



NANAIMO LADYSMITH PUBLIC SCHOOLS BUSINESS COMMITTEE PUBLIC MEETING INFORMATION SHEET

DATE: May 10, 2023
TO: Business Committee
FROM: Mark Walsh – Secretary Treasurer
Subject: AP513 – Purchasing

Background

As part of the District's ongoing review and updating of the District's administrative procedures, staff have reviewed Administrative Procedure (AP) 513 Purchasing. While this AP was reviewed a couple of years ago, given the impact inflation has had on procurement, the shift to procurement activities being primarily electronic, and the fact that we have now had a chance to operationalize and reflect on previous changes, a review was considered necessary. This information sheet outlines the recommended changes.

Discussion

Spending Authority

Individual approval thresholds have been reviewed and updated to reflect the increase in costs for supplies and services. Changes include:

- All staff spending authority was increased from \$50 to \$100
- General Foreman was added to have the authority to approve expenditures for \$5k or less
- Facilities Department Managers have an increased threshold from \$25k to \$50k
- Executive Director of Planning and Operations and Director of Finance increase from \$50k to \$75k
- Secretary Treasurer, Deputy Superintendent, or Superintendent threshold changed from \$50k+ to \$75k+
- Removal of the requirement for the Board to approve unforeseen expenditures or major construction projects over \$100k. Now two signatures from either the Secretary Treasurer, Superintendent, or Deputy Superintendent must be obtained for unforeseen expenditures more than \$100k and these expenditures will be reported to the Board.

Method of Procurement

A requirement for all computer hardware or software purchases to be approved by the Information Technology department, and all printing and photocopier devices to be approved by the Purchasing department was added.

Procurement Thresholds

The procurement thresholds have been reviewed and updated to be in line with other districts in the province as well as applicable trade agreements. Specifically, a construction section was added which allows the district to obtain three written quotes on construction services up to and including \$200k, and public invitation required on construction equal to or greater than \$200k. This provides greater flexibility with regards to the procurement of construction, as previously the limit for public invitation was \$75k.

Sole Sourcing

This section has been expanded to include additional situations where it may be appropriate to consider a vendor as sole source. These cases were already being recognized as appropriate for a vendor to be considered sole source, but they are now being included in the AP. Additions include:

- If only one vendor or contractor is qualified, or available to provide the supplies/service then they may be considered sole source
- If the goods or services require compatibility with existing goods or services or may void any warranties or guarantees
- If pricing has been established by joint purchase group tenders and government agreements available for school district use (e.g., Focused Education Resources, Corporate Supply Arrangements)

Banking Agreements

The previous AP required the district to issue a Request for Proposal for banking services at a minimum every 15 years. Given the operational disruption that would be involved in changing banks, and no known requirement to do so, this section has been removed.

Public Opportunities

Section 2.5-2.12 (previously 6.8-6.15) have been re-named and revised to reflect current practices for all public opportunities not just tenders. Previously many responses received for public opportunities were being received via hard copy at the District Admin Center. Most of these documents are now received electronically. This section has been updated to reflect this.

Additional language has been added to section 2.11 (previously 6.14) indicating that a Letter of Award will be issued to the successful proponent followed by either a purchase order, supply agreement, or construction contract. In addition, language around the process if no submissions are received has been added indicating that three written quotations will be obtained.

Section 2.13 (previously 6.16) Bid and/or Performance Bonds has been simplified to indicate that in some circumstances the district may require bonding but that it is up to the Finance Department and end user. The previous AP included a list of scenarios where bonds may or may not be required which was determined to be unnecessary.

Receiving Goods

This section was removed in the revised AP as it was considered outside of the procurement process and not necessary to be included in this AP.

Real Property

This section has been re-named as “Real Property” rather than “Real Property and Construction Contracts”. Information on contracts has been moved under section 2.11 “Award and Contract”.

Sustainable Purchasing

Per the district’s Environmental Stewardship Action Plan, the district will implement sustainable purchasing practices. While the current AP has a section on Environmental and Social Focus, this section has now been expanded to include consideration for selecting suppliers/vendors that have positive social considerations including those that value the District’s commitment to reconciliation. When procurement is done via a public opportunity a section will be included in the document indicating there is an expectation that suppliers are compliant with all applicable labour, health, safety, and environmental laws. In addition, when there are evaluation criteria, whenever possible, criteria should be added that have a sustainable component.

Surplus Material

Previously this section referred to the Province’s Core Policy and Procedure Manual (CPPM) but did not specify the procedure to follow. The reference to the specific CPPM section has been removed and instead the AP has been revised to include the procedure regarding surplus materials that are expected to have resale value.

Appendix A: Updated Administrative Procedure 512 - Purchasing