

**PROCUREMENT**

Department	Finance	Policy No.	0340-26
Section	General	Date Approved by Board	September 5, 2019
Repeals	Purchasing Policy	Board Resolution #	RD/19/09/19

Amended		Board Resolution #	
Amended		Board Resolution #	
Amended		Board Resolution #	

Repealed		Board Resolution #	
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1. Purpose

- 1.1 The purpose of this Policy is to achieve the best overall value for money for the Peace River Regional District (PRRD), in its procurement of goods and services.
- 1.2 The overriding objective of this Policy is to select qualified suppliers in a way that is open, fair, transparent, and non-discriminatory.
- 1.3 This Policy will ensure the PRRD meets its obligations under Canada's competitive bidding laws and complies with all applicable trade agreements.

2. Scope

- 2.1 This Policy applies to all employees and elected officials of the PRRD.

3. Definitions

- 3.1 Enterprise Application: An application or software used to conduct day to day operations of the organization, including but not limited to agenda management software, financial management software, emergency management software, and landfill operating software.

4. Policy

- 4.1 It is the Policy of the PRRD to conduct procurement processes that conform to the following philosophies:
 - a) Wherever possible and practical to do so, the procurement of goods and services shall be by a competitive bidding process.
 - b) The PRRD will comply with all applicable laws, regulations, relevant PRRD policies, and trade agreements.



- c) The PRRD is committed to open, fair, transparent and non-discriminatory procurement processes that give access to all qualified suppliers.

4.2 This Policy applies to the procurement of any and all goods and services, including capital expenditures and goods for resale.

5. Principles

5.1 PRRD procurement activities must be conducted with integrity, 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 for money.

- a) Professional Ethics

Employees and elected officials shall not use their authority or office for personal gain and shall seek to uphold and enhance the PRRD's image by:

- i. Maintaining an impeccable standard of integrity in all their business relationships;
- ii. Fostering the highest standard of professional competency amongst PRRD employees, by using an open and transparent process;
- iii. Maximizing the use of resources for which they are responsible so as to receive maximum value for money for the PRRD; and
- iv. Not accepting business gifts from vendors other than items of nominal value employees (under \$100) elected officials (\$250).

- b) Declaration of Interest

- i. All participants in a procurement process (including all staff and members of an 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 PRRD 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.
- ii. Any personal interest that may encroach or might reasonably be deemed by others to affect the impartiality of an employee, in any manner relevant to their duty, shall be declared by the employee to their supervisor.
- iii. 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.



- iv. 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.

6. Confidentiality and Accuracy of Information

- 6.1 Information received in the course of duty must be respected and shall not be used for personal gain. Information given in the course of duty should be true, fair, and not designed to mislead.

7. Competition

- 7.1 When considering advantages to the PRRD of maintaining a continuing relationship with a supplier, any arrangement, which might, in the long term, prevent the effective operation of fair competition should be avoided.

8. Responsibilities

- 8.1 Individuals performing procurement activities on behalf of the PRRD must have authorization to do so. The PRRD Board is responsible for adopting a five-year financial plan bylaw. Through budget discussions and the adoption of the five-year financial plan bylaw, the Board sets operating service levels and capital project priorities together with related funding sources.
- 8.2 It is the responsibility of Department Heads to ensure that their department's procurement practices serve the best interest of the PRRD and comply with its procurement policy.
- 8.3 Managers are to authorize purchases up to delegated authority, ensure budget funds are available in duly authorized accounts or functions, and identify any applicable conditions which need to be adhered to if grants are part or the whole funding source. The Finance Manager or designate will sign off on budget availability for all publicly posted competitions before proceeding to market.
- 8.4 The Procurement Officer will advise the CFO and Corporate Officer on policies, regulations, and legislation affecting procurement. The Procurement Officer will also ensure organizational compliance with all procurement policies, applicable laws, trade agreements, and regulations. The Procurement policy is to be readily accessible to PRRD employees, suppliers, and the general public.
- 8.5 Individuals involved in procurement activities shall identify and develop the specifications to be met through a procurement process, meet legal and ethical obligations, and secure authorization from an approver prior to any purchase. A competitive process is to be used wherever practical and possible.



9. Emergencies

- 9.1 The CAO or designate shall have the authority to bypass normal procedures in the event of a disaster or emergency. A report explaining the expenditure will be presented at the first available Board meeting.

10. Approval Thresholds

- 10.1 Where funding is allocated within an approved budget, the delegate responsible for the award of a competitive bid process will be determined as follows:

- a) \$0 - \$5,000 – Manager or designate
- b) \$5,000 - \$15,000 – Manager or designate
- c) \$15,000 - \$50,000* - Department Head or designate
- d) \$50,000+ - Board of Directors

**Does not apply for previously awarded contracts*

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

- a) \$0 - \$5,000 – Manager or designate
- b) \$5,000 - \$25,000* - Department Head or designate
- c) \$25,000+ - Board of Directors

**Does not apply for previously awarded contracts*

- 10.3 The designate for the purposes of approval of a procurement process shall be:

- a) The person acting in the position of the designated Manager/Department Head or CAO while they are absent from work.
- b) Department Head may delegate approval authority to staff up to a limit she/he is comfortable with but not for more than their delegated approval authority.

11. Competitive Bidding Process

- 11.1 The competitive bid process is essential for delivering the best overall value for money to the PRRD. The PRRD will facilitate open as well as invitational competitions as per the following:

a) Open Competition

- i. An open competition will be conducted for all purchases that are estimated to be over \$50,000. The Procurement Officer and Manager/Department Head or designate will conduct an open competition. All open competitions must be posted to BC Bid.
- ii. Some of the items that are exempt from **open competition under** 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.



b) Invitational Competition

- i. Where the estimated procurement value is less than the open competition threshold, the PRRD may choose to engage in an invitational competition subject to the following thresholds:
 - \$5,000 - \$15,000 – A Manager or designate shall conduct an invitational competition by requesting bids from at least 2 qualified suppliers.
 - \$15,000 - \$50,000 – A Department Head or designate shall conduct an invitational competition by requesting bids from at least 3 qualified suppliers. If market conditions or the complexity of the procurement warrant it, the Procurement Officer and/or a Department Head or designate will conduct an open competition.

c) Direct Award

- i. A Direct Award process is one where a contract is awarded without using a competitive process. It shall be employed when in compliance with the *Canada Free Trade Agreement* (CFTA) and the New West Partnership Trade Agreement (NWPTA).
- ii. A Direct Award may be applied to all PRRD Enterprise Applications.

11.2 Some of the items that are exempt from authorized for direct award under the trade agreements include emergencies, 'one-of-a-kind goods or services available from only one supplier', as defined in the *Canada Free Trade Agreement*, and services provided by lawyers or notaries, and replacement parts/items for a specific brand of existing equipment.

12. Agreements

12.1 Once a competitive bid process is complete and a winner selected, a service agreement may be entered into for up to a maximum of five years. Enterprise applications will be renewed at minimum every five years to determine continued applicability and relevance to organizational needs.

12.2 A purchase order will form part of the agreement in conjunction with the competition document and the bidder's response for all competitions. Purchase Orders may only be signed up to an approver's threshold.

12.3 The Chief Administrative Officer or designate must sign all service agreements that are required as part of the outcome of a procurement process. Procurements over \$200,000 must have a service agreement.

12.4 All other long-term agreements will be authorized as instructed by the Chief Administrative Officer or designate.



13. Payment Method

13.1 All invoices and purchase orders must be approved by a Department Head or their designate. The Finance Manager must be advised in writing of the departmental designate(s) and provided with a sample signature. The Finance Manager must be advised in writing of any changes or temporary appointments of department designates.

- a) Where possible, all purchases under \$5,000 should be made via procurement card.
- b) Purchases over \$5,000 must be made by purchase order.
- c) Purchases under \$100 may be made using petty cash where a procurement card is not accepted or the PRRD does not have an agreement in place with a supplier.

Affiliated Procedure	Procurement Procedure
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