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Report No. 2015-11-47  
Date: November 18, 2015

## HALIFAX REGIONAL SCHOOL BOARD Purchasing Annual Report – 2014/2015

**PURPOSE:** To provide the Governing Board with an annual report with respect to the implementation of and compliance with the Purchasing Policy.

**BUSINESS PLAN GOAL:** N/A

**BACKGROUND:** The mandate of the Purchasing Division is to ensure that goods and services are purchased in an open, fair, consistent, efficient and competitive manner, by providing staff with information and tools to implement best practices in purchasing.

The HRSB’s Purchasing Policy requires that the Purchasing Division provide an annual report to the Board “*on the implementation of the policy, purchasing activities and any recommendations for improving the purchasing policy and procedures.*”

**CONTENT:** The attached report covers the period **April 1, 2014 to March 31, 2015**. Annual reporting under this policy covers the fiscal year and will be presented to the Board each year.

As required, the report provides an overview of compliance with the policy, and major purchasing activities during the course of the 2014/2015 fiscal year.

**COST:** N/A

**FUNDING:** N/A

**TIMELINE:** N/A

**APPENDICES:** Purchasing Annual Report – 2014/2015

**RECOMMENDATIONS:** It is recommended that the Board receive the Purchasing Annual Report – 2014/2015 for information.

### COMMUNICATIONS:

Audience	Responsibility	Timeline
General Public via web site	Coordinator, Communications	Upon publication of Board Agenda

**From:** For further information please contact Terri Thompson, Director of Financial Services at 902-464-2000, ext. 2241, or email at [tthompson@hrsb.ca](mailto:tthompson@hrsb.ca), or Kathryn Burlton, Manager of Accounting and Purchasing, at 902-464-2000 ext. 2843 or via e-mail [kburlton@hrsb.ca](mailto:kburlton@hrsb.ca).

**To:** Senior Staff – November 10, 2015  
Audit Committee – November 18, 2015  
Board – November 25, 2015

File name: *ktucker/Purchasing/2014 2015 - Annual Purchasing Report 2015-11-47*

Date last revised: *November 10, 2015*

## **Purchasing Annual Report – 2014/2015**

### **Background**

Section 15 of the Purchasing Policy states that:

*“The Superintendent will submit an annual report to the Board on the implementation of this policy, purchasing activities and any recommendations for improving the purchasing policy and procedures.”*

### **Implementation of the Policy**

The Purchasing Division monitors all purchasing activities for compliance with the Purchasing Policy. The Purchasing Division reviews all requisitions for the purchasing thresholds to ensure compliance with the policy and ensures an open, transparent and competitive process is undertaken consistent with public tendering guidelines. There were no instances observed where policy provisions were not followed by schools and board offices in 2014/2015.

### **Purchasing Activities**

The Halifax Regional School Board purchases approximately \$92 million in goods and services annually. The Purchasing Division issued 87 tenders/RFP's and 2,887 purchase orders from April 2014 to March 2015. The Purchasing Division will continue regular communication with schools and departments to ensure compliance with the policy. The Purchasing Division will continue its ongoing cooperation and networking with other school boards, public groups, government departments and agencies to leverage combined expertise in promoting and maximizing purchasing best practices and to ensure accountability for public funds.

Section 14 of the Policy requires all tenders, requests for proposals (RFP), and contracts with a value of \$500,000 or more to be approved by the Board. The following contracts with a total contract value over \$500,000 were approved by the Board in 2014/2015:

<b>Contract Name</b>	<b>Vendor</b>	<b>Contract value</b>	<b>Date Approved by Board</b>
Natural Gas Conversion – Admiral Westphal	Atlantica Mechanical	\$578,589	26/11/2014
Roofing- 5 schools	McCarthy's Roofing	\$1,255,000	20/08/2014
Paving- various schools	Dexter Construction	\$503,400	06/08/2014
Additions & Alterations-Phase 2-Cole Hbr High	Blunden Construction	\$2,393,000	09/06/2014

Section 7 of the Policy permits alternative purchasing (sole sourcing) under certain circumstances. In 2014/2015, the following purchases were of values that should normally have been undertaken with tenders or RFP's. However, alternative or sole sourcing is permissible under circumstances outlined in the Policy and these purchases met the criteria and were approved for sole sourcing.

<b>Item/Project</b>	<b>Vendor</b>	<b>Value</b>	<b>Reason for Sole Source</b>
24 Bay Disk Shelf	Enterprise Management Systems	\$39,890	Compatibility/warranty issue

**Recommendations**

Recommendations for revisions to the Purchasing Policy will be coming forward in the near future. These changes will address required updates to signing authorities as a result of changes to the SAP system as well as changes in the board's management structure; additional requirements for approvals to change orders; more detailed explanations regarding requirements related to Standing Offers; and a new section outlining Canada Revenue Agency regulatory requirements when purchasing Services Provided by Non-Canadian vendors.