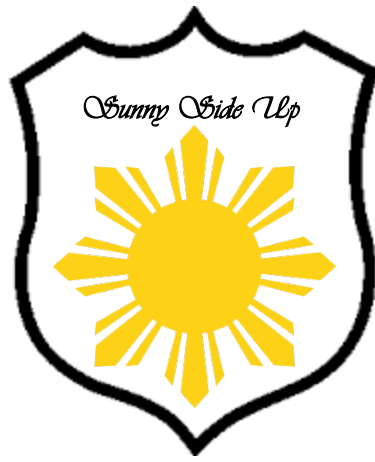


(Extracts)

Sunshine College



Financial Guide

(Last update as endorsed by SMC on 26 June 2014)

## **A. Procurement and Purchase**

### **1. Financial limits of purchases and their corresponding procurement arrangements:**

<b>Financial limits</b>	<b>Procurement arrangements</b>	<b>Approving authorities</b>
\$5,000 or below	Competitive bidding not required for procurement of any stores or services provided that a member of school staff at an appropriate level certifies that such procurement is essential and the prices are fair and reasonable	Principal/ Deputy Principal
Above \$5,000 to \$50,000	By Oral Quotations (invite at least TWO suppliers)	
Above \$50,000 to \$200,000	By Written Quotations (invite at least FIVE suppliers)	Principal
Above \$200,000	By Tenders (invite at least FIVE suppliers)	Tender Approving Committee (TAC)

### **4. For procurement at an estimated cost of more than \$50,000 each**

#### ***Invitation of written quotation/tender***

The person-in-charge should invite written quotations for single procurement above \$50,000 and up to \$200,000, and tenders for single procurement above \$200,000 from at least five suppliers. **If it has not been possible to invite sufficient number of suppliers, the circumstances should be explained and recorded on file. Prior approval should also be obtained from the SMC.**

#### ***Opening and vetting, and approval of written quotation/tender***

For written quotations, two staff members at an appropriate level will be appointed by the Principal for opening, vetting and referring written quotation documents to the appropriate subject teacher(s) and administrative staff for evaluation and recommendation before referring the written quotation documents to the Principal for consideration and approval.

For tenders, a Tender Opening and Vetting Committee (TOVC) should be set up as follows:

- (a) The TOVC comprising (i) one of a rank not lower than an Assistant Master/Mistress (AM) or equivalent and (ii) the other of a rank not lower than a Clerical Assistant or equivalent will be appointed by the Principal at least three working days before the tender opening date.
- (b) The TOVC is responsible for opening, vetting and referring tender documents to the appropriate subject teacher(s) and administrative staff for evaluation and recommendation before referring the tender documents to the TAC for consideration and approval.

The written quotation/tender opening authority should enter relevant information of all written quotations/tenders received in the Written Quotation/Tender Summary and Approval Record.

For tenders, a TAC comprising the School Supervisor/Manager, the Principal, a teacher and a representative of the Parent-Teacher Association or a parent manager should be set up. Members of the TAC are to be appointed by the SMC. The TOVC and the TAC must be made up of different staff members and the subject teacher(s)/administrative staff responsible for making recommendations is to be excluded.

Normally, the lowest offer to specifications should be selected. If this is not the case, reasons for rejecting the lower offers should be provided. If a marking scheme is adopted, normally the tender attained with the highest overall score should be recommended for acceptance.

For the workflow of procurement procedures for single procurement costing more than \$50,000, please refer to **Annex I**.

## **5. Retention and Disposal Policy**

For audit purpose, all Purchase-by-Oral Quotation Forms, original written quotations/tenders submitted by the suppliers and written quotation/tender documents including the Written Quotation/Tender Summary and Approval Records should be retained for **three calendar years** after completion of order.

## **7. Declaration of Conflict of Interest**

Staff involved in purchasing and supplies duties are required to sign an undertaking that they would declare in writing to the SMC any current or future connection they or their families have with suppliers or contractors (e.g. being relatives, owners, shareholders, etc.) as soon as they become aware of it. The staff declaring conflict of interest should refrain from processing the related quotation or tender. This requirement will be annually brought to the notice of the staff involved by means of a circular which they will be required to sign to indicate that they have read and understand it.

## **E. Trading Operations**

Trading operations should be approved by the SMC. In handling trading operations (such as textbooks, tuck shops, lunch boxes, school uniforms, exercise books, school buses, etc.), our school is required to comply with the relevant provisions in the Education Regulations, guidelines, circulars and letters issued by the Education Bureau.

Our school should select the trading operators/suppliers through competitive quotation/tender exercises at regular intervals, preferably **not exceeding three years**.

**Workflow of Procurement Procedures for Procurement  
at an Estimated Cost of more than \$50,000 each**

