORMATION

Department of Education – District Financial Services (Anglophone)
(506) 453-6533

For information regarding the [Public Purchasing Act, Regulation](#), and purchasing policy directives, contact Central Purchasing
(506) 453-2245

Visit the Province's internet site at <http://www.gnb.ca/> for links to government departments and services, including the [N.B. Acts and Regulations](#) under the Department of Justice.

Visit the Province's intranet site at <http://intranet.gnb.ca/> for links to provincial government sites not available to the public on the internet, including the following information:

- [Standards](#)
- Departments, Supply and Services, Purchasing
 - [N.B. government contracts of supply and standing offers](#)
 - [O&PEN requisitioning system](#)
 - [Frequently Asked Questions](#), which explains purchasing methods, processes and terminology.

Visit the Department of Finance's intranet site for access to the Administration Directives in the Province's Administrative Manual system at <http://intranet.gnb.ca/intellinet/adminman/>.

Persons without access to the Provincial Administration Manual System on the government's intranet site may obtain a copy of a Provincial Administrative Directive by contacting the Department of Finance – Management Services
(506) 453-8014.

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