



District of West Vancouver

Purchasing Policy

02-30-359, 2015

Effective Date: September 14, 2015

District of West Vancouver

CORPORATE POLICY

Financial Services Division	Purchasing Policy
Policy 02-30-359	
CIS File: 0282-02	

1.0 Purpose

To establish governing principles and practices for purchasing activity at the District of West Vancouver.

2.0 Scope

This Purchasing Policy (“Policy”) applies to:

1. Procurement of goods and services required by the District;
2. Sale or disposal of surplus assets by the District;
3. Execution and administration of contracts for the District; and
4. Delegation of purchasing authority for the District.

This Policy does not apply to:

1. Acquisition or sale of land;
2. Legal services;
3. Insurance;
4. Financial investments;
5. Employee benefit services;
6. Professional development, education, employee training; and
7. Agreement or transactions with other government agencies or First Nations.

3.0 Definitions

“Acquisition Authority” means the authority to approve requests for the acquisition of goods or services.

“Acquisition Documents” means the documents used to request the acquisition of goods and services – i.e., the electronic requisition.

“Acquisition Methods” means the process by which goods or services are acquired – i.e., Request for Proposal.

“Centralized Contract Library” means a repository of District contracts related to the procurement of goods or services located in the Purchasing Department.

“Commitment Authority” means the authority to commit the District to a contractual arrangement.

For general purchases, consultant contracts, and construction contracts over \$5,000, the Purchasing Manager (or designate) is the only individual authorized to commit the District to a purchase. The Purchasing Department will still assist Departments with purchases less than \$5,000 when requested.

“Commitment Documentation” means the documents used to contract with vendors for goods or services.

For all types of purchases with the exception of two, all purchases must be documented with a P-Card receipt, purchase order (PO), or contract (or some combination thereof). The two exceptions are:

- Low value (up to \$5,000) term agreements, or service, operating or revenue agreements.
- Recurring or non competitive nature (i.e., remittance of payroll deductions).

“District” means The Corporation of the District of West Vancouver.

“District Buyer” means the District employee with Commitment Authority as delegated by the Purchasing Manager.

“Electronic Requisition” means initialization of the PO in the JDE purchasing system.

“Employee” means a person in the employ of the District of West Vancouver.

“Generally Accepted Purchasing Principles” means the standard framework of guidelines for financial accounting for purchases used in any given jurisdiction.

“National Institute of Governmental Purchasing Code of Ethics” means ethical principles developed specifically to govern the conduct of every person employed by a public sector procurement or materials management organization.

“Values” means purchase amount before taxes.

4.0 Policy

4.1 Principles

The District's Purchasing Policy is guided by the following principles, which set the standard for purchasing performance:

1. Acquisitions are managed consistently with the requirements of trade agreements executed by the Province of British Columbia and the Government of Canada.
2. The District participates in, and acquires goods and services through, co-operative buying with other levels of government.
3. The District obtains the highest value for money by aggregate purchasing under open market conditions.
4. Vendors have fair access to information on procurement opportunities, processes, and results.
5. With the exception of a call for an Expression of Interest, a procurement process is only initiated when there is full intent to award a contract at the end of that process.
6. Only employees with authority to do so will initiate a procurement requisition, obtain bids or execute contracts.
7. Vendors will be qualified and meet District standards (e.g., insurance, business licence, WorkSafeBC), with standards applied fairly and equally to all competing vendors.
8. Procurement processes, decisions, and approvals, will be documented and maintained with a centralized contract library, which may consist of both hard copy and digital records.
9. Environmental impact will be considered when purchasing products and services known to contribute to greenhouse gas emissions, energy/fuel consumption, air pollution, water contamination, landfill accumulation, or human toxicity.
10. Total cost of ownership will be considered whenever there is sufficient information for a reasonable comparison of alternatives.
11. Product specifications or qualifying conditions will not be introduced to knowingly favour or exclude a specific vendor.

4.2 Purchasing Authority

The District, in the performance of the duties assigned to it under the terms of the *Community Charter* and the *Local Government Act*, must of necessity engage in the procurement of goods and services. The District's Director of Finance shall be responsible for all purchases required by the District, with responsibilities delegated to the Purchasing Manager, as outlined in this Policy.

In order to achieve efficient purchasing, the District operates a centralized purchasing system administered by a Purchasing Manager. The Purchasing Manager has authority to sign contracts, purchase orders and other documents related to the procurement of goods and services for all District divisions.

The Purchasing Department has no authority to proceed with the procurement of goods or services unless there is an approved budget with adequate funding. District employees have authorization to initiate purchase requisitions up to their acquisition authority limit.

The Purchasing Manager has delegated the authority to sign for low value requirements (under \$5,000) to District employees. District employees may commit to low value purchases (under \$5,000) up to their predetermined acquisition authority. Purchase orders are not required and employees may use their Procurement Card ("P-Card") (the District's Procurement Card Policy 03-50-269 applies to the use of District procurement cards) or direct pay vendor invoices.

4.3 Purchasing Responsibilities

The Purchasing Department is a support service of the District and has the basic responsibility of obtaining the correct goods and/or services, delivered at the right time and place, at the best value to the District.

Purchasing Department employees, in the performance of their professional duties and responsibilities, are required to comply with all legal requirements, generally accepted purchasing principles and the National Institute of Governmental Purchasing Code of Ethics.

In addition to the basic responsibilities described in this Policy, Purchasing Department employees have the following specific roles and responsibilities:

- To ensure that in contracting for the supply of goods, services and construction, the primary objective shall be the attainment of value for public funds expended;
- To ensure a fair and equal opportunity is given to those vendors wishing to do business with the District;
- To prepare tenders, requests for proposals, quotations, requests for qualifications, and expressions of interest;

- To ensure competitive bidding documents are written concisely and fairly to permit free competition;
- To ensure contract awards are made on the basis of sound business, ethical and legal considerations;
- To ensure bidders have access to appropriate information regarding contract awards;
- To ensure that all District purchasing decisions are properly documented, with accurate and complete records of all purchasing processes being maintained;
- To ensure that accurate and up to date records are maintained regarding any potential conflict of interest that may arise for employees involved in purchasing decisions, and that all such employees are aware of their responsibilities regarding potential conflicts of interest;
- To ensure that the Director of Finance is informed of any procurement or contractual matters which are of a sensitive or potentially controversial nature;
- To ensure that both the District and vendors to whom contracts have been awarded perform to the standards and requirements as set out in the contract;
- To maintain District stores, warehouse, and inventory;
- To participate in co-operative purchasing and represent the District in the Vancouver Regional Co-operative Purchasing Group;
- To ensure the cost of the procurement process, to both vendors and the District, is appropriate in relation to the value and complexity of each procurement;
- To assist the Director of Finance and division directors with establishing and maintaining appropriate acquisition authority limits and approval routes; and
- To manage the disposal of scrap and District assets identified as being surplus to the District's requirements or having reached the end of their useful life.

4.4 Responsibilities of Other Departments

All District divisions, in their interaction with the Purchasing Department, also have responsibilities related to the procurement of their requirements. Those responsibilities are:

- To ensure this Policy is complied with;
- To ensure divisional employees understand the required purchasing processes, requirements and authorizations;

- To obtain budget approval for all intended purchases, and provide evidence of such budget approval to the Purchasing Department upon request;
- To ensure their programs and projects are managed responsibly;
- To ensure the contractual requirements for their programs and projects are met;
- To ensure that all divisional employees are aware of their responsibilities with respect to disclosure of potential conflicts of interest that might affect purchasing decisions;
- To ensure that the specifications of products and level of services requested represent the true and honest needs of the District without being extravagant;
- To ensure the procurement of goods and services is performed with consideration and alignment with the District's commitment to encourage the use of environmentally sustainable products and energy savings;
- To provide advance notice of intended purchases and to allow adequate time for the Purchasing Department to conduct an appropriate procurement process;
- To provide detailed specifications and project requirements to inform the procurement process, as requirements introduced after bids or proposals have been obtained may lead to a delay in award or cancellation of the procurement process;
- To participate in corporate supply/service contracts established by the Purchasing Department, and to not contact by any means of communication alternate vendors where an existing contract exists;
- To refrain from purchasing goods or services for which adequate funds do not exist, or where there is no budget or acquisition authority;
- To forward all requests to do business addressed to the District to the Purchasing Department, both to ensure that such requests are legitimate, and to ensure that the District refrains from blocking or refusing to do business with any legitimate vendor; and
- To provide appropriate and timely documentation related to disputes with vendors, and provide the Purchasing Department with a reasonable opportunity to investigate and resolve the dispute.

4.5 Competitive Bidding

The District will utilize a competitive bidding process to secure goods and services wherever practical to obtain maximum benefits for its purchasing dollars. The various bidding instruments are described in Section 4.2 of the Purchasing Procedures Manual.

Purchases valued at less than \$25,000 may utilize informal written quotations.

Purchases valued at greater than \$25,000, but less than \$75,000, require three written quotes or a public procurement process, to be determined at the discretion of the Purchasing Manager.

Purchases of goods and services with a value over \$75,000 are to utilize a public procurement process.

These opportunities are given public notification by way of the internet. They are advertised on the BC Bid – Province of British Columbia website.

Under certain circumstances, at the discretion of the Purchasing Manager, select bidding may be utilized.

Select bidding may be utilized for goods and services if delivery or project deadlines dictate that time is of the essence, or when extraordinary circumstances or market conditions exist. In these instances the requirement for advertising may be waived by the Purchasing Manager. Bid documents will be sent to a minimum of three known suppliers of the required goods or services thereby ensuring a competitive bid process.

The use of select bidding for projects valued at over \$250,000 require the approval of the Chief Administrative Officer.

4.6 Direct Awards (Sole Sourcing)

In order to ensure that the best possible value for money is obtained in all District purchasing transactions, it is the policy of the District to use a competitive bidding process in all circumstances where such a process can be used. Therefore, the use of direct awards (sole sourcing) will be used only in cases where such awards cannot be avoided, and only in accordance with the following:

- Direct awards (sole-sourcing) may be permitted at the discretion of the Purchasing Manager for any good or service where the value is \$250,000 or less, and there is only one supplier for the product or service (see Section 3.13 of the Purchasing Procedures Manual).

- A memo to the Purchasing Manager from the relevant designated employee justifying the direct award must be provided and will be retained as a record. Other than through the use of procurement cards as governed by the District's Procurement Card Policy (03-50-269), employees are not authorized to enter into direct awards for any amount without approval of the Purchasing Manager. The only exception to this is for circumstances which may arise in an emergency (see Section 3.4 of the Purchasing Procedures Manual).
- Any directly awarded purchase exceeding \$250,000 requires approval from the Chief Administrative Officer. A memo from the relevant department head or division director to the Chief Administrative Officer documenting the full circumstances requiring that the goods or service be sole-sourced, must be provided and will be retained as a record. After approval from the Chief Administrative Officer, the Purchasing Department must be contacted to complete the negotiations with the supplier.
- In all cases, any directly awarded purchase exceeding \$250,000 requires a report to Council.

4.7 Source of Supply

Where competitive bidding results are equal, the source of supply and community benefit will be taken into consideration.

Generally speaking, under such circumstances, preference will be given to firms that provide value added services, that have a record of supporting local community groups, that contribute to local or regional charity fund raising, that contribute to local or regional environmental protection, or support other local or regional projects/events that benefit District or regional residents.

4.8 Co-operative Purchasing

The District is an active member in the Vancouver Regional Co-Operative Purchasing Group, and is represented by one of the District Buyers.

Wherever possible, the District will participate in co-operative purchasing to provide the taxpayers and residents of the District the benefits of both large volume purchases of common municipal requirements and the administrative efficiencies in co-operative acquisition ventures.

The District is also a member of the Metro Vancouver Municipal Purchasing Group, comprised of Lower Mainland senior purchasing officers, and is represented by the Purchasing Manager.

4.9 Standardization

It is advantageous wherever practical to retain the highest degree of standardization amongst municipalities for common goods, equipment, supplies, and services.

Purchasing Department employees, through co-operative buying groups and other avenues available, will advocate and pursue standardization across jurisdictions, and within the District across all departments.

4.10 Disposal of District Assets

Disposal of goods, materials, and equipment shall be used as trade-in, transferred to another department or municipality, stored for later use, donated, or sold through public auction, as determined by the Purchasing Manager.

Generally, District employees may purchase surplus District assets through public auction. Employees who are responsible for declaring those assets surplus to the District's needs are not eligible to purchase those surplus assets.

4.11 Procurement of Environmentally Sustainable Products Or Services

In order to increase the development and awareness of environmentally sound products, all departments, in conjunction with Purchasing Department employees, are asked to review all contracts and tender specifications for goods and services, negotiated while this Policy is in force, to ensure that, whenever possible, economical, and without significantly affecting the intended use of the product or service, specifications incorporate specific provisions supporting environmental sustainability, such as the incorporation of post-consumer waste or recycled content. It is to be recognized that cost analysis is required in order to ensure that the products so purchased under this Policy are made available to the District at competitive prices.

In addition, wherever possible or practical, the potential for energy savings will be one of the factors or criteria in purchasing decisions relating to the procurement of goods and services for all District divisions.

4.12 Prohibitions / Restrictions

In order to ensure compliance with the Policy the following activities are prohibited:

1. Splitting a single purchase into multiple increments to avoid the requirements of this Policy or exceed an individual's acquisition authority. Splitting of purchases is a serious breach of this Policy and will likely result in loss of spending authority, or more serious disciplinary action.
2. Purchases of goods or services from any Council member, appointed officers, employees of the District, or from any other source that would result in a conflict of interest.

3. The purchase of any surplus goods, materials or equipment by an employee of the District responsible for declaring the goods, materials, or equipment surplus to the District's needs.

Refer to the Procurement Card Policy (03-50-269) and to the Information Technology Services Department's Acquisition of Computers, Software, Telephony Equipment and Related Devices Policy Procedure Policy (03-30-350) for additional restrictions.

4.13 Conflict of Interest

Purchasing transactions are subject to unique challenges in the area of conflict of interest. In order for all suppliers to have, and to be seen to have, an equal opportunity to gain the District's business, conflict of interest guidelines must be maintained, documented, and complied with.

The District's Standards of Conduct Policy (03-50-253) provides specific guidance with respect to the meaning of conflict of interest in the District, and lists specific contexts and relationships in which conflict may arise, or appear to be likely to arise. This Policy governs the conduct of all District employees, but, due to the nature of purchasing transactions, additional responsibilities and documentation is required as follows:

1. Require that all employees with purchasing responsibilities provide written and signed acknowledgement to the Purchasing Manager on their knowledge and acknowledgement of conflict of interest requirements in procurement;
2. Maintain a record of all interests held by employees with purchasing responsibilities which might create conflict situations, or the perception of conflict, including interests of related parties as defined in the Standards of Conduct Policy (03-50-253);
3. Review these lists annually with affected employees, and obtain written and signed acknowledgement to the Purchasing Manager on such disclosure;
4. Ensure that such conflicts are disclosed as part of purchasing transactions which they may affect and document on purchasing records that such disclosure has taken place; and
5. Ensure that all employees are aware that it is their duty to report any violation of the District's Standards of Conduct Policy (03-50-253) to the Chief Administrative Officer.

4.14 Procurement Cards (“P-Cards”)

The District’s Procurement Card Policy (03-50-269) applies to the use of P-Cards; all employees to whom a P-Card has been issued must comply with the Procurement Card Policy.

Authorized cardholders will use P-Cards only for departmental procurements, and for payment of goods and services within their established authorization limits and in accordance with the Procurement Card Policy (03-50-269).

4.15 Authorities and Responsibilities Summary

Any employee given acquisition authority under this schedule is accountable and responsible to ensure that adequate budget exists and that the purchase does not violate any District policy, or contravene any legal, or statutory requirements.

PURCHASE TYPE (see Section 2.3)	See Definitions <i>Below</i>	VALUES	VALUES	VALUES	VALUES
		Up to \$5,000	Up to \$25,000	Up to \$75,000	Over \$75,000
ALL PURCHASES	<i>Acquisition Authority</i>	See Acquisition Authority list	See Acquisition Authority list	See Acquisition Authority list	See Acquisition Authority list
- General - Construction - Consulting	<i>Acquisition Documents</i>	Electronic Requisition, P-Card receipt or Invoice with Signature	Electronic Requisition	Electronic Requisition	Electronic Requisition
	<i>Acquisition Method</i>	Discretionary	Discretionary	Min. 3 written quotes	Competitive Bid Process
	<i>Commitment Authority</i>	Director or Delegate	Purchasing Manager or Delegate	Purchasing Manager or Delegate	Purchasing Manager or Delegate
	<i>Commitment Documentation</i>	PO, P-Card receipt or Invoice with Signature	PO	PO or PO+Contract	PO or PO+Contract
AGREEMENTS: - Term - Service - Operating - Revenue	<i>Acquisition Authority</i>	Director or Delegate	Director or Delegate	Director or Senior Manager	Director or Senior Manager
	<i>Acquisition Documents</i>	Discretionary	Electronic Requisition or Contract	Electronic Requisition or Contract	Contract
	<i>Acquisition Method</i>	Discretionary	Negotiation	Negotiation	Negotiation
	<i>Commitment Authority</i>	Director or Delegate	Director or Purchasing Manager	Director or Purchasing Manager	Director or Purchasing Manager
	<i>Commitment Documentation</i>	Discretionary	Contract	Contract	Contract

PURCHASE TYPE (see Section 2.3)	See Definitions <i>Below</i>	VALUES	VALUES	VALUES	VALUES
		Up to \$5,000	Up to \$25,000	Up to \$75,000	Over \$75,000
RECURRING OR NON-COMPETITIVE EXPENDITURES	<i>Acquisition Authority</i>	Director or Delegate	Director or Delegate	Director or Senior Manager	Director or Senior Manager
	<i>Acquisition Documents</i>	Discretionary	Discretionary	Discretionary	Contract
	<i>Acquisition Method</i>	Discretionary	Discretionary	Discretionary	Discretionary
	<i>Commitment Authority</i>	Director or Delegate	Director or Purchasing Manager	Director or Purchasing Manager	Director or Purchasing Manager
	<i>Commitment Documentation</i>	Discretionary	Discretionary	Discretionary	Discretionary
ACQUISITION OF AN INTEREST IN LAND	<i>Commitment Authority</i>	Mayor & Council	Mayor & Council	Mayor & Council	Mayor & Council

Approval Date: September 14, 2015 **Approved by:** Mayor and Council