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Report No. 2016-09-41
Date: September 6, 2016

HALIFAX REGIONAL SCHOOL BOARD
Purchasing Annual Report – 2015/2016

PURPOSE: To provide the 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 Board’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, 2015 to March 31, 2016**. 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 2015/2016 fiscal year.

COST: N/A

FUNDING: N/A

TIMELINE: N/A

APPENDICES: Purchasing Annual Report – 2015/2016

RECOMMENDATIONS: It is recommended that the Board receive the Purchasing Annual Report – 2015/2016 for information.

COMMUNICATIONS: Published to website, September 23, 2016.

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

To:

Senior Staff – September 6, 2016
Audit Committee – September 21, 2016
Board – September 28, 2016

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Date last revised: *September 6, 2016*

Purchasing Annual Report – 2015/2016

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 2015/2016.

Purchasing Activities

The Halifax Regional School Board purchases approximately \$99 million in goods and services annually. The Purchasing Division issued 63 tenders/RFP's and 3,335 purchase orders from April 2015 to March 2016. 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 2015/2016:

Contract Name	Vendor	Contract value	Date Approved by Board
Heat Pumps – Halifax West High School	Black and MacDonald	\$550,400	15/10/2015
Student Transportation	Stock Transportation	\$16,277,357 for Year 1	5/11/2015

Section 7 of the Policy permits alternative purchasing (sole sourcing) under certain circumstances. In 2015/2016, 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.

Item/Project	Vendor	Value	Reason for Sole Source
Books	Centre for the Collaborative Classroom	\$17,665 US	Sole source
Software renewal	Enterprise Management Systems	\$18,185	Compatibility
Boiler	Coastal Boiler Service	\$35,720	Emergency
Gr. 3 Conversation kits	Scholastic	\$24,960	Sole source
Software	Baragar Enterprises	\$14,300	Sole source
Books	Blueberry Hill Books	\$22,750	Sole source
Software	Enterprise Management Systems	\$24,555	Compatibility
Environmental controls	Controls & Equipment	\$46,800	Compatibility
Masonry repairs	Coastal Restoration & Masonry	\$58,711	Emergency
Software	Enterprise Management Systems	\$24,483	Compatibility
Software	Faronics Corporation	\$15,532	Sole source
Software	Faronics Corporation	\$20,000	Sole source
Consulting services	Stantec Consulting	\$10,000	Sole source
Consulting services	Fowler Bauld & Mitchell	\$71,200	Confidentiality

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.