

Purchasing

F4.1 Procurement Policy



Regional Board Policy

Procurement Policy

Category: Purchasing	Policy Number: 2023-9-32	Replaces: FB.2017-11-13
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Office of Primary Responsibility: Finance		
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PURPOSE:

The purpose of this Policy is to achieve the best overall value for the Cariboo Regional District, its customers, and taxpayers in its acquisition of goods and services. The overriding objective of this Policy is to select qualified suppliers in a way that is open, fair, transparent and non-discriminatory. The policy will also ensure we meet our obligations under Canada's competitive bidding laws and be in compliance with the various trade agreements.

POLICY:

Scope

This policy applies to all staff, volunteers, the Board and anyone else who may be involved in procurement activities on behalf of the Regional District. It identifies those who have the authority and the responsibility to acquire goods and services on behalf of the Regional District. It also sets out the principles to be followed throughout the procurement process. This Policy applies to all purchases of goods and services, including capital expenditures and goods for resale.

Policy

The acquisition of goods and services shall be by a competitive bidding process wherever possible.

The Regional District is committed to sustainable procurement and will endeavour to include consideration of environmental, ethical, socially responsible and best value (life cycle considerations) in purchasing decisions.

The Regional District is committed to working with Indigenous groups and will, where possible, ensure that they are included in supply opportunities (goods or services) through the bidding process.

Under the authority delegated by the Cariboo Regional District Board, the CAO is authorized to commit the Regional District to contracts, supply agreements, licences, purchase orders, leases or other legally enforceable documents.

The CAO may assign specific purchasing authority to other individuals or departments while retaining functional authority.

Only duly authorized individuals can commit the Regional District to contracts, supply agreements, licences, purchase orders, leases or other legally enforceable documents.

Where a commitment has been made on behalf of the Regional District by someone who does not have the authorization, the obligation will be with that individual and not the Regional District.

Responsibilities

Individuals performing procurement activities on behalf of the Regional District must have authorization to do so. This authority has been delegated by the Board to the CAO, and then further to the CFO, Manager of Procurement and function managers through this Policy. The Manager of Procurement and the CFO report directly to the CAO. They are authorized under this Policy to commit the Region to contracts, supply agreements, licences, purchase orders, leases and other legally enforceable documents; to implement this policy; and to ensure that the Policy's principles are understood and applied.

Function managers are responsible for ensuring that the Policy is clearly understood and complied with, within their areas of responsibility.

CRD Board will:

- Determine the allocation of resources through an approved annual budget
- Authorize unforeseen expenditures not originally budgeted for. This must be approved first by the appropriate Committee/Commission and ratified by the

Cariboo Regional District Board, by way of a budget amendment bylaw, and registered with the Inspector of Municipalities before being undertaken, unless such expenditure is an emergency

CAO or designate will:

- Support the promotion of sound procurement practices and appropriate education and training to those involved in procurement
- Authorize purchases that exceed the delegated authority of the Manager of Procurement & CFO
- Expenditures not originally specified in the budget must be approved by the CAO or delegate before expenditures can be undertaken

Manager of Procurement will:

- Advise the CAO on policies, regulations and legislation affecting procurement
- Ensure organizational compliance with all procurement policies, applicable laws, trade agreements and regulations
- Ensure Procurement Policy is readily accessible to Regional District employees, suppliers and the general public
- Report corporate procurement activity to CAO and CFO on a regular basis
- Provide appropriate orientation, training and tools to those involved in public procurement activities
- Advise Region staff on market conditions and strategies in developing budgets, planning projects, framing business cases and buying decisions
- Advise on the procurement of major projects
- Authorize purchases that exceed the delegated authority of the function unit manager
- Advocate compliance with this policy and sound procurement practices
- Analyze on a continual basis, the Regional District's business requirements and identify opportunities for cost savings and strategic sourcing

Emergencies

When an emergency exists, purchase of goods, supplies and services may be made directly by the function manager. This provision shall apply only in the case where the procurement of such goods or services, in the opinion of the CAO, is essential to protect and prevent damage to property, life, health and welfare of the public and it is not possible due to the urgency of the need to apply the normal procurement bidding processes.

If purchases are made under this provision:

- An emergency purchase occurs and if sufficient funds are budgeted within the function budget, the responsible manager shall prepare the necessary purchase order.

- Where sufficient funds are not available within the function budget, the function manager will notify the CFO. Further, the action shall be presented to the appropriate commission/committee where applicable and to the Board.

*******NOTE:** Emergency purchases made within and for the Emergency Operations Center (EOC) shall be governed by the policies and procedures of the EOC and the Provincial Emergency Program (PEP). Funding for EOC purchases will be via a PEP issued Task Number. The EOC Finance Section will work with CRD Finance to reconcile EOC expenditures with the claim for reimbursement from PEP.

Approval Thresholds

Where funding is allocated specifically within an approved budget the delegate responsible for the award of a competitive bid process shall be:

- \$0 - \$25,000 the function manager
- \$25,000 - \$125,000 the Manager of Procurement or CFO
- \$125,000+ the CAO or delegate

Where funding is allocated specifically within an approved budget the delegate responsible for the award of a non-competitive bid process (direct award) shall be:

- \$0 - \$10,000 the function manager
- \$10,000 - \$25,000 CFO or Manager of Procurement
- \$25,000+ the CAO or delegate

In the absence of the CAO, the Deputy CAO, in conjunction with the CFO or the Manager of Procurement, will be designated as the Delegate.

The award of a competitive bid process or direct award where funding is not specifically allocated within an approved budget shall be authorised by the Board.

Competitive Bidding Process

The competitive bid process is essential for delivering the best overall value to the Regional District. In the development of the Request for Quotation or the Request for Proposal document, the Region may include weighting related to the origin of goods, giving Canadian made products a larger score.

The Regional District will facilitate open as well as invitational competitions as per the following:

Open Competition: Involves the public posting of a competition document to the Regional District's prescribed electronic tendering site (BC Bid). All purchases will comply

with (CFTA) the Canadian Free Trade Agreement. and the New West Partnership Trade Agreement (NWPTA). NWPTA states that an open competition must be employed when the procurement of goods or services exceeds \$75,000 or \$200,000 for construction projects,

Invitational Competition: Where the estimated procurement value is less than the open competition thresholds the Regional District may choose to engage in an invitational competition subject to the following thresholds:

- \$3,000 - \$25,000 - A function manager shall conduct an invitational competition by requesting bids from at least 2 qualified suppliers
- \$25,000 - \$125,000 – The Manager of Procurement shall conduct an invitational competition by requesting bids from at least three qualified suppliers. If market conditions or the complexity of the procurement warrant it, the Manager of Procurement will conduct an open competition

Direct Award: A Direct Award process is one where a contract is awarded without using a competitive process. It may only be employed when in compliance with the Agreement on Internal Trade (AIT), CFTA and the NWPTA.

Items that are exempt from the trade agreements include emergencies, one-of-a-kind goods or services available from only one supplier, services provided by lawyers or notaries and replacement parts/items for a specific brand of existing equipment.

Payment Method

- Where possible, all purchases under \$1,500 should be made via credit card.
- Purchases from \$1,500 to \$10,000 may be made by purchase order
- Purchases over \$10,000 should be made by purchase order or other form of contract at the discretion of the Manager of Procurement
- Purchases under \$50 may be made using petty cash where a credit card is not accepted or we do not have an agreement in place with a supplier

Conflict of Interest

The Regional District's procurement activities must be conducted with integrity, so as to maintain the public's trust. Individuals involved in procurement activities must act, and be seen to act, with integrity and professionalism. Procurement activities must be open, fair, transparent and conducted with a view to obtaining the best overall value.

Honesty, care and due diligence must be integral to all procurement activities within and between the Region, suppliers and other stakeholders. Participants should not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting favours, providing preferential treatment, or publicly endorsing suppliers or products.

All participants in the procurement process (including all staff and members of the evaluation team) must ensure that there are no internal conflicts of interest. Section 100-109 of the Community Charter (CC) and section 205 of the Local Government Act (LGA) regulate the manner in which current board members may engage in business with the Regional District where they have a pecuniary interest. It should also serve as a guideline for participants in procurement activities, for ethical conduct and situations in which a conflict of interest may arise.

Contracts awarded to Directors of the Regional District during their office term and for a period of 6 months following their resignation or termination will be completed in accordance with Article 107.1 and 107.2 of the Community Charter as may be amended from time to time.

Suppliers are required to declare, as part of their bid in a procurement process, that there are no conflicts of interest, or provide details of any actual or apparent conflict of interest. All competition documents must include appropriate conflict of interest language and declarations.

Prohibitions

- Purchase by the Cariboo Regional District of any goods or services for personal use by or on behalf of any member of the Board, appointed Officers or Employees or their immediate families
- The division of a single purchase into multiple increments to circumvent policies or levels of authority

Length of Contract

Once a competitive bid process is completed and a winner selected, an initial contract cannot be awarded for more than a three-year period. The contract may be extended for an additional two years if it is in the interest of the Regional District to do so.

In the case of a specialized contractor being able and available to complete the Scope of Work of the contract and where entering into a longer agreement is preferable due to a more specialized nature of the work, an initial, and all subsequent contracts may be awarded for a period not to exceed five years.

If, during the Invitational or Competitive bidding process, where only one contractor submits a bid and it would benefit the Regional District to do so, a renewal and all subsequent contracts may be awarded for a period not to exceed five years.

***** END OF POLICY *****

<u>Amended (Y/N)</u>	<u>Date Reissued</u>	<u>Authority (Resolution #)</u>
Yes	September 2023	2023-9-32
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Yes	May 2015	2017-5-33
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