



ADMINISTRATIVE PROCEDURE BUSINESS ADMINISTRATION	
Effective:	November 12, 2014
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## PURCHASING CODE OF ETHICS AND PROCEDURES

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### 1. PURPOSE

Rainbow District School Board encourages cooperative procurement practices in order to obtain maximum value for each dollar spent, consistent with the educational goals of the board and fair business principles.

This administrative procedure has been developed to ensure system-wide efficiency and cost effectiveness and to provide quality materials, supplies, and services consistent with the needs and goals of the board.

### 2. APPLICATION

This administrative procedure applies to all individuals involved with purchasing or other supply chain related activities.

## PROCEDURES

### 3. Code of Ethics

Staff members of Rainbow District School Board that are in a position of responsibility to purchase goods and services will ensure that they conduct themselves in accordance with the Ontario Broader Public Sector Supply Chain Code of Ethics, as follows:

#### **Personal Integrity and Professionalism:**

All individuals involved with purchasing or other supply chain related activities will act, and be seen to act, with integrity and professionalism. Honesty, care, and due diligence will be integral to all supply chain activities within and between broader public sector organizations, suppliers, and other stakeholders. Respect will be demonstrated for each other and for the environment. Confidential information will be safeguarded. All participants will 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.

#### **Accountability and Transparency:**

Supply chain activities will be open and accountable. In particular, contracting and purchasing activities will be fair, transparent, and conducted with a view to obtaining the best value for public money. All participants will ensure that public sector resources are used in a responsible, efficient, and effective manner.

**Compliance:**

All individuals involved in purchasing or other supply chain related activities will comply with this code of ethics and the laws of Canada and Ontario.

**4. Responsibilities**

4.1. It is the responsibility of the immediate supervisor to ensure that staff members are properly informed with respect to current board policies and purchasing procedures, and to ensure that they adhere to them.

4.2. The board will ensure that the purchasing function is performed with:

- a) open competitive bidding on the acquisition of all goods and services;
- b) a high level of service to all schools and administrative departments;
- c) consideration for environmental, health, and safety factors such as accessibility for persons with disabilities.

When procuring goods and services, the board will, if applicable, incorporate accessibility criteria and features. Where applicable, procurement documents will specify the desired accessibility criteria and features to be met and provide guidelines for the evaluation of proposals in respect of those criteria. Where it is impractical for the board to incorporate accessibility criteria and features, the superintendent, manager or principal responsible for the procurement or the purchasing agent will provide a written explanation, on request.

Note: Purchases of goods and services will not knowingly be made from manufacturers who operate in contravention of local and international labour laws and standards.

- d) the required quality of products and services through purchase, lease, or rental at the lowest total acquisition cost from the most responsive and responsible vendor.

4.3. The lowest or any submission shall not necessarily be accepted.

4.4. Fundraising by schools, administrative departments, individuals, and groups under the umbrella of the board, will operate in accordance with purchasing and cash handling procedures and within approved budgets.

**5. Conflict of Interest**

5.1. Staff members of Rainbow District School Board shall not have a pecuniary interest, either directly or indirectly, in any contract with the board or with any person acting for the board in any contract for the supply of goods and/or services for which the board pays or is liable, directly or indirectly. Any potential conflict of interest by staff members shall be declared in writing, on the appropriate form, to their direct supervisor, where applicable, with a copy to the manager of finance, who will confirm whether or not a conflict of interest exists.

5.2. Where a conflict of interest arises, it will be evaluated and an appropriate mitigating action will be taken.

5.3. All board staff will adhere to section 217 of the *Education Act* regarding the promotion or sale of goods and services to the board.

## 6. Ownership

6.1. Purchases will not be made for the personal use of staff members.

6.2. All equipment and supplies purchased through the board approved budget, and school generated funds or donations remain the exclusive property of the board.

## 7. Cooperative Purchasing

The board encourages cooperative purchasing with other boards and broader public sector agencies when it is in the board's best interest to do so. The procedures and policies of the agency calling the tender, proposal, or quotation will be followed.

## 8. Authorization

8.1. The purchasing agent under the authority of the manager of finance/deputy treasurer has the authority to purchase goods and services on behalf of the board.

8.2. No persons, regardless of their level of authorization, may approve payments to themselves on the basis of their signature alone. Cheque requisitions, travel expense claim forms, etc. will be approved by the claimant's supervisor or by the superintendent of business.

## 9. Approved Authority

All approvals will be evidenced by the signature or initials of the appropriate budget authority. The following schedule identifies the delegated approval authority amount by position:

Approval authority	Amount
School Principal /Vice-Principal	Up to \$10,000
Academic Superintendent	Up to \$100,000
Facilities Supervisor, Assistant Manager	Up to \$5,000
Manager	Up to \$100,000
Superintendent of Business	\$100,000 and over
Director of Education	\$100,000 and over

## 10. Consulting Services

Consulting services are the provision of expertise or strategic advice that is presented for consideration and decision-making by an entity or a person that is under an agreement and not employed by the board.

## 11. Limitations

11.1. All staff members of the board that are in a position of responsibility for a budget will:

- a) purchase at a fair price any product or non-consulting service with a value of less than \$5,000 before taxes;
- b) obtain a minimum of three written quotations or advertise for a product or non-consulting services with a value of \$5,000 and up to \$100,000;
- c) obtain a minimum of three written quotations or advertise for consulting services with a value up to \$100,000;
- d) advertise products or services with a value of \$100,000 and over by public tender or request for proposal;
- e) advertise through a nationally accessible electronic bulletin board such as Biddingo, products or services with a value of \$100,000 and over.

11.2. The above amounts apply to groups of products. [For example, the purchase of one projector valued at \$700 would not require competitive quotations, but the purchase of ten projectors would.]

11.3. A single procurement cannot be divided into multiple procurements in order to circumvent the approval requirements.

## 12. Exceptions

12.1. It is expected that all purchases will be made using the appropriate purchasing procedures.

12.2. If a staff member has exhausted all efforts to obtain three written quotes and can support this with documentation then a minimum of two written quotes is acceptable.

12.3. The purchasing agent shall be permitted discretion in the number of competitive bids to be obtained in time sensitive situations, for example where program funding is available for a limited period of time. The superintendent of business will be advised, in writing, of any discretionary purchase greater than \$30,000.

12.4. The following are considered examples of discretionary purchases:

### 12.4.1. Emergency Purchase

Staff members of the facilities department have delegated authority, under the authority of the superintendent of business, to purchase goods and/or services during emergency maintenance situations. Emergency maintenance goods and services purchased will be reported to the purchasing agent as soon as possible after the situation has been resolved.

#### 12.4.2. Sole Source Purchase

Sole source purchases are made only when items are unique and possess specific characteristics that can be filled by only one source; to ensure compatibility with existing products; to protect exclusive rights such as copyright, patents, or exclusive license; or to maintain specialized equipment that will be maintained by the manufacturer or its representative. Vendors providing "sole source" requirements will be reviewed and approved by the purchasing agent. The superintendent of business will be advised, in writing, of any sole source purchase greater than \$30,000. The written document will be attached to the invoice.

#### 12.4.3. Single Source Purchase

Single source purchases may be made where an unforeseen situation of urgency exists and the goods, non-consulting services, or construction cannot be obtained by means of open procurement procedures. All single source purchases require the written approval of the superintendent of business prior to commencement. The approval document will be attached to the invoice. Extensions of existing contracts shall be used wherever possible. Single source purchases of consulting services require the signature of the director of education up to and including \$100,000. The board will be informed of single source purchases of consulting services with a value of \$100,000 and over.

#### 12.4.4. Purchase by Negotiation

Purchase by negotiation shall apply when, in the judgment of the purchasing agent in consultation with the superintendent of business, any of the following conditions exists: [Please note that this list represents common occurrences but is not exhaustive.]

- a) there are unstable market conditions or a short supply of a commodity;
- b) there is only one source for the goods and/or services as defined in paragraph 12.4.2 above;
- c) in a situation when all bids received fail to comply with the specifications, tender terms and conditions, and it is impractical to recall tenders;
- d) if the lowest bid received substantially exceeds the budget, and it is impractical to recall tenders;
- e) if the extension or revision of an existing contract (where allowed) would prove more cost effective or beneficial; or
- f) when only one bid is received.

### 13. **Procedures for Tenders with a value of \$100,000 and over**

- 13.1. Tenders will be called to close prior to the submission opening meeting.
- 13.2. Tender documents will state the date, time, and location of the submission opening meeting, and include an invitation to bidders to attend the meeting.

- 13.3. The manager of finance or designate shall arrange the location and time of the submission opening meeting.
- 13.4. The submission opening committee shall consist of:
- the chair of the Board or designate;
  - the manager of finance or designate; and
  - the superintendent or manager of the originating department or their designate.
- 13.5. Late submissions will not be accepted, and will be returned to the bidder.
- 13.6. Tenders will be opened and the contract price excluding applicable taxes will be announced publicly. The superintendent or manager of the originating department or their designate will record the contract price and the bidder's name.
- 13.7. After the bidder's name and contract price have been announced publicly and recorded, the chair of the Board or designate will initial the submissions, and the meeting will end.
- 13.8. The manager of finance or designate and the superintendent or manager of the originating department or their designate will review tenders for compliance.
- 13.9. The rejection of any submission and the reason for rejecting will be recorded and communicated, in writing, to the bidder.
- 13.10. The superintendent or manager of the originating department or their designate will prepare a tender record form for distribution at a meeting of the Board and will include the project description, duration, list of bidders (including city and province of bidders office), contract price and the recommendation for Board approval.

#### **14. Procedures for Requests for Proposals with a value of \$100,000 and over**

- 14.1. Late submissions will not be accepted, and will be returned to the proponent.
- 14.2. The superintendent or manager of the originating department or their designate and/or the assigned evaluation committee will evaluate the proposal submissions and prepare a proposal record form for distribution at a meeting of the Board and will include the project description, duration, evaluation criteria, list of proponents (including city and province of proponents office) and the recommendation for Board approval.

#### **15. Confidentiality**

When dealing with bidders/proponents, all staff members of Rainbow District School Board shall guarantee the confidentiality of all specifications and price quotations made by bidders/proponents (subject to the tender submission opening process/request for proposal evaluation process and the *Municipal Freedom of Information and Protection of Privacy Act*).

#### **16. Vendor Suspension/Removal from the Pre-Qualified or Vendor of Record List**

The superintendent of business may, through written notification, suspend a vendor from participating in any board request processes if any of the following causes occur:

- a) unsatisfactory performance on board contracts, and/or failure to respond promptly to service calls;
- b) poor delivery, failure to deliver, under or over shipments;
- c) failure to abide by contract terms and conditions, or failure to meet specifications;
- d) making unauthorized substitutions;
- e) continuous billing errors;
- f) poor quality or workmanship;
- g) conviction of the business or an officer or principal shareholder of the business of a criminal offence in connection with obtaining, attempting to obtain, or performance of a contract or subcontract;
- h) bankruptcy;
- i) unethical practices or violation of board policies or administrative procedures.

### 17. Use of Purchasing Cards

- 17.1. A purchasing card is subject to audit by the superintendent of business or designate.
- 17.2. Purchasing cards shall only be used for authorized, low-value school board purchases (less than \$1,000 including taxes, per transaction) within the established limitations.
- 17.3. Only the person whose name appears on the card shall use it. The cardholder is solely responsible for the purchasing card, to meeting all of the applicable terms and conditions, and to complying with board administrative procedures.
- 17.4. Purchasing card statements, with receipts attached for every transaction will be approved monthly by the cardholder's supervisor and submitted to the finance department.
- 17.5. Purchasing cards are NOT to be used for the following purchases:
  - alcohol
  - capital items
  - cash advances
  - extended rentals or leasing of equipment (any commitment longer than a four week term is to be referred to the finance department)
  - gift certificates
  - meals
  - personal use
  - to split purchases to circumvent high value purchasing procedures
  - transactions after the expiry of the card
  - travel
  - wages to temporary employees
- 17.6. Purchasing cards issued to designated executive assistants may have certain restrictions removed such as for travel and meals. However, the purchases will be in accordance with administrative procedures.
- 17.7. Further instructions regarding the use of purchasing cards can be found in the board's Purchasing Procedures Manual.

**REFERENCE DOCUMENTS****Legal:**

*Education Act, section 169.1 Duties and Powers of Boards: Effective Stewardship of Resources*

*Education Act, section 217 Promotion or Sale by Employees to the Board*

*Education Act, section 283 Chief Executive Officer: Maintain Effective Organization*

*Education Act, section 286 Duties of Supervisory Officers: Supervise Business Functions*

*Broader Public Sector Procurement Directive, April 2011*

*Occupational Health and Safety Act*

*Workplace Safety and Insurance Board Act*

*Municipal Freedom of Information and Protection of Privacy Act*

Ministry of Finance Supply Chain Guideline

Broader Public Sector Procurement Directive

Accessibility for Ontarians with Disabilities Act, 2005 191/11 (AODA)

**Board:**

Board Policy No. GOV-03 Role of the Corporate Board: Fiscal Responsibility

Board Policy No. GOV-05 Code of Conduct: Board Members

Board Policy No. GOV-06 Role of the Director of Education: Fiscal Responsibility

Board Policy No. GOV-11 Learning and Working Environment: Equity and Inclusion

Board Policy No. GOV-13 Environmental Sustainability and Stewardship

Rainbow District School Board Governance By-Laws

Administrative Procedure Stewardship of Resources

Rainbow District School Board Cash Handling Procedures

Rainbow District School Board Purchasing Procedures Manual

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