



REPORT

To: Chair and Directors

Report Number: FN-BRD-065

From: Leanne Milliken, Procurement Officer

Date: March 25, 2021

Subject: Procurement Policy Amendment – Purchasing Authority Limits & Local Purchasing

RECOMMENDATION: [Corporate Unweighted]

That the Regional Board adopt the amended Procurement Policy which increases staff approval limits to align with applicable Trade Agreement Thresholds and includes an ability to award locally when all other factors are equal.

BACKGROUND/RATIONALE:

On February 11, 2021, the Regional Board passed the following resolution:

MOVED, SECONDED, and CARRIED

That the Regional Board receive a report and an updated procurement policy identifying spending threshold limits that align with the Canadian Free Trade Agreement and the New West Partnership Trade Agreement that would provide greater efficiencies in purchasing for the PRRD.

Trade Agreement Thresholds

The amendment of this policy will increase operational efficiencies by allowing staff to proceed with purchases the Regional Board has previously approved in the budget and decrease the amount of purchasing through the public procurement process, which can extend timelines for procurement of necessary goods and services.

The Peace River Regional District is part of the MASH sector¹ and is obligated to adhere to the following Trade Agreements:

- New West Partnership Trade Agreement (NWPTA)
- Trade, Investment and Labour Mobility Agreement (TILMA)
- Canadian Free Trade Agreement (CFTA)
- Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

The MASH sector thresholds under NWPTA and TILMA require the use of the public procurement process for goods, services and construction over the following thresholds:

- \$75,000 for goods;
- \$75,000 for services; and
- \$200,000 for construction.

¹ MASH sector refers to government sectors which include: regional, local, district or other forms of municipal government, school boards, publicly-funded academic, health and social service entities.

The current Procurement Policy requires staff to use the public procurement process for purchases over \$50,000. Staff is recommending increasing the Regional District's purchasing amounts to match NWPTA and TILMA thresholds.

Local Preference

Based on discussions at various Board meetings, the topic of supporting local vendors has been highlighted. Staff has researched the implications of including local preference within the Regional Districts procurement policy.

NWPTA and TILMA state that parties will provide "open and non-discriminatory access" to local government procurements if the procurement value is \$75,000 or greater for goods or services or \$200,000 greater for construction, local preference would amount to discriminatory access to the applicable procurement.

Within the parameters of applicable trade agreements and legislation, staff recommends that the Regional District seek to identify opportunities where Procurement activities may serve to leverage the Regional District's goals related to local economic development under the Trade Treaty Thresholds as requested above. The Regional District may include local preference to the extent that procurement value is below the trade agreement threshold. However, it is critical that the local preference and the score assigned to it be expressly provided in the tender document. If the PRRD chooses to apply a local preference, the weight/points granted to it in the evaluation must be clearly stated in the tender document.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

None at this time.

COMMUNICATIONS CONSIDERATION(S):

If approved, the amended Procurement Policy will be uploaded to the PRRD Web Page.

OTHER CONSIDERATION(S):

Attachments: DRAFT Amended Procurement Policy 340-26

External Link's:

[Trade Treaty Thresholds - MASH Sector](#)

[How does the NWPTA affect local preference policies?](#)

[How does TILMA affect preferential purchasing policies?](#)