



PURCHASING POLICY & PROCEDURES

RATIONALE

This document sets out for the staff of St Patrick's Primary School policy and procedures for the procurement of Goods and Services.

SCRIPTURAL CONTEXT

"The greatest one among you must be your servant. Whoever makes himself great will be humbled and whoever humbles himself will be great"

Mathew 23:11 – 12

AIMS

This policy aims to establish a purchasing framework that will:

- 1) Deliver best value for money in terms of price, quality and service
- 2) Promote the efficient, effective and ethical use of resources
- 3) Ensure probity, accountability and transparency
- 4) Satisfy legal and contractual obligations
- 5) Encourage competition and attract diocesan suppliers

DEFINITIONS

Assests

- 1) Furniture or Equipment costing \$5000.00 or more
and
- 2) Portable and attractive items, being non-consumable items that have a value below the \$5000.00, which are susceptible to loss or theft due to their portable nature and attractiveness for personal use or resale. Following are examples of items often meeting this definition *laptop computers* mobile phones* cameras – digital/film/video* lite-pros/projectors*printers*televisions*power tools*DVD/video players*other audio-visual equipment, * IPADS

Market Value

Market value is defined as "the amount which would be paid by a knowledgeable, willing party at arms-length to the seller".

Schools can demonstrate they are paying reasonable market value for property, goods or services for example by an open tender process, obtaining multiple quotes, or by reference to what others have paid in a similar market.

The Education Act defines a 'responsible person' as:

- a) The proprietor of the school and, if the proprietor is a corporation, each director or person concerned in the management of the school, or
- b) A member of the governing body of the school, or
- c) The principal of the school

Conflicts of Interest

The registered and Accredited Individual Non-government Schools (NSW) Manual in section 3.9.3.2 addresses the issue of conflicts of interest.

Each 'responsible person' for a non-government school must avoid situations in which his or her personal interests or the interests of a relative or close associate may conflict either directly or indirectly with the decisions made by the governing body, whether the conflict is actual, perceived or potential. Such conflicts of interests include but are not limited to related party transactions.

Related Party Transactions Register

In the context of a non-government school, a 'related party transaction' includes any transaction through which a 'responsible person' for the school acting on behalf of the school provides a financial or other tangible benefit to a related party (such as themselves or another 'responsible person' for the school or their spouse, other relatives or close associates and other related organisations). As related party transactions involve conflicts of interest or material personal interests, a non-government school must have policies and procedures for financial management including a register of all related party transactions which is validated by an external independent auditor.

IMPLEMENTATION

Supplier Selection

1. The school may select a supplier for goods and services using a number of method, including:

- a) Direct sourcing from a particular supplier
- b) Obtaining written or verbal quotes from suppliers
- c) Calling for tenders, either selectively or open

2. The method use is determined by a number of factors including:

- a) The estimate cost of the goods or services
- b) Product quality, availability and competitiveness of the market
- c) Supplier performance, reputation and service history

3. Supplier Selection Procedures

3.1 Minor Level Procurement (less than \$2000.00)

Goods and Services costing less than \$2,000 may be purchased without a written quotation provided that the purchaser knows the approximate cost, and that cost is reasonable and consistent with market rates. The cost would normally be ascertained from a quote (verbal or written), on-line enquiry, or frequent and recent past dealings.

3.2 Medium Level Procurement (between \$2,000 and \$20,000)

3.2.1 Where goods/services are required which have a total cost of between \$2,000 and \$20,000, a reputable supplier with a history of delivering a competitive quality that at least one written quote is obtained and attached to the purchase requisition, and the quoted cost is reasonable

and consistent with the market rate at least two quotes should be obtained from genuine competitors at least annually and stored in a file in the Administration office.

3.3 Major Level Procurement (greater than \$20,000)

- 3.3.1 Where goods/services are required which have a cost greater than \$20,000, a competitive pricing process is to be used.
- 3.3.2 For purchases between \$20,000 and \$100,000 at least three written quotes are to be obtained from competitive suppliers and attached to the successful purchase requisition. School Board approval is required to determine successful quote.
- 3.3.3 For purchases over \$100,000 the purchase should be submitted to formal tender. Depending on the subject matter, expressions of interest may precede the calling of either an open or selective tender. Prior to inviting tenders, a specification document must be produced in sufficient detail to make clear exactly what is required.
- 3.3.4 A three person Tender Committee comprising of the Principal, Parish Priest and School Board Chairperson.

3.4 Preferred Supplier

- 3.4.1 Office Max is the preferred supplier for office goods. Office Max is part of the Church Resources group and as such provides a discount for Catholic Schools and minimal delivery costs. If available, goods should be purchased from Office Max unless equivalent value is available from an alternative supplier or as approved by the Principal or delegate.

Following are additional factors relevant to supplier selection

4.1 Policy Prohibitions/Restrictions

- 4.1.1 Conflicts of interest – The purchase of goods and services from business entities owned or controlled by relatives, business associates or close personal friends is prohibited without the prior approval of the Principal.
- 4.1.2 Prepayment of purchase orders – Prepayment of purchase orders is discouraged and shall only occur when a supplier cannot be found. (occasionally suppliers become insolvent and insistence on pre-payment for purchases could be an indicator of financial problems and school exposure to such risk is to be kept to a minimum)

4.2 Policy Exemptions/Exclusions/Modifications

- 4.2.1 Diocesan Policy Direction – Diocesan Policy may direct that certain suppliers be used to provide particular goods or services e.g. Insurances, phone & Electricity. In these cases the purchasing decision is to be accepted on the basis that the supplier would have been subjected to a competitive assessment process at the Diocesan level.
- 4.2.2 Proprietary Goods and Services – A purchase normally subject to a competitive pricing process may be excluded from this requirement if the goods or service

are held under patent, trademark or copyright, or for some other reason there is only one supplier of that particular product or service. In this situation, prior to accepting the quote, the purchaser must notate the submitted quote accordingly and attach it to the purchase requisition for approval by the responsible person.

- 4.2.3 Approve Exception – The Parish Priest may approve, in writing, an exception is to be submitted for endorsement by the School Board at the next available meeting. The submission must include the reasons for the exception decision, with reference to the objectives of this purchasing policy.
- 4.2.4 Subject to being able to deliver equivalent purchase value, local suppliers and those with whom it relies for custom should be given preference over the other suppliers.

5 Purchase Process-Requisitioning System

- 5.1 Generally all school purchasing is to be done through the requisitioning and ordering system. Attached as Appendix 1 are the procedures for using this system.
- 5.2 Credit Card Purchases
The school holds a credit card which is utilised when a purchase can be only completed using this transaction method. The Principal/Assistant Principal and Administration Staff have authorisation to utilise the school credit card.
- 5.3 Petty Cash Purchases
A petty cash float is maintained by the Administration staff to cover minor (<\$100) and infrequent acquisitions requiring a cash purchase of less than \$100. All expenditure must be documented by a tax invoice.
- 5.4 Purchases using Personal Funds
Staff may incur school expenditure which is funded from personal finances (e.g. cash or personal credit card). Reimbursement of this expenditure can be claimed by providing an invoice from supplier. Assets or items costing in excess of \$200 should not be acquired using personal funds.
- 5.5 Personal Expenditure
All purchasing must occur for legitimate school business purposes only. Any purchase that includes an element of private expenditure is to be funded by private means (e.g. Cash debit or personal credit card), with any business expense component being recouped via Reimbursement Claim.
- 5.6 Employee Travel-Accommodation-Meal-Professional Development Expenditure. Subject to any provisions contained in separate specific policy documents the following general rules apply to expenditure in the above areas
 - 5.7.1 Accommodation and Meal expenditure incurred while travelling overnight for school business is to be kept within reasonable limits.
- 5.7 Gifts
Any school funded gifts for departing, grieving, sick employees etc are to be approved explicitly by the Principal or delegate and issued through him/her on behalf of the school. The definition of gifts includes vouchers, flowers meals, entertainment etc

Personally funded gifts are at the discretion of the employee, but can not be reimbursed by the school.

6. Payment Process

6.1 Suppliers are paid by cheque or EFT as soon as is reasonably possible following receipt of the monthly statement or invoice.

6.2 All payments require a dual payment authority. Cheques are countersigned by two bank account signatories (Normally the Principal and Administration Officer)

6.3 Authorisation for the payment is recorded on the voucher at 'Authorised by'

The Principal/Administration Officer are responsible for Authorising payment after checking that the purchase requisition has been correctly approved and the supporting paperwork is in order.

7. Failure to meet the Purchasing Policy standards

Serious or repeated breaches of the Purchasing Policy may lead to an investigation and an appropriate sanction or grievance may be applied.

REFLECTIVE MATERIALS

- 1) CSO Purchasing Policy & Procedures
- 2) Staff Handbook 2016
- 3) Education Act 1990, section 21A Requirements