



Procurement

Date Approved: 2016

Projected Review Date: 2017

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PURPOSE:

Hamilton-Wentworth District School Board (HWDSB) supports a central Purchasing Department as a means of obtaining maximum value for each dollar spent consistent with the educational goals of the Board and fair business principles. The Board will establish, where possible, standards for goods and services to ensure an acceptable level of quality for the system, promote work performed by qualified tradespeople, and promote efficiencies with respect to cost and service. The Board will maintain a competitive atmosphere between suppliers, ensuring that each is treated fairly, while ensuring appropriate budget controls and finance procedures for audit purposes.

GUIDING PRINCIPLES:

Procurement procedures support the overall goals, priorities, strategic directions and accountability measures established by the Board:

- To procure by purchase or rental, the required quality and quantity of goods and services in an efficient, safe and cost-effective manner.
- To encourage open competitive bidding amongst qualified and compliant suppliers, through a fair and transparent process in respect of the acquisition and disposal of goods and services, where practical or legally mandated.
- To consider all costs (including acquisition, operating and disposal costs), in evaluating bid submissions from vendors.
- To not base a decision solely on the lowest bid price.
- To consider other factors, such as but not limited to, supplier qualification and supplier's commitment to fair business practices, where appropriate in evaluating bid submissions.
- To operate a centralized purchasing program for the purchase of goods and services through the Purchasing Department of the Business Services Department.
- To encourage cooperative procurement activities with other Ontario public organizations with a focus on our Hamilton educational partners

INTENDED OUTCOMES:

The intended outcomes of the Procurement Policy are to:

- Obtain the maximum value for each dollar spent consistent with the educational goals of the Board fair business principles and applicable law.



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- Establish standards for goods and services to ensure an acceptable level of quality for the system, to promote work performed by qualified tradespeople and to promote efficiencies with respect to cost and service. From a procurement perspective, services in this context can include operational (snow removal, school cafeteria, waste management, courier, etc.) and professional (architectural, legal, etc.).
- Maintain a competitive atmosphere between suppliers, ensuring that each is treated fairly and ensuring appropriate budget controls and finance procedures are implemented for audit purposes.

RESPONSIBILITY:

Director of Education

Executive Superintendent of Board Operations and Members of Executive Council

TERMINOLOGY:

Broader Public Sector (BPS) Procurement Directive: The Directive applies to all designated broader public sector organizations as provided for under Section 12 of the *Broader Public Sector Accountability Act 2010*. The purpose of the directive is to ensure that publicly funded goods and services, including construction, consulting services, and information technology is acquired by BPS organizations through a process that is open, fair and transparent; outlines responsibilities of BPS organizations throughout each stage of the procurement process; and ensures that procurement processes are managed consistently throughout the BPS.

Qualified Tradesperson (Tradespeople): A qualified tradesperson is a skilled manual worker with knowledge of a particular trade, who has fulfilled all necessary training and apprenticeship requirements. They also maintain all necessary licenses to perform the trade, as required by law for the particular trade.

ACTION REQUIRED:

Approval Authority

Subject to the Education Act statutes and the Procurement Policy Procedure, only the Director of Education or the Executive Superintendent of Board Operations can contractually bind the Board.

Board Approval

Board approval must be obtained prior to issuance of a contract to construct new school facilities. Chair of the board approval prior to issuance of contract or change order over \$2 million.



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Communications

It is the responsibility of the principal of a school, or head of the administrative department concerned, to ensure staff is properly informed with respect to current policy and procedures and the need for adherence to Board policy in order to acquire goods and services. The fact that a member of staff was not aware of proper policies and procedures is not considered an appropriate explanation for not adhering to Board policy and procedures.

Competition

While considering the advantages to the employer of maintaining a continuing relationship with a supplier, any arrangements that might prevent, in the long term, the effective operation of fair competition, should be avoided.

The Board will be guided by Section 217 of the *Education Act* regarding the promotion or sale of books, etc., by Board or Ministry employees to the Board. Board staff are guided by the conflict of interest guidelines in the *Education Act* and other statutory acts and regulations.

Compliance with Applicable Law

In order to ensure that all potential suppliers are given a fair opportunity through a fair bidding process, the Board will use its best efforts to only contract with suppliers who have agreed to comply with applicable law. This includes applicable provisions related to employee wages and workplace health and safety. The intent is to avoid contracting with suppliers who may obtain an unfair competitive advantage through non-compliance with applicable laws, regulations and board policies. All procurement documents and contracts entered into by the Board and its suppliers will specify, where appropriate, that suppliers be required to comply with all applicable laws, regulations, rules and policies of any applicable government authority. They will also obtain and maintain all required licenses, permits and other approvals that are required by any applicable regulatory authority and furnish the Board with written evidence thereof, from time to time, upon request by the Board. The Board will use reasonable efforts to monitor and ensure compliance as required hereunder with its contracted suppliers.

Confidentiality

The confidentiality of information received in the course of business must be respected and must not be used for personal gain. Information provided must be true, fair and not designed to mislead. It is considered unethical and damaging to the Board's reputation to allow one supplier's information to pass to another supplier.

Conflict of Interest

A conflict of interest exists where the decisions made and/or actions taken by the employee in the exercise of the employee's duties could be affected by the employee's personal, financial or business interests; or the personal, financial or business interests of relatives, friends or associates of the employee.



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An employee who has a connection to, or relationship with, an external organization or business (including a supplier or promoter of products or services to the Board), must avoid any situation in which that connection or relationship may influence or reasonably be perceived to influence the employee in the performance of his or her duties. It is important to avoid not only real conflicts of interests but also being placed in a position that could give the appearance of being harmful to the Board's interest.

Employees of the Board occupy positions of great public trust and they are expected to conduct themselves with personal integrity, ethics, honesty and diligence in the performance of their duties. Employees having purchasing authority must maintain an unimpeachable standard of integrity in all business relationships.

Contracts

Any contract signed by a Board employee, who is not authorized to enter into a contract, will be considered an obligation of the person signing the contract and not an obligation of the Board.

Delegation of Authority

Delegation of authority differs depending on the nature of procurement. See detailed description in Approval Authorities of the Procurement Policy – Policy Procedure.

Designated Suppliers

All schools and departments will purchase identified goods and services only from designated suppliers with whom the Board has entered into contracts/agreements resulting from a tender process, with exemptions only as permitted under the "Exemptions" section of the Procurement Policy.

Documentation

All acquisition processes shall be documented by the Purchasing Department, and kept on file in the Purchasing Department.

Environmentally Appropriate

The Purchasing Department, when practically and financially feasible, will consider the acquisition of goods and services that will reduce the environmental footprint of the Board.

Ethical Practices

School Board employees will not accept any gratuities, favours, direct or indirect payments that exceed the bounds stated in HWDSB's Employee Expense Policy.

Exemptions

No good or service is exempt from the acquisition processes detailed in the Procurement Policy and Procedure.



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Prohibitions Regarding Purchasing

No contract or purchase shall be divided to avoid the requirement of the policy and related procedures.

No employee or elected official shall purchase or offer to purchase, on behalf of the Board, any goods or services, except in accordance with these procedures.

No personal purchases shall be made by the Board for elected members, or any appointed member of the Board, or for any Board employees.

No member of the Board of Trustees and no officer or employee of the Board shall become interested (directly or indirectly as a contracting party or partner), in work, the supplies or business in connection with a contract, or in any portion thereof, or of any supplies to be used therein, or in any monies to be derived there from.

Purchasing Card

In support of sound business practices, a procurement card will be issued to authorized Board employees for the acquisition of low volume, non-tendered products/services.

Purchasing Responsibilities

It is the responsibility and authority of the Executive Superintendent of Board Operations to administer the Procurement Policy and Procedure, in conjunction with the Manager, Purchasing Services who is responsible for procuring supply and equipment requirements of the Board, in accordance with the Procurement Policy and Procedure.

Standardization

The Board shall establish, where possible, standards for goods and services to ensure an acceptable level of quality for the system and to promote efficiencies with respect to cost and service.

Unauthorized Purchases

Purchases made in the name of HWDSB without using a Board authorized process are considered an obligation of the person making the purchase and not an obligation of the Board. Such processes are unauthorized and are subject to suspension of purchasing privileges.

PROGRESS INDICATORS:

Successful procurement processes will ensure timely, cost effective, transparent acquisition of goods and services that aligns with the educational goals of the Board and fair business principles.



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Intended Outcome	Assessment
Obtain the maximum value for each dollar spent consistent with the educational goals of the Board fair business principles and applicable law.	Exhibit the prudent and transparent use of the Board's financial resources and report this through the annual Audit Committee report to Board.
Establish standards for goods and services to ensure an acceptable level of quality for the system, to promote work performed by qualified tradespeople and to promote efficiencies with respect to cost and service.	Demonstrate appropriate application of Procurement Policy, Procedure and compliance to mandated Ministry legislation in the annual Audit Committee report to Board.
Maintain a competitive atmosphere between suppliers, ensuring that each is treated fairly and ensuring appropriate budget controls and finance procedures are implemented for audit purposes.	Show that procurement processes are managed consistently and are applicable to appropriate budget in the annual Audit Committee report to Board.

REFERENCES:

Government Documents

Broader Public Sector Accountability Act 2010
Education Act

HWDSB Policies

Environment
Nutrition
Employee Expense