

administrative regulation

Administrative
Regulation No.
7001

Classification:
Finance

Effective Date:
June 12, 2014

Purchase of Goods and Services

1 | Purpose

The purpose of this Administrative Regulation is:

- To provide direction and clarity regarding the purchasing of goods and services within The Calgary Board of Education.
- To ensure transparency and accountability in how funds are used by CBE to procure goods and services.

2 | Scope

This Administrative Regulation applies to:

- all CBE employees; and
- all purchases of goods and services from any and all Calgary Board of Education managed funds including:
 - School and department centralized budget allocations;
 - Calgary Board of Education administered staff development funds;
 - School decentralized budgets;
 - School generated funds;
 - Funds raised by The Calgary Board of Education revenue generating initiatives; and
 - Any other funds received by any school or department of The Calgary Board of Education from any source.

This Administrative Regulation does not apply to:

- Employee collective agreements;
- Provincially managed capital projects specifically regulated by Government of Alberta legislation, policies and processes;
- Premium paid to insurance companies;
- Land acquisition and lease back of property; and
- Joint-use property arrangements.

3 | Compliance

All employees are responsible for knowing, understanding and complying with this Administrative Regulation.

Failure to comply with this Administrative Regulation may result in disciplinary action up to and including dismissal.

4 | Principles

The following principles apply:

- CBE seeks to ensure that maximum value is obtained for the money that is spent.

- Goods and services are obtained in a competitive manner following prudent business practices.
- Competition is fair, transparent and open; no special treatment is given to any supplier.
- Award decisions are made in an ethical manner.
- Practices comply with the appropriate legislation, regulations and trade agreements.

5 | Definitions

Authority Level: means the maximum dollar value that an Expenditure Authority can commit to for the purchase of goods and services on behalf of the Calgary Board of Education.

CBE: means The Calgary Board of Education.

Contract: means a written document outlining terms and conditions for the purchase of goods or services, including rights and obligations of CBE and the supplier.

Emergency Condition: means a condition in which, in the opinion of an expenditure authority, loss of life or property may occur if immediate action is not taken.

Expenditure Authority: means the specific positions within CBE that have been given an authority level. An expenditure authority may delegate their authority but cannot delegate their accountability.

Goods: means products that consist of tangible, durable or consumable items.

Purchase Order: means a contract between the CBE and a supplier for the purchase of goods and/or services at an agreed upon price, quantity, quality and delivery date.

Services: means outputs that consist of tasks performed by individuals.

Single Source: means a specific supplier who is selected to provide goods and services without utilizing a normal competitive process.

Sole Source: means a specific supplier who is the only supplier of goods and services that are required.

Strategic Sourcing: means the department responsible for the procurement of goods and services on behalf of CBE.

6 | Regulation Statement

Purchasing goods and services

- 1) Strategic Sourcing facilitates the purchase of goods and services.
- 2) All purchases and procurement processes must be transparent, fair, and well documented.
- 3) All purchases must be approved by an appropriate expenditure authority.
- 4) For purchase of goods and/or services less than \$10,000:
 - a) if a contract exists with a supplier who can supply the required goods and/or services, then these goods and/or services shall be ordered from the contracted supplier.
 - b) in the absence of any contract, goods and/or services may be ordered directly from any supplier but the purchases must align with the principles outlined in this regulation. If assistance is required, Strategic Sourcing should be contacted.
- 5) Purchase of goods and/or services over \$10,000:
 - a) if a contract exists with pre-negotiated prices for specific goods and/or services (e.g., a Blanket Agreement) then these goods and services can be ordered directly under such Blanket Agreement without needing competitive quotes;
 - b) in the absence of such agreement;
 - i) with a cost between \$10,000 and \$75,000 requires a minimum of three competitive quotes. Documentation must be maintained
 - ii) with a cost exceeding \$75,000 requires a formal competitive process such as a Request For Proposal (RFP) or a Request for Quote (RFQ), or an Invitation to Tender (IT).
- 6) Strategic Sourcing must be contacted to initiate the Request for Proposal, Request for Quote or Invitation to Tender process.
- 7) A formal CBE Purchase Order is required for all orders of more than \$10,000.
- 8) Purchasing the services of a lawyer requires the approval of Legal Services.

Expenditure Authority

- 9) Purchasing services or goods, including furniture, fixtures and equipment that are associated with changes to CBE buildings or facilities, requires the approval of Facilities and Environmental Services.
- 10) The purchase of new computer software or computer hardware which is not on the approved for purchase list requires review and acceptance by Client Technology Services and/or Information Technology Services, and may require a privacy impact assessment.
- 11) Only specific employees have the authority to requisition the purchase of goods and services or purchase directly from a supplier or sign contracts.
- 12) Authority levels must not exceed the maximum values by position and situation as identified by the Expenditure Authority Matrix.
- 13) The authority levels apply to those in acting capacity and who have been delegated authority in writing.
- 14) Splitting or dividing the purchase of goods or services in order to avoid exceeding an individual's authorized limit is prohibited.
- 15) Prior to authorizing an expenditure, the Expenditure authority shall confirm that
 - a) sufficient funds remain within the relevant budget,
 - b) the purchase is necessary and appropriate, and
 - c) the requirements of this Administrative Regulation have been followed.

Sole or Single sourcing

- 16) Sole or Single sourcing is approved by Strategic Sourcing under the following conditions:
 - a) an emergency condition exists;
 - b) a confidential situation exists
 - c) goods and/or services are supplied by a sole source
 - d) urgent purchases which preclude the normal business processes;
 - e) purchases when sole or single source would be in the best interest of CBE
 - f) proprietary acquisition, warranty requirements, patent rights, license agreement or other obligations exist which may prevent the CBE from using normal competitive processes

Contract Length

17) Total committed and optional duration of a contract (Initial term plus renewal terms) for the purchase of good and services exceeding \$75,000 in total cost may not exceed a maximum length of five years unless approved by the Director of Supply Chain Services.

Funds for Purchase

18) Sufficient funds must be in the approved budget of the appropriate school/service unit to which the expenditure authority is linked, before initiating a purchase.

19) Purchase of goods or services on a multi-year payment plan requires prior approval of the Chief Financial Officer or designate.

7 | History

Approval	April 17, 2002
Next Review	January 2017
Revision/Review Dates	June 11, 2003 April 18, 2005 July 1, 2007 December 1, 2007 December 6, 2007 April 1, 2009 March 5, 2012 June 2014

8 | Related Information

- Request for Single/ Sole Source Purchase
- Expenditure authority Matrix