

SD 42 PROCEDURE 4600.3

PURCHASING –OBTAIN VENDOR PRICING

1. OBJECTIVES

Vendor pricing is to be obtained in a manner which is consistent with the Board's Principles of Purchasing enunciated in *Policy 4600: Purchasing Goods and Services* by simultaneously achieving an appropriate balance between four objectives:

- Servicing operational requirements
- Obtaining maximum value for expenditures
- Processing purchase transactions in an efficient and cost effective manner
- Providing vendors reasonable opportunities to seek business

Balance between these objectives is realized primarily, but not exclusively, by varying the extent and formality of price acquisition activity based on the estimated order value.

2. ORDER VALUE CRITERIA FOR PRICING ACTIVITY

The extent and formality of price acquisition activity is based on values as follows:

Less than \$25,000 At the discretion of the Manager, Purchasing or as delegated to the Senior Contracts Administrator

\$25,000 to \$75,000 Minimum of three (3) written quotations from vendors

Order over \$75,000 Tender call or Request for Proposals to be posted on BC Bid which provides open access to all interested vendors

The foregoing are stated as minimum actions to be taken and do not prohibit more extensive price acquisition activity.

3. VARIATIONS TO PRICING ACTIVITY

When pricing has been established by another government body or purchasing consortium by competitive processes, the Purchasing Department may apply the resulting prices to school district purchases.

When it is known that there are fewer than the minimum number of vendors (3) who could reasonably be expected to satisfy the need, the number of quotations may be reduced by the Manager, Purchasing.

In the case of a sole source of supply, the Secretary Treasurer may authorize a negotiated purchase from the one vendor source after it has been documented that one of the four exceptions to soliciting bids has been met and the requesting department or

school has completed the sole source justification report in the format prescribed by the Secretary Treasurer or designate.

The four exceptions to soliciting bids are as follows:

- (a) the need is one of a pressing emergency in which delay would be injurious to the school district.
- (b) the product or service directly interfaces with or attach to equipment of the same manufacture, and no other manufacturers products will correctly and effectively interface with existing equipment.
- (c) the product is to supplement existing equipment for use and operation. The product must exactly match the existing equipment to provide uniformity for instructional purposes. Uniformity should provide a significant instructional benefit.
- (d) if the main purpose for acquiring equipment, supplies or services is to replicate specific outcomes, using the exact products that produced the original results may be necessary.

To facilitate pilot projects, negotiated pricing may be authorized by the Secretary Treasurer.

Where a purchase is funded by a Parent Advisory Council (PAC) and they have made their own selection of product that meets the district's standards and terms of business, the purchase may proceed. If the selection is non-standard products, approval process will be required.

PACs are encouraged to contact the Purchasing Department when contemplating the purchase of equipment, supplies or services in order to gain the benefit of district experience and economies of scale in purchasing and to minimize the PAC's efforts required to accomplish the purchase.

4. EXCEPTIONS TO PRICING ACTIVITY PARAMETERS

When the order value criteria for pricing activity does not achieve an appropriate balance, the Secretary Treasurer or designate may authorize appropriate actions, in writing, to suspend normal pricing activity in a specific circumstance in favour of alternative measures to realize the primary objectives. This procedure is not considered to be a preferred practice, although necessary in specific circumstances.

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