

506 Purchasing & Procurement

Belief

The function of purchasing is to best meet the needs of District students by providing the necessary supplies, equipment and services including transportation, facility and administrative services.

MESC declares its intention to purchase competitively to seek maximum value for every dollar expended, in a timely, effective and ethical manner, while supporting the local First Nations' businesses.

Procedures

General Considerations

1. All purchases are to fall within the framework of budget limitations and be consistent with the approved goals and programs of MESC.
2. The Superintendent, Associate Superintendents, Executive Directors, Directors and Principals are responsible for purchasing within the limits of budgets allocated to them. However, this procedure applies to all individuals who are involved in the procurement process.
3. Limited delegation of the authorization to make purchases may be granted subject to the following:
 - a) Prior written approval of the Executive Director of Finance
 - b) The authorized personnel under this administrative procedure shall be held accountable for the actions of the persons to whom authority has been delegated.
 - c) Delegation shall not be made to non-management staff positions.
4. Purchases in excess of one hundred and fifty thousand dollars (\$150,000) and not included in annual site plans will require approval by the Board.
5. All purchases through expense claims and petty cash will require receipts as backup information.
6. All purchases must be approved by the appropriate expenditure Authority budget holder.
7. All items purchased in the name of a school or the District shall become the property of MESC.
8. The Executive Director of Finance shall review arrangements with current providers of services (including but not limited to banking, equipment maintenance, etc.) from time to time in order to assess changes that may be required, quality of service, and other relevant factors.

9. MESC is committed to supporting the businesses and employment of First Nation Members. In keeping with this priority, MESC reserves the right to give preference to First Nation-owned businesses in the awarding of contracts for goods and services.

Expenditure Limits

The following chart sets the spending limits for personnel employed by the District.

Authorized Personnel	Purchasing Methods	Type of Goods and Services	Expenditure Limits
Board	Purchase Orders, other methods – as appropriate	Supplies, Equipment and Services	Approved Quorum
Superintendent	Purchase Orders, other methods – as appropriate	Supplies, Equipment and Services	Up to \$150,000 on unapproved expenditures
Associate Superintendent	Purchase Orders, other methods – as appropriate	Supplies, Equipment and Services	Up to \$50,000
Principal	Petty Cash for small purchased under \$1000, Purchase Orders – for large purchases	Supplies, Equipment and Services	Up to 20,000
Director	Purchase Orders, other methods - as appropriate	Supplies, Equipment and Services	Up to \$20,000

Regular Purchase Orders (PO's) (Form 506-1 - Atrieve)

1. PO provide authorization for a purchase transaction and are generally used for orders on account. A purchase order is an agreement with a vendor for the purchase of goods and/or service at an agreed upon price, quantity, and delivery date.
2. All purchases of goods over \$5,000 require a purchase order request, signed and authorized by the budget holder.
3. Splitting or dividing the purchase of goods or services to avoid exceeding the expenditure limit is prohibited.
4. The Finance department will email a copy of the approved PO to the vendor, budget holder and other parties included on the PO request form. In order to process a PO the Executive Director of Finance will require:
 - a) The general ledger account that will be charged; failure to provide general ledger codes will result in the PO request being returned for update.

- b) All supporting backup (including but not limited to quotes) must be attached for review
- c) Approval is required from the appropriate budget holder
- d) Multiple approvals may be required on large orders if multiple budgets are being applied and must be provided as backup

Blanket Purchase Orders

- 5. This type of PO's are only to be used in instances where we purchase many times from a main vendor on a repetitive basis.
 - a) The supervisor will requisition an annual amount for each of his vendors to be set up on this type of blanket PO.
 - b) There may be numerous blanket PO's applicable to one expenditure account. Blanket PO amounts should not total more than the budgeted total for any account.
 - c) Upon approval, a PO is created, signed by the Supervisor, and an order can be placed.
 - d) The person initiating the requisition has the responsibility to confirm that the goods/services received conform to the specified order requirements and are as detailed on the receiving note/packing slip.
 - e) Accounts Payable will pay the vendor after matching the provided document to the vendor invoice. Vendor will not be paid if the invoice amount exceeds the total amount set up for the blanket PO. Any adjustments to a blanket PO will be communicated to the Executive Director of Finance.

Payment of Invoices (Form 506-2 - Atrieve)

- 1. All invoices should be paid through MESC Finance Department
- 2. A cheque requisition must be completed with attached invoices and/ purchase orders and receiving documents.
- 3. Invoices to general vendors will be paid through credit card, EFT (if information is provided) or cheque and will be processed within the terms of the invoice unless the account is in dispute.
- 4. All other invoices will be processed within 3 days of receipt and must include a cheque requisition, expense code, backup information and signed by the Authority budget holder. If any information is missing, Finance will contact Authority budget holder for further clarification.
- 5. Cheques will be mailed or available for pick-up on Tuesday and Thursday.

Procurement

The table below represents procedures for procurement..

Aggregate Value of the Goods or Services	Method of Purchasing
Up to \$50,000 (Commodity) Up to \$50,000 (Construction only)	No written quotation/proposal is required but purchaser must ensure competitive pricing, Direct purchase order
\$50,001 - \$100,000 (Commodity) \$50,001 - \$200,000 (Construction Only)	Written quotations/proposals from at least three (3) qualified vendors, where possible.
\$100,001 + (Commodity) \$200,001 + (Construction Only)	An open tender is required

Request for Proposals (Tendering)

1. Formal tendering shall be required when the total cost of an individual item, an individual project, or a commodity purchased exceeds \$100,001, and \$200,001 for construction projects.
2. The responsive bid offering the best value to MESC may or may not necessarily be the one with the lowest price. In order to accurately determine best value, a logical systematic evaluation procedure covering all aspects of the evaluation process must be followed.
3. Formal tendering shall not be required where the Superintendent, Executive Director of Finance or delegate determines that the limited number of suppliers makes obtaining selected written quotations the most practical method.
4. When considering the pre-qualification of a construction contractor, the following criteria must be met:
 - a) Current business license,
 - b) Minimum of 2.0 million dollars liability insurance, and
 - c) Workers Compensation Board coverage
5. A record of the tenders or quotations on each article or service for which prices are called shall be retained.
6. The name of the successful bidder, and his price, on each tender call shall be made available on request.
7. A Purchase Order authorizing the work shall be issued upon receipt of a requisition and supporting tender information for construction and maintenance work.

8. All tender calls, awards, and notices to unsuccessful bidders shall be the responsibility of the authorizer/budget holder or delegate.
9. A record of tenders or quotations on each good or service for which prices are called shall be retained for 6 years.
10. A Fee for Service agreement will be presented and signed by the successful bidder and MESC. The agreement must include but not limited to:
 - i) Contractor information
 - ii) Effective dates
 - iii) Project timeline of deliverables
 - iv) Scope of work
 - v) Value of agreement
 - vi) Liability insurance
 - vii) Other information necessary to the scope of the project

Sole Sourcing

1. Sole or Single Sourcing may be approved by the Superintendent or Executive Director of Finance. If the requestor believes that a sole source is justified a rationale needs to be submitted under the following conditions:
 - a) An emergency condition exists
 - b) Good and/or services are supplied by a sole source
 - c) Urgent purchases which prevent or impede the use of regular processes
 - d) Purchases when the sole or single source would be in the best interest of MESC
2. A Fee for Service agreement will be presented and signed by the successful bidder and MESC. Follow the same information requirements in #10 above.

References

MESC Board of Governors Policy; EL-4 and EL-5