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Report No. 13-09-1424
Date September 9, 2013

**HALIFAX REGIONAL SCHOOL BOARD
Purchasing Annual Report – 2012/2013**

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 an annual report be provided 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, 2012 to March 31, 2013**. 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 2012/2013 fiscal year.

COST: N/A

FUNDING: N/A

TIMELINE: N/A

APPENDICES: Purchasing Annual Report – 2012/2013

RECOMMENDATIONS: It is recommended that the Board receive the Purchasing Annual Report – 2012/2013 for information.

COMMUNICATIONS:

| Audience | Responsibility | Timeline |
|-----------------------------|----------------|---------------------------|
| General Public via web site | Doug Hadley | Upon receipt by the Board |

From:

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

To:

Senior Staff – September 9, 2013
Audit Committee – September 18, 2013
Board – September 25, 2013

File name: *2012 2013-annualpurchasingreport*

Date last revised: *September 11, 2013*

Purchasing Annual Report – 2012/13

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 2012/2013.

Purchasing Activities

The Halifax Regional School Board purchases approximately \$83 million in goods and services annually, including \$11 million in capital purchases. The Purchasing Division issued 56 tenders/RFP's and 3,598 purchase orders from April 2012 to March 2013. 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 2012/2013:

| Contract Name | Vendor | Contract value | Date Approved by Board |
|--|-----------------------|-----------------------|-------------------------------|
| Dust Collection Upgrades – 6 Schools | Himmelman Contractors | \$530,333 | April 30, 2012 |
| Site Improvements – Prince Andrew High | Ocean Contractors | \$1,062,450 | May 16, 2012 |
| Administration Renovation – Dartmouth High | Ridgeback Contracting | \$797,909 | June 25, 2012 |
| Interior Renovations – Atlantic Memorial | Bird Construction | \$1,375,350 | July 4, 2012 |
| Tech Ed Wing Renovations – Prince Andrew | Bird Construction | \$1,048,500 | July 4, 2012 |
| Design Consulting Service – Cole Harbour High | WHW Architects | \$586,000 | Nov 28, 2012 |
| Design Consulting Service – Eastern Passage High | FBM Architecture | \$885,000 | Dec 12, 2012 |
| Tech Ed/Music/Library Reno – Dartmouth High | Ridgeback Contracting | \$1,124,747 | Feb 27, 2013 |

Section 7 of the Policy permits alternative purchasing (sole sourcing) under certain circumstances. In 2012/2013, 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 all met the criteria and were approved.

| Item/Project | Vendor | Value | Reason for Alternative Purchasing |
|--------------------------|-------------------------------|--------------|---|
| IT/Audio Equipment | 3D Datacom | \$14,577 | Only 2 Suppliers Available |
| Software Licenses | Enterprise Management Systems | \$10,318 | Software Maintenance Renewal |
| Playground Equipment | Timbertec | \$11,270 | Compatibility/warranty issue |
| Disk Drive Shelf Upgrade | Enterprise Management Systems | \$31,403 | Compatibility/warranty issue |
| Testing Materials | Pearson Canada Assessment | \$32,824 | Order direct from publisher - no alternative supplier |
| Software Licenses | Enterprise Management Systems | \$32,000 | Compatibility/warranty issue |
| Software Licenses | SoftChoice | \$34,612 | Compatibility/warranty issue |

Recommendations

Recommendations for revisions to the Purchasing Policy related to signing authorities, approvals for change orders, and Services Provided by Non-Canadian Vendors will be brought forward in a separate report at a later date.