



# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Council Policy

<b>Adopted by Council</b> <b>Effective Date</b> July 10, 2017	<b>POLICY NO.</b> <b>04.Fin</b>
Amended by Amendment Date(s):	File No: 340/2017
<b>SUBJECT: SUSTAINABLE PURCHASING</b>	
<b>Category:</b> Finance	

**PURPOSE:** This policy establishes the responsibilities and accountability associated with the efficient, economical, socially and environmentally responsible acquisition of goods and services:

- To encourage competition in the market
- To obtain the best value for goods, services, equipment or construction-related projects
- To ensure fairness, integrity, accountability and transparency throughout the procurement process, and
- To leverage limited public resources to achieve strategic community outcomes, and
- To meet the requirements of the Community Charter, The Local Government Act, The Agreement on International Trade (AIT), the New West Partnership Trade Agreement (NWPTA), public sector procurement standards and competitive bidding law.

**APPLICATION:** This policy applies to all employees, officers and other designated persons acquiring goods, services, rentals, leases and construction on behalf of the District of Central Saanich.

### OBJECTIVES AND PRINCIPLES

- 1. Guiding Principle** - The Sustainable Purchasing Policy is guided by the principle of probity, meaning all activities are undertaken in a fair, ethical and prudent manner. Encourage 'value for money' or 'best buy' in the procurement of goods and services.
- 2. Local Suppliers** – The District supports local businesses by encouraging local purchasing decisions. If after considering the evaluation criteria and all submissions are considered equal, geographical location will be the deciding factor based on the following order:
  - Within the District of Central Saanich
  - Within the Capital Regional District
  - Within Province of British Columbia
  - Within Canada
  - Outside Canada

**3. Sustainable Purchase Practice** – The District considers the environmental, social and economic value of the goods and services being purchased with the intent to shift spending away from goods and services that negatively impact the environment and society towards products and services that are more environmentally sound and socially beneficial.

The District will seek opportunities to encourage and influence markets for environmentally and socially preferable products through employee education; supporting pilot testing of potential new products; and adopting innovative product standards, specifications, and contracts where possible.

**4. Carbon Reduction** - The District will specify where feasible, products and services for purchase that represent a non-carbon alternative, are carbon neutral or that minimize greenhouse gas emissions and thereby contribute to reducing carbon footprints. The District will work collaboratively with suppliers to advance environmental performance of products and services.

**5. Living Wage Employer** – The District is committed to becoming a Living Wage Employer and will consider suppliers ability to provide living wage employment in higher value competitive purchase processes. Living Wage Canada is a national living wage online resource providing a searchable database of living wage calculations by City. The nearest community to Central Saanich for which a Living Wage has been calculated is Victoria, where the 2017 calculated rate is \$20.01 for example.

**6. Compliance** - both the District and our suppliers are required to adhere to the legal commitments we make. There are many forms of commitment or contract made, ranging from a purchasing card transaction, to a purchase order, or a formally executed contract. All of these agreements are equally binding on the District. The appropriate form of commitment/contract is determined by the dollar value of the specific transaction and is set out on the schedule of *Purchasing Authorities and Responsibilities*.

**7. Monitoring and Reporting** - Application of the Districts Sustainable Purchasing Policy will be regularly monitored and reviewed. All purchases over \$25,000 and a sample of those under \$25,000 will be reviewed for compliance. Regular reports to Committee of the Whole will include performance metrics, a list of individual purchases made over \$25,000, a summary of compliance, a summary of Direct Award Purchases made (if any) and a summary of awards made by Council.

## DEFINITIONS AND RESTRICTIONS:

### 8. Restrictions, Prohibitions and Exceptions -

**The Following activities are prohibited:**

- a. The division of contracts or purchases to avoid the requirements of this Policy.
- b. Committing the District without the appropriate authority to do so. Refer to the schedule of *Purchasing Authorities and Responsibilities* on Page 17.

- c. Purchase by the District of any goods or services for personal use by or on behalf of any member of Council, appointed officers, employees of the District or their immediate families unless specifically authorized by Council.
- d. Purchase by the District from any member of Council, appointed officers, employees of the District or their immediate families or from any other source that could result in a conflict of interest.
- e. The purchase of any District-owned goods by a member of Council, appointed officers, employees of the District or their immediate families.
- f. District staff with direct or indirect interest in a vendor or potential vendor must disclose such interest in writing in order to ensure there are no adverse consequences from such conflict. Soliciting or accepting money, loans, credits, or prejudicial discounts, or the acceptance of gifts, entertainment, favours, or services is prohibited where it might influence, or appear to influence, purchasing decisions.
- g. Personal credit cards are not to be used for District purchases where a District Credit Card is available.
- h. Making commitments to other parties or acquiring items through an agreement which extends beyond approved funding availability i.e. 5-year financial plan.

## **AUTHORITY, ROLES AND RESPONSIBILITIES:**

**9. Authorities and Spending Limits** – Persons undertaking purchase actions must have formal authorization to do so. All goods and services are to be acquired in accordance with this policy unless authorized on an exception basis by District Council or the Chief Administrative Officer.

The Chief Financial Officer holds the statutory responsibility and accountability for the acquisition of goods as well as protection and disposal of assets. This officer is responsible for the day-to-day administration of the Sustainable Purchasing Policy and to employ such practices, processes, procedures or methods as are determined appropriate to the efficient and effective operation of purchasing services.

**10. Roles and Responsibilities** - Purchasing activities are decentralized to department managers and key staff, who are delegated the responsibility and authority for acquiring goods, equipment, services and construction for all operational and capital requirements as per the schedule of *Purchasing Authorities and Responsibilities* and the Districts Delegation Bylaw.

**a. Directors and Managers Responsibilities** - Directors are responsible to ensure that their staff understand and comply with the Sustainable Purchasing Policy and to:

1. Ensure that all purchases are performed in accordance with this policy, unless the policy has been specifically waived by Council.
2. Delegate “Purchasing Acquisition Signing Authority” at appropriate levels to staff within their own Department. The Director of Financial Services will review the

delegation of signing authority within each department for appropriateness in relation to budget responsibilities. See schedule of *Purchasing Authorities and Responsibilities*.

3. Ensure that all paper & electronic Purchase Requisitions properly include:
  - description of the materials and services requested;
  - budget availability;
  - appropriate general ledger account coding;
  - proper approval, including appropriate signatures;
  - proper competition in compliance with policy;
4. Conduct all business transactions in an ethical and professional manner.
5. Ensure that funds have been provided in the approved budget for the proposed expenditures and that the purchase will not result in a budgetary overage.
6. Departments can be responsible for issuing “standard” District approved template documents and Finance will retain responsibility for providing document numbering, process tracking and maintaining document files. Where departments issue their own documents, they must ensure that Finance is informed for coordination purposes.
7. Ensure that the District is able meet its obligations within the terms of the contract and that it is likely the other party can meet their obligations.
8. Ensure that any contract complies with WorkSafe BC legislation, labour legislation, employee collective agreements, tax legislation, all trade agreements and other legislative and regulatory requirements.
9. Ensure the Finance staff are informed of, and involved in, all competitive bid processes as required by this policy.

**b. Finance Department Responsibilities** - The Finance Department provides support to all municipal staff and acts on behalf of the District as authorized by Council in accordance with the schedule of *Purchasing Authorities and Responsibilities*.

1. Finance Department will be responsible for issuing a Request for Information (RFI), Request for Expressions of Interest (RFEI), Request for Quotation (RFQ), Request for Proposal (RFP), and an Invitation to Tender (ITT) when requested or where no one department assumes sole ownership.
2. Other Finance Department responsibilities include:
  - Participating in competitive bid administration, evaluation, contract selection and award decisions from time to time
  - Monitoring compliance with this policy

- Checking authorized purchase orders
- Maintaining records of business transactions as required
- Disposing of all assets as required, including surplus and scrap
- Providing qualified vendors the opportunity to receive requests for Information, Quotations, Tenders and Proposals
- Analyzing bids with end users
- Writing and issuing the contractual agreement with end users, i.e. purchase order, blanket order, letter of award for contracts
- Reviewing WorkSafe BC clearances
- Reviewing Insurance Requirements

**C. Critical Procedures to Remember:**

- Approvals and all required documents shall be in place prior to commitment, delivery and/or invoice for the goods and/or services.
- Purchase orders are produced using the Districts VADIM computer system and require two signatures. One from the actual requester, and a second from an individual with budget acquisition authority sufficient to cover the purchase.
- Formal revisions to a contract must be processed in accordance with the schedule of Purchasing Authorities and Responsibilities in this Policy.
- Any contract information requested from outside the District must be directed towards and reviewed by the District's Freedom of Information and Protection of Privacy Head.
- All expenditure dollar amounts indicated in the Procurement Policy exclude GST, because municipalities receive a proportionate refund of GST paid.
- In order to provide transparency and meet the intent of NAFTA, AIT and NWPTA competitive bids will be advertised nationally at the following thresholds: \$75,000 for goods and services and \$200,000 for construction

**ETHICAL CONSIDERATIONS:**

**11. Code of Conduct, Conflict of interest and Non-Disclosure Agreements** - No

member of Central Saanich Council, employee or volunteer shall have any direct or indirect pecuniary interest in any competitive bid or the arrangement for the supply of goods, services or construction to the District, unless it is first disclosed by the person submitting the bid or supplying the goods services or construction.

All competitive bid documentation must include a section that requires suppliers to disclose any actual or potential conflicts of interest and existing business relationships it may have with the District, its elected or appointed officials or employees prior to submission of the bid or proposal.

**METHODS OF PROCUREMENT:**

Methods of procurement for goods and services should be competitive where possible in order to reduce costs to the public through marketplace competition; encourage innovation and efficiencies and demonstrate the application of fair and open selection criteria by:

- a. providing a range of goods and services to the user in the right quantity, quality, timeliness and value;
- b. using a process which is simple, clear and well explained to users, vendors and the public;
- c. promoting total value concepts – full costing which takes into account the full range of costs including acquisition, maintenance, replacement, disposal and training costs associated with goods or services;
- d. promoting sustainable procurement best practices in the acquisition, use and disposition of goods, services, assets and infrastructure in consideration of:
  - i. environmental impact; promoting goods and services that make lesser or negligible demands on non-sustainable resources and avoiding those which adversely affect air, water or terrestrial environments;
  - ii. economic and financial impact; total cost of ownership, corporate responsibility;
  - iii. social impact; ethical and social well-being, healthy communities.
- e. encouraging the most open bidding process practical, one that is available to all qualified or pre-qualified bidders;
  - i. providing full disclosure of criteria and considerations used for:
  - ii. qualifying vendors;
  - iii. determining equivalency;
  - iv. measuring quality;
  - v. distributing potential cost savings between vendor and purchaser (value analysis).
- f. allow for flexibility within limits to promote accountability and allow for unanticipated and unplanned circumstances.

The level of external competition required for purchases is based on the dollar value and nature of the specific purchase. The cost associated with administering a competitive process should be proportionate to the benefit received as a result of the competition. For example, the cost of advertising certain small product purchases would exceed the cost of the product. Conversely, the District would only incur the expense of an Invitation to Tender (IT) or Request for Proposals (RFP) for large purchases.

Non-competitive methods of procurement may be used in the circumstances outlined in this policy and in accordance with the schedule of *Purchasing Authorities and Responsibilities*.

**12. Methods for Gathering Market Information** – are used to gather initial information or interest from the market in order to better inform the next steps in the procurement process. There are several types, the most common of which are:

- a. **Request For Information** – is a solicitation document used to obtain general information about products, services or suppliers. It is an information request, not binding on either the supplier or the purchaser, and is often used prior to specific requisitions for items.
- b. **Request for Expression of Interest** – is an invitation for suppliers to express interest in a particular project, commodity or service, providing in general terms, ideas that will meet the requirements.
- c. **Request for Qualifications** - usually refers to the pre-qualification stage of the procurement process. Only those proponents who successfully respond to the RFQ and meet the qualification criteria will be included in the subsequent Request for Proposals (RFP) solicitation process.

**13. Competitive Methods of Procurement** – are usually characterized by the solicitation of bids and proposals through a public process. There are several types, the most common of which are:

- a. **Request for Proposal** - An invitation for suppliers to submit a proposal on a specific commodity or service. It is used when there are alternative ways to meet a specific need. The supplier is invited to propose what they consider the best way of meeting the District's need. Submissions will be rated on the principle of "Best Buy". The RFP process brings structure to the procurement decision and allows the risks and benefits to be identified clearly upfront. The RFP purchase process is lengthier than others, so it is used only where its advantages outweigh any disadvantages and delays caused.
- b. **Request for Quotation** - An invitation for suppliers to bid on specific products or services. An RFQ bidding process typically includes information regarding payment terms, quality level per item, and contract length, in addition to the price per item. It is an opportunity for suppliers to competitively cost the chosen solutions.
- c. **Invitation to Tender** - An invitation that solicits competitive bids. Tenders are appropriate when detailed specifications are available. Tenders can be evaluated against clearly stated criteria and specifications. The bids and prices are provided without condition and the award is made without negotiation, notwithstanding the District's right to negotiate with the successful vendor after the award has been made.
- d. **Cooperative Ventures** - The District will participate with other government agencies or

public authorities such as the Greater Victoria Joint Purchasing Group in cooperative acquisition ventures where it is in the best interests of the District to do so and will follow the procedures set out by the agency responsible for the venture and not those detailed in the Sustainable Purchasing Policy.

Partnerships in the form of contractual arrangements between the District and external organizations that set out an agreed-upon exchange of cash, goods and /or services that have a direct measurable value; and where public funds are used to acquire the respective items, shall be approved by District Council.

## 14. Non-Competitive Methods of Procurement

- a. **Direct Contract Award (Sole Supplier) Purchases** - A direct contract award may be made without competitive procurement process under the following circumstances and in accordance with the schedule of *Purchasing Authorities and Responsibilities*:
1. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
  2. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
  3. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
  4. For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
  5. For a contract to be awarded to the winner of a design contest;
  6. For the procurement of a prototype of a first good or service to be developed in the course of and of a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
  7. For the purchase of goods under exceptionally advantageous circumstances;
  8. For the procurement of real property; and
  9. Where previous work of a supplier or contractor has resulted in that supplier or contractor having a unique understanding and knowledge of local systems and circumstances; and where the awarding of a contract to another supplier or contractor would cause the District to incur additional expense because of their lack of this understanding and knowledge; the locally experienced and knowledgeable supplier or contractor may be used as the sole supplier of related goods and services upon the approval of Council.
- b. **Urgent and Emergent Situations** - Urgent or emergency situations may occur which require immediate commitment of materials, equipment and or services. An emergency



expenditure is any expenditure that is the result of an event caused by accident, fire, explosion or technical failure or by forces of nature that results in the need to expend District resources:

- To protect human life, safety and health
- To protect property
- To protect the environment
- To protect the economic interest of the community

In such situations, the authorized person in charge will approve any commitments made on behalf of the District and will process the appropriate documents during the first business day following the event. Where the expenditure can be accommodated within the Financial Plan, whether out of contingency funds or reallocations, the Chief Administrative Officer or respective Director is authorized to approve that expenditure.

Emergency purchases that cannot be accommodated within the Financial Plan will be reported to Council at the next available regular meeting following the event to confirm the action taken.

## **15.Special Category Purchases and Disposals:**

- a) The following services require a competitive process however, as these services tend to benefit from long term relationships, for practical reasons, the term between competitive processes will vary: Legal; Insurance; Banking; Audit; Group Benefits and Professional Consulting
- b) Subject to all applicable District policies and procedures, a Competitive Procurement Method is not required for the following items:
  - a. Training and Education
    - Staff Training/Development/Workshops
    - Courses, Conventions, seminars
    - Individual Memberships or Dues
    - Periodicals/Magazines/Subscriptions
  - b. Refundable Employee Expenses
    - Travel Expenses, Meals, Parking, Hotel, Airlines, mileage
  - c. Community Service Contracts with Non Profits
  - d. Utilities
    - Postage, Hydro, Gas and Courier Service Charges
  - e. Licences and other like required approvals
  - f. General Expenses
    - UBCM, FCM and other corporate memberships
    - Payroll Remittances
    - Operating Grants and Approved Council Grants
    - Property and Income Tax Remittances

- Payments made to “partners” for co-sponsored programs.
- GVLRA and GVPL Charges
- Ongoing maintenance and service contracts for proprietary equipment, computer hardware and software.
- Original equipment manufactured parts for maintenance, repairs and operating.

**16. Disposal of Surplus Goods** - Each Director shall provide from time to time to the Director of Financial Services an itemized list of any assets which are obsolete, damaged or surplus to their department's needs.

Disposal is coordinated through the Community Services Department.

All obsolete, damaged or surplus assets shall be treated in the following order of priority:

- Offered as trade in on a replacement asset;
- Offered to other departments within the District, at their net value as determined by the Director of Financial Services and the Department;
- Disposed of by means of public auction or advertised for public tender and sold to the highest bidder;

Where assets declared obsolete, damaged or surplus are determined to have a value which is less than the cost of disposition, such assets shall be disposed of by the least-cost method available, taking into account any environmental implications of the disposal.

If the surplus goods cannot be reasonably sold by any of these means, the goods may be disposed of as appropriate and may include donation to a not for profit agency.

**17. Employee Credit Card Use** - District employees who have been issued an employee credit card are authorized to purchase goods and services in accordance with the schedule of *Purchasing Authorities and Responsibilities*, provided all purchases are made in accordance with the District’s Corporate Credit Card Policy.

**18. Petty Cash** - Petty cash funds may be established for departments in amounts approved by the Director of Financial Services and not exceeding \$500 in any one department.

## CONTRACTING FOR GOODS AND SERVICES:

**19. Standard Terms and Conditions of Purchase** – The District maintains standard terms and conditions of purchase that are used for all purchases and supplemented from time to time as required.

**20. Purchase Orders** – Purchase orders shall be issued using the Districts VADIM computer

system for all purchases of goods and services in excess of \$25,000 unless exempted by this policy.

**21. Two Signatures** – The purpose of the dual signature requirement is to ensure that two parties that understand the purchase, the application and the budgetary constraints, provide acquisition authority to authorize transactions over \$5,000. One of the signatures shall have the appropriate level of Purchasing Signing Authority spending amounts as set out on the schedule of *Purchasing Authorities and Responsibilities*.

**22. Insurance and Licensing** - All contracts for service to be provided on District property require the contractor to provide proof of registration, where applicable, and remain in good standing with WorkSafeBC throughout the term of their contract. Contractors may be required to provide clearance letters before and after performing work. In the event the contractor is not eligible for registration with WorkSafeBC for reasons other than workplace safety performance, the District may register the contractor and pay the applicable WorkSafeBC premiums, at the contractor's expense.

Proof of commercial liability insurance and other federal and provincial licences may also be required.

**23. Requirements for Bid/Performance Bonds** - The use of bonding must be used where project assurances are required. The District follows industry standard bonding practices for construction projects. All other projects/contracts must be assessed on their own merit. Each type of bond provides coverage for its own area of risk as described below. Bonds are generally considered to comprise of Bid Bonds, Performance Bonds and Labour and Material Payment Bonds. Bonding is not required on every bid or proposal but is recommended where there is a large liability or the value is over \$100,000.

**24. Opening of Bids or Proposals** - All bids or proposals over \$50,000 will be opened in a public forum on a date and time as indicated in the competitive process requirements.

- Minimum of two employees will attend the opening, including one member from Finance.
- All bids/proposals will be stamped showing the date of receipt.
- Attendance will be taken. An attendance sign-in sheet will be circulated.
- Quotes for tenders will be announced and recorded.
- No late bids/proposals will be accepted for any reason.

The contract will not be awarded at the opening since it is necessary to review each bid/proposal for completeness and accuracy. In addition, the bids/proposals may be subject to further qualitative evaluation. Vendor representatives attending the opening will be advised when to expect a final decision on the award.

When only one bid/proposal is received, it may be opened only with the prior agreement in writing of the bidder, provided that they understand and accept the fact that this bid/proposal may be rejected.

If the bidder does not agree, the bid/proposal shall be returned unopened. Under no circumstances shall a single bid/proposal be opened without the bidder's consent.

**25.Substitutions** - The substitution of personnel, product and/or materials will not be accepted unless it conforms to District specifications, and is equal or better in performance, durability, availability and value. A substitution must be authorized in writing by an authorized officer, employee or agent of the District before it is provided.

**26.Scope Changes** - During the course of a project additional work may arise that could not be anticipated during the project planning process. A contractor currently working for the District may be able to better respond to this related work and they have already posted insurance and performance guarantees meeting the District's requirements. Other potential bidders may not be able to obtain requisite insurance and bonding in a timely manner. As a result: a) existing contractor/contractors may be asked for quotation and; b) the lowest acceptable quotation may be used as a basis for a purchase requisition, which in turn may result in a new separate contract / purchase order or an adjustment to an existing contract/purchase order (Contract Amendments and Change Orders).

**27.Contract Amendments and Change Orders** - are described as any contract adjustments over and above the approved budget amount plus the contingency amounts, yet are within the original project scope. Contract amendments for variances of amounts less than \$50,000 are subject to identification of budgetary funds and approval by the Chief Financial Officer. Contract amendments for amounts greater than \$50,000 will be reported to Council for consideration of approval.

**28.Contingency** - Contingency allowances are intended to provide discretion in meeting a requirement which is not perfectly defined. In a unit price contract, the contract is valued according to a process established in the contract documents. Quantities may be variable. As a result, the bid is not a fixed sum or ceiling but, rather, a common basis of comparison among bidders.

Contingency options must be outlined in the Report to Council when the award is recommended if the project has not been approved through the budget approval process.

**29.Foreign Currency Purchases** – in instances where the purchase of goods and services is required from a supplier requiring a non-Canadian currency payment, the invoice should be provided to the Finance Department for the generation of a foreign currency money order. Currency forwards may be used by the Finance Department as a financing option.

Conversion of the purchase cost into Canadian funds should be calculated and used to determine appropriate method of procurement in accordance with the schedule of *Purchasing Authorities and Responsibilities*.

**30.Alignment with trade agreements and other legal obligations** – in compliance with the North American Free Trade Agreement (NAFTA) Agreement on Internal Trade (AIT) and the New West Partnership Agreement (NWPTA), all purchases of goods and services valued at \$75,000 or greater, and all construction projects valued at \$200,000 or greater will be competitively procured and advertised nationally.

**31.Review by Legal Counsel** - If the contractual obligation is considered straightforward and the language contains no bias, then legal advice is unnecessary. If the contractual obligation is greater than \$100,000, it should be referred to the Director of Financial Services or Chief Administrative Officer for an opinion as to whether external legal advice should be sought.

**32.Documentation** – all steps in the procurement process should be recorded in writing. The District is subject to the provincial Freedom of Information and Protection of Privacy Act legislation. Therefore, purchase decisions will be subject to public scrutiny from time to time. It is critical that we not only follow our stated policies but are able to demonstrate our compliance. Documentation is to be retained in accordance with the Districts records retention policies and bylaws.

**33.Supplier Complaint Process** – The District will ensure that all supplier complaints are reviewed and adjudicated in a timely and fair manner. A supplier must advise the Director of Financial Services in writing within five business days of the event causing the complaint, stating the nature and basis of the complaint. The Director of Financial Services will attempt to resolve the complaint and will advise the supplier in writing of the administrative decision on their complaint within 30 days.

**34.Contract Dispute Resolution Procedures** – the District will include a dispute resolution process in all contracts to manage disputes with suppliers throughout the life of the contract.

**35.Debriefing of Unsuccessful Bidders** – When a procurement transaction is awarded using a formal competitive process, unsuccessful suppliers are entitled to a verbal debriefing upon request to obtain feedback on the strengths or weaknesses of their bid or proposal.

### **36.Definitions and interpretations**

**“Acquire” or “Acquisition”** means to obtain by any method, accept, receive, purchase, be vested with, lease, take possession, control or occupation of, and agree to do any of those things;

**“Best Buy”** means the optimal combination of total cost, performance, economic, environmental and social sustainability, reduced carbon dependency, and reduced waste.

**“Bid”** includes a proposal submitted in response to a Request for Proposal and a written formal offer, which may or may not be sealed, submitted in a particular form in response

to an invitation to supply goods/services/construction, where the specifications and conditions of the goods or services are known and disclosed in the request;

**“Construction”** means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in an incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement;

**“Contract”** means a contract for the supply (by way of sale, conditional sale, lease or otherwise) of goods, services or construction, including a purchase order or other document evidencing the obligation, and any amendments;

**“Contract Amendment”** means any change to a term, condition or other Contract provision, including a Change Order;

**“Consulting Services”** means a contract where there is no material sale of goods included in the transaction and includes for example, professional and non-professional consulting services such as engineering, architectural, information technology, planning, and management consulting as well as services which might normally be provided by District employees but which the District decides to obtain on a short-term basis on a contract basis rather than an employment basis. However, consulting services contracts would not include labour services contracts such as construction, maintenance, janitorial, or security services;

**“Dispose” or “Disposition”** means to transfer by any method including assign, give, sell, grant, charge, convey, lease, divest, dedicate, release, exchange, alienate or agree to do any of those things;

**“Formal Competitive Process”** means a public procurement process that is competitive, open, transparent, non-discriminatory and compliant with the requirements of the AIT and NWPTA, and includes an ITQ, ITT, RFP, RFSO and RFQ;

**“Invitation or Request to Quote (RFQ)”** means a process used to solicit bids or quotes from vendors for the provision of clearly specified goods or services. The bids received in response to an ITQ are evaluated primarily on price;

**“Invitation to Tender (ITT)”** means a process used to solicit bids from vendors for the provision of construction services where the specifications, terms, conditions and other details are set out in the invitation and the responsive bids are evaluated primarily on price, without further negotiations;

**“Net Taxes”** The sales tax cost to the District, net of any rebate;

**“Original Value”** means the contract price or fees for services as at the effective date of the Contract, excluding taxes;

**“Procurement”** means the acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction;

**“Request for Expression of Interest (RFEI)”** means the buyer is interested in receiving information from suppliers on any products or services available to achieve a particular outcome and may issue an RFQ, RFP or ITT depending on the response. The RFEI is used to survey the market for firms interested in responding to a tender or RFP from the buyer. RFEI are not open for bidding;

**“Request for Proposal (RFP)”** means an invitation for providers of a product or service to bid on the right to supply that product or service where the requirement for goods or services cannot be definitively defined or specified or alternative solutions or offers are being solicited;

Proposals are evaluated on predetermined criteria where the selection of a supplier may not be made solely on the basis of the lowest price;

**“Request for Qualifications”** means a non-binding request to potential suppliers who wish to be considered for future RFP’s or other competitive purchasing processes to pre-qualify based on various factors including but not limited to expertise, experience, availability, prior performance, in order to avoid either buyer or supplier devoting resources to preparing and evaluating future RFP’s or competitive processes;

**“Request for Standing Offer (RFSO)”** means an invitation for providers of a product or service to bid on the right to supply that product or service by way of a standing offer. A standing offer is an offer from a supplier to provide well-defined, readily available goods or services, as and when requested, at prearranged prices or on a prearranged pricing basis, which can be established at the outset, under set terms and conditions, and for a specific period of time;

**“Signing Authority”** means the approved levels of authority, as defined in the Districts Delegation Bylaw, to purchase goods or services on behalf of the municipality;

**“Total Cost”** means the sum of all costs attributable to products, construction, and services associated with performing the intended function over the entire term of use and includes factors such as acquisition cost, installation cost, disposal value, disposal cost, operational cost, maintenance cost, quality of performance and environmental impact.





Authorities and Responsibilities for All Goods & Services	VALUES				
	\$0-5,000	\$5,000-\$25,000	\$25,000-\$100,000	\$100,000-\$200,000	\$200,000 plus
<b>Acquisition Authority</b>	<ul style="list-style-type: none"> <li>District Credit Card</li> <li>Invoice Signoff</li> <li>Purchase Order</li> <li>Standing Order</li> </ul>	<ul style="list-style-type: none"> <li>Expenditures within the approved budget are specifically authorized by the Department/Division or as delegated by the Director.</li> </ul>	<ul style="list-style-type: none"> <li>Expenditures within the approved budget are authorized by the Department or as delegated by the Director.</li> <li>If not previously approved through the annual budget approval process, and for variance amounts in excess of \$50,000, the expenditure must be approved by Chief Administrative Officer or Council</li> </ul>	<ul style="list-style-type: none"> <li>Expenditures within the approved budget are authorized by the Department or as delegated by the Director.</li> <li>If not previously approved through the annual budget approval process, and for variance amounts in excess of \$100,000, the expenditure must be approved by Council.</li> </ul>	<ul style="list-style-type: none"> <li>Expenditures within the approved budget are authorized by the Department or as delegated by the Director.</li> <li>If not previously approved through the annual budget approval process, and for variance amounts in excess of \$100,000.00, the expenditure must be approved by Council.</li> </ul>
<b>Commitment Authority</b>	<ul style="list-style-type: none"> <li>Authorized staff.</li> </ul>	<ul style="list-style-type: none"> <li>Two signatures including Director of Department</li> <li>If not low bid, CFO approval required.</li> </ul>	<ul style="list-style-type: none"> <li>Two signatures including Director of Financial Services or CAO</li> <li>Direct Award also requires CAO Approval</li> </ul>	<ul style="list-style-type: none"> <li>Two signatures including CAO</li> <li>Direct Award also requires Council Approval</li> </ul>	<ul style="list-style-type: none"> <li>Council</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>Best value Effort. No written quotes required.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum three written or telephone quotes required.</li> <li>Request for Quote may also be used but not required.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 3 Written Quotes or Proposals</li> <li>Invitation to Tender or Request for Proposal may also be used but not required.</li> <li>Advertise at NWPTA threshold amounts</li> <li>If not best value bid, CAO approval required</li> </ul>	<ul style="list-style-type: none"> <li>Invitation to Tender or Request for Proposal</li> <li>Must advertise nationally to meet NWPTA</li> </ul>	<ul style="list-style-type: none"> <li>Invitation to Tender or Request for Proposal</li> <li>Must advertise nationally to meet NWPTA</li> </ul>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>Invoice/Receipt</li> <li>Purchase Order (optional)</li> </ul>	<ul style="list-style-type: none"> <li>Summary of purchase process and quotes</li> <li>Contract, if applicable</li> <li>Purchase Order (Optional)</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Summary</li> <li>IT/RFP/RFQ document</li> <li>Summary of Evaluation</li> <li>Contract</li> <li>Purchase Order</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Summary</li> <li>IT/RFP/RFQ document</li> <li>Contract</li> <li>Summary of Evaluation</li> <li>Report to CAO</li> <li>Purchase Order</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Summary</li> <li>IT/RFP/RFQ document</li> <li>Contract</li> <li>Summary of Evaluation</li> <li>Report to Council</li> <li>Purchase Order</li> </ul>

