

DATE: November 6, 2017

FILE: 3900-02

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Updates to the delegation of purchasing authority bylaw and procurement policy

Purpose

To bring forward recommendations for the repeal and replacement of Bylaw No. 284 being the “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 284, 2013” including the purchasing management services policy adopted by the Comox Valley Regional District (CVRD) board in November 2013.

Recommendation from the Chief Administrative Officer

THAT a new bylaw regarding the delegation of purchasing authority for the CVRD, be forwarded to the board for adoption;

AND FURTHER THAT Bylaw No. 284, being the “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 284, 2013” be repealed;

AND FINALLY THAT upon adoption of the new bylaw regarding the delegation of purchasing authority, the policy attached to the staff report dated November 6, 2017 that outlines the responsibilities and accountabilities of the procurement function of the CVRD be approved.

Executive Summary

The CVRD’s delegation of purchasing authority bylaw and purchasing management services policy requires updating to reflect recent changes to trade agreements and best practices, as well as to meet the organizational needs of the regional district. The following are the highlights of the changes recommended in the proposed bylaw and procurement policy:

- The incorporation of recommendations made by the Auditor General for Local Government (AGLG).
- Compliance with trade agreements.
- Greater protection for the board with the appropriate separation of roles.
- Updated roles and responsibilities for regional district staff.
- Greater guidance for the vendor community on the CVRD’s expectations of its vendors.
- Improved sustainable procurement provisions.
- Updated procurement thresholds.
- Separation of the procurement policy from the delegation of authority bylaw.

Prepared by:

Concurrence:

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Background/Current Situation

In 2003, the Comox Strathcona Regional District (CSRD) first adopted the delegation of purchasing authority bylaw that also includes the purchasing management services policy. Various amendments have been adopted over the years to reflect operational efficiencies and to amend position titles and authorization levels. The existing Bylaw and Policy are attached in Appendix “E”.

The bylaw delegates the authority for purchasing goods and services on behalf of the regional district to staff at varying dollar levels representative of the position and responsibilities. The procurement policy that is referenced by the bylaw sets out how procurement will be carried out at the CVRD. Currently the policy resides within the bylaw requiring policy updates to go through the bylaw amendment process.

After a review of the existing bylaw and purchasing management services policy, the following goals and objectives were determined for the new framework:

- Modernize the procurement policy in response to:
 - New and updated trade agreement requirements
 - AGLG recommendations
 - Best practices including greater attention to sustainable procurement
 - Greater procurement guidance internal and external to the organization
- Insulate the board from lobbying and wrongful perception
- Separate the bylaw and policy into a delegation of authority bylaw and a separate board policy for greater efficiency of updates
- Ensure CVRD staff and delegated staff can execute emergency purchases
- Maintain and ensure an appropriate level of transparency

The proposed bylaw and board policy are the result of a review of procurement practices at the CVRD, consultation with staff as well as research from the following sources:

- Reports and recommendations made by the AGLG.
- The CFTA, NWPTA and CETA trade agreements.
- Policies of member municipalities
- Policies of BC local governments and others located in Canada, Great Britain and Australia.

The Auditor General for Local Government (AGLG)

The AGLG was established in British Columbia in 2012 to provide local governments with information and advice by carrying out performance audits and publishing its findings. In 2015, the AGLG published findings on CVRD operational procurement as well as published guidance booklets to improve local government procurement processes.

Based on these recommendations the following concepts have been integrated into this policy:

- Updated and improved guidance to staff on conflict of interest and ethical considerations.
- Debriefing unsuccessful bidders.
- Vendor Performance Management.
- A separate purchasing card policy.

The Trade Agreements

The governments of British Columbia and Canada have negotiated trade agreements to ensure fair, open, transparent and non-discriminatory procurement between Canadian Provinces and Territories as well as the European Union. This has been done through the establishment of the New West Partnership Trade Agreement (NWPTA), the Canada Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA). These agreements set the rules for procurement that public organizations must follow once the value of a procurement hits a threshold. The thresholds that impact local government follow:

Procurement Type	Local Government Thresholds		
	NWPTA	CFTA	CETA
General Goods and Services	\$ 75,000	\$ 100,000	\$ 340,600
Construction	\$ 200,000	\$ 250,000	\$ 8,500,000

The proposed policy and bylaw have been written to ensure the regional district will comply with all requirements under these trade agreements.

Increased Efficiency and Insulating the Board

Research of member municipalities and other local governments in British Columbia has identified that for efficiency in the procurement process, many local governments rely on the approved financial plan to guide the procurement process and contract awards. This includes but is not limited to the following: City of Courtenay, Town of Comox, Cowichan Valley Regional District, City of Victoria, and District of West Vancouver. Currently the CVRD has a threshold for board approval set at \$100,000.

Provided a purchase is in accordance with the board approved financial plan, the recommended approach would be to have all purchases greater than \$100,000 approved by the CAO and one other executive management team member. This change will significantly reduce the time pressures on the procurement process and lead to accelerated contract award decisions. With the recruitment of qualified procurement staff in 2016, the board has the ability to rely on staff expertise, training and resources to carry out the procurement process to its completion in compliance with contract law, trade treaties, the delegation of authority bylaw and board approved procurement policy. Another advantage is that it removes any political aspect to the contract award process. The board has seen in the past where vendors have been motivated to lobby the board to award in their favour. New language has been included in the policy and procurement documents to ensure vendors are aware of the repercussions of lobbying staff or the board regarding contract award decisions. There will continue to be occasions where the board will be approached for additional approval relating to procurement and contract awards.

The following are scenarios where the board will be approached for approval:

- The purchase of land.
- Agreements for service delivery with other local governments.
- Where staff feel a contract award should be brought before the board due to a high degree of risk.

- The board has identified a procurement that requires additional approval.
- Where the contract award exceeds the financial plan.

Maintaining Transparency

Transparency of the procurement process will be maintained through:

- Publically posted procurement opportunities.
- Publically posted contract awards.
- Semi-annual reporting to the board on contract awards. Directors can expect to see information as laid out in Appendix A.

All purchases will continue to be approved by the board in advance of a procurement through the approval of the financial plan. When approaching the board for approval of the financial plan, directors can expect to see a project summary presented in a similar format to Appendix B.

Policy Analysis

Section 229(1) and 263 of the *Local Government Act* (RSBC 2015) states that the board may, by bylaw, delegate its powers, duties and functions to its officers and employees.

Options

1. To forward the bylaw and policy to the board for adoption.
2. To not forward the bylaw and policy to the board at this time.

Financial Factors

There are no financial factors.

Legal Factors

Trade agreements require that the regional district treat vendors residing within each participating region in a fair and non-discriminatory fashion for procurements above the imposed thresholds. Failure to do so, would infringe on a vendors right and could lead to legal action against the CVRD.

Regional Growth Strategy Implications

The proposed bylaw and policy offers opportunities for meeting the goals and objectives of the regional growth strategy. The following policy areas could be positively impacted:

- Local economic development: Achieve sustainable, resilient and dynamic economic development that supports businesses and entrepreneurship;
 - By increasing procurement thresholds that fall below trade agreement requirements, staff will have an opportunity to limit the response to local qualified vendors.
- Public health and safety: Support a high quality of life through the protection and enhancement of community health, safety and well-being; and
 - By ensuring social value impacts are maximized during evaluation of best value procurements.
- Climate change: Minimize regional greenhouse gas emissions and plan for adaptation.
 - By ensuring negative environment impacts are minimized during the evaluation of best value procurements.

Intergovernmental Factors

The regional district procurement bylaw, policy and practices must be in compliance with NWPTA, CFTA and CETA.

The proposed bylaw and policy will assist the CVRD during emergency situations by allowing for the CAO to delegate his authority to purchase goods or services on behalf of the CVRD in an emergency situation to a designate from a member municipality.

Interdepartmental Involvement

The Financial Services Department has presented and reviewed the policy with the Executive Management Team and the management staff of the regional district and incorporated feedback into this bylaw and policy.

Citizen/Public Relations

The procurement policy provides another level of accountability to the public and ensures the CVRD’s procurement procedures are transparent, consistent and fair.

- Attachments:
- Appendix A – “Sample of Contract Award Report”
 - Appendix B – “Sample of Project Summary in Financial Plan Staff Report”
 - Appendix C – “Draft Delegation of Procurement Authority Bylaw”
 - Appendix D – “Draft Procurement Policy”
 - Appendix E – “Bylaw No. 284”
- Schedule A – “Summary List of updates to the Procurement Policy/bylaw”

Appendix A – Sample of Contract Award Report

The following contracts above \$250,000 were awarded during the first half of 2018 and are within the approved financial plan:

- 1. Vendor:** Vendor A
For transportation services Municipal Solid Waste

Procurement Method: Request for Proposals

Award Value: \$500,000

Award Method: Highest ranked proponent based on evaluation criteria

Compliant Responses: 6

Non-Compliant Responses: 0

Proposal Ranking:

 1. Vendor A
 2. Vendor B
 3. Vendor C
 4. Vendor D
 5. Vendor E
 6. Vendor F

- 2. Vendor:** Vendor A
For construction of a sewer line

Procurement Method: Invitation to Tender

Award Value: \$2,000,000

Award Method: Lowest compliant bid

Compliant Responses: 3

Non-Compliant Responses: 1

Bid Ranking:

 1. \$2,000,000 Vendor A
 2. \$2,100,000 Vendor B
 3. \$3,000,000 Vendor C

Appendix B - Sample of Project Summary in Financial Plan Staff Report

Comox Valley Sewerage Service (Function 335)

Significant Projects - 2017 Financial Plan

Budgeted Amount

Capital

HMCS Quadra forcemain replacement	\$ 1,780,000
Expand compost facility -engineering and construction	1,300,000
Hudson trunk construction	2,352,991
Scheduled Asset Management Plan projects (9)	800,000
Greenwood trunk engineering	4,155,500
Jane Place Pump and controls	159,000
Basement piping	565,000
Odour control	2,200,000
Effluent quality upgrades	738,822
CVWPCC Phase 1 upgrades	565,852

\$ 14,617,165

Operating Contracts

Sewer force main condition assessment	<u>\$ 918,341</u>
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COMOX VALLEY REGIONAL DISTRICT**BYLAW NO. XXXX****A bylaw to delegate the purchasing authority for the Comox Valley Regional District**

WHEREAS under sections 229(1) and 263 of the *Local Government Act* (RSBC 2015) the board may, by bylaw, adopted by at least two thirds of the votes cast, delegate its powers, duties and functions, including those specifically established by an enactment, to its officer and employees;

AND WHEREAS the board of the Comox Valley Regional District wishes to delegate to its officers and employees certain powers, duties and functions;

NOW THEREFORE the board of the Comox Valley Regional District in open meeting assembled hereby enacts as follows:

Repeal

1. Bylaw No. 284 as “Comox Valley Regional District Delegation of Purchase Authority Bylaw No. 284, 2013”, and amendments thereto, is hereby repealed.

Definitions

2. In this bylaw:
 - a. **“Board”** means the board of the Comox Valley Regional District
 - b. **“CVRD”** mean the Comox Valley Regional District

Procurement Transaction Authority Delegation

3. The board hereby delegates to the CVRD’s officers and employees the powers, duties and function of the Board to enter into transactions relating to the CVRD’s activities, works or services, subject to the approved financial plan and the limitations on that delegated authority set out in this bylaw and the *Procurement Policy* adopted by the Board and as may be amended from time to time.

Delegation

4. A delegation of power, duty or function under this bylaw includes a delegation to a person who has, from time to time, been appointed to act on behalf of the delegate or is appointed by the board to act in the capacity of the delegate in the delegate’s absence including, in the event of a state of emergency, the appointed Emergency Operations Centre Director.
5. In the absence of the delegate, the powers delegated under this bylaw may be exercised by a person who has been appointed to act in the capacity of the delegate, or the executive manager of that person’s branch. In the absence of an executive manager, the powers delegated under this bylaw may be exercised by the Chief Administrative Officer or the person designated as the acting Chief Administrative Officer.

Limits on expenditures

6. Despite the authority granted in section 4, an officer or employee of the CVRD must not enter into an agreement of a capital nature under which the CVRD would incur a liability payable after the end of the then current year for a term that is for more than five years, including all rights of renewal and extension.

7. An expenditure made by a person to whom the Board has delegated authority under this bylaw must be within the CVRD's approved financial plan.

Land use agreements

8. With respect to land use agreements, the Board hereby delegates to the CVRD officers and employees the following powers, duties and functions to be exercised in accordance with the Procurement Policy adopted by the Board and as may be amended from time to time:
- a) The power to acquire, amend or discharge a statutory right of way or easement on behalf of the CVRD in connection with the operation and maintenance of any works or service of the CVRD; and
 - b) The power to enter into a lease or license of a real property necessary or convenient for the operation and maintenance of any works or service of the CVRD where the value of the rent, licence fee or other consideration for the term is included in the approved financial plan and is within the amounts listed in the authorities and responsibilities section of the Procurement Policy.

Citation

This Bylaw No. XXXX may be cited for all purposes as "Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. XXXX, 2018."

Read a first and second time this	day of	2017.
Read a third time this	day of	2017
Adopted by two-thirds of the votes cast this	day of	2017.

Chair

Corporate Legislative Officer

I hereby certify the foregoing to be a true and correct copy of Bylaw No. XXXX being "Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. XXXX, 2018" as adopted by the board of the Comox Valley Regional District on the _____ day of _____ 2018.

Corporate Legislative Officer

Subject: Procurement Policy	
Category: Financial Services	Policy Reference: XXXX-00

1. PURPOSE

The purpose of the procurement policy is to set out the responsibilities and accountability associated with the effective, efficient and economical acquisition of goods and services. The policy applies to all Comox Valley Regional District (CVRD) services (functions) and includes all purchases, leases and rentals using operating, capital and restricted funds of the CVRD.

2. POLICY STATEMENT

It is the policy of the CVRD to acquire goods and services through a public process whenever practical that results in supply arrangements that offer best value with consideration towards total cost, quality, expertise, as well as environmental and social sustainability.

3. THE ROLE OF THE BOARD

3.1 Delegation of Authority

The Board has delegated the authority to execute contracts and purchase agreements to staff as outlined in Bylaw No. XXXX, being the “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. XXXX, 2018” and this policy.

3.2 Separation of Roles

To ensure the need for a clear and transparent separation of political and administrative functions, the Board has established this policy and approved expenditures through the CVRD’s Financial Plan approval process.

To remove any potential or perceived appearance of political influence or bias, the Board recognizes the need to be removed from procurement processes from the time a procurement is issued to the market to the point where a contract has been awarded to the successful bidder, except where the Board is presented with a recommendation to approve the contract award in accordance with this policy.

The Board maintains the ability to identify specific procurements of interest that require additional Board approval for reasons such as those that are of a high value, involve significant risk or are of significant interest to the community. Staff maintain the ability to identify contract awards or procurements in which they feel Board approval is in the best interest of the CVRD.

When recommending contract awards for Low Bid Procurements, CVRD staff shall provide the Board with each compliant bidder’s tendered price. When recommending contract award approval for Best Value Procurements, staff shall provide the Board with the ranking of each compliant response. In all cases, when recommending contract award, the Board will be provided with a description of the procurement process undertaken, the number of responses received, and the value of the award.

4. EXCEPTIONS

4.1 Emergencies

In an unforeseen circumstance that requires immediate action, such that inaction would result in harm to a person or harm or damage to real or personal property of any type, the methods and procedures set out within this policy may be waived as approved expressly by the CAO or, in the event of a state of emergency, by the Emergency Operations Centre Director or designate; whether that be a designate from the CVRD or from a member municipality. A report summarizing the emergency procurement will be presented to the Board following the emergency.

4.2 Exemptions

All exemptions that exist in NWPTA, CFTA, CETA or their successors shall apply to this policy. In general these exemptions include:

- Procurement of health, social and treasury services and services provided by lawyers and notaries.
- Purchases from philanthropic institutions, prison labour or persons with disabilities.
- Purchases from a public body or non-profit organization.
- Goods, services or construction are required to respond to an unforeseeable situation of urgency as laid out in section 4.1.
- Goods intended for resale to the public.
- In the absence of a receipt of any responses to a Public Competitive Process.

5. AUTHORITIES AND RESPONSIBILITIES

5.1 Roles and Responsibilities

Procurement activities not requiring a Public Competitive Process are the responsibility of each branch, which are delegated the authority for acquiring goods, equipment, services and construction for all operational and capital requirements per Bylaw No. XXXX and this policy.

Procurement processes requiring a Public Competitive Process are the responsibility of the Financial Services Department which will ensure the procurement is conducted in accordance with this policy, common law and any trade treaty requirements.

The officer responsible for financial administration for the CVRD is responsible and accountable for the management of the acquisition of goods and services, protection and disposal of assets.

The purchasing officer for the CVRD is the Manager of Operating and Capital Procurement, who is responsible for the implementation of the day-to-day administration of the procurement policy, and will establish and employ such practices, processes, procedures or methods as are determined appropriate to the efficient and effective operation of procurement.

5.2 Authority for Procurement Transactions

Procurement Transactions cannot be completed unless the need has first been identified, budgeted for and approved by the Board in the Financial Plan. The Board may wish to approve the method of procurement during the adoption of the Financial Plan, otherwise all Procurement Transactions shall be completed according to this policy.

Market research procurement methods may take place when the interest is to develop a budget and Scope of Work for approval by the Board.

Contract awards as well as Change Orders exceeding the Board approved Financial Plan will either be:

- (i) held until the Board approves a Financial Plan amendment, or
- (ii) cancelled due to insufficient budget and may be reissued under a refined Scope of Work.

5.3 Commitment Authority Thresholds

Subject to the terms of this policy, any statutory requirements, and CVRD Bylaw No. XXXX, the following positions have authority to execute contracts and change orders for Procurement Transactions up to the identified value limits excluding taxes:

- Assistant Managers, Supervisors, Fire Chiefs or Executive Assistant: \$10,000
- Managers: \$25,000
- Senior Managers: \$50,000
- General or Executive Managers: \$100,000

Subject to the terms of this policy, any statutory requirements, and CVRD bylaws, the following positions have authority to execute contracts and change orders for Procurement Transactions beyond the identified value limits:

- CAO and one General or Executive Manager: \$100,000

Persons with spending, commitment and signing authority have the following responsibilities:

- a. Ensure the value of the contract or change order is within the approved Financial Plan.
- b. Ensure that the CVRD is able to meet its obligations within the terms of the contract and that it is likely the other party can meet their obligation.
- c. Ensure that the contract complies with WorkSafeBC legislation, labour legislation, employee collective agreements, tax legislation, and other legislative and regulatory requirements.
- d. Be aware of any financial and other benefits that are expected to flow to the CVRD as a result of the contract.
- e. Review intellectual property requirements and consider physical, bodily injury and personal injury indemnities and risk exposure.

5.4 Contract Management

The Executive Management Branch shall maintain a register of contractual documents as follows:

- a. A list of the contractual documents
- b. The name of other party or parties signing the documents
- c. The contact name, address and phone number of the other party or parties' representative
- d. CVRD function code and staff responsibility for administering the contract
- e. A brief description of the subject matter contained in the documents
- f. The date of execution
- g. The insurance requirements pursuant to the contract and confirmation note to indicate that they have been met
- h. The critical dates such as performance related requirements, if any
- i. Total contract commitment
- j. Available budget
- k. The payment terms

- l. Effective start and termination date and the actual or estimated amount of each contractual obligation
- m. Change order or amendment terms

5.5 Authority for Procurement Method

Where not outlined within this policy, staff of the CVRD will approach the Board with a recommendation to determine the method to be used to procure the goods or services required.

5.6 Responsibility for the Scope of Work or Specifications

User Departments are responsible for defining the needs of the procurement in the Scope of Work or Specifications.

User Departments may seek assistance from consultants or procurement staff and may utilize market research techniques as defined in section 9.1.

Consultants assisting in the development of a CVRD procurement will not be permitted to compete for the resulting opportunity.

Direct contact with Vendors should be avoided when preparing a Scope of Work or Specifications.

Scope of Works and Specifications shall be generic and not specific to any one vendor to ensure competition is not reduced.

Scope of Works and Specifications substantially deviating from that which was presented and approved in the Financial Plan are to be reviewed by the Manager of Financial Planning to determine if an amendment to the Financial Plan is required prior to a public procurement taking place.

6. ETHICAL CONSIDERATIONS

6.1 Conflict of Interest and Confidentiality

Staff or anyone in a position that could influence the evaluation of bids, tenders, quotes and proposals shall conduct evaluations with the removal of bias, positive or negative, against both existing and potential vendors. Any and all qualified vendors within jurisdictions covered by trade treaties levied on the CVRD shall be treated transparently, fairly, equally and without discrimination.

CVRD staff with a real or perceived conflict of interest in a vendor or a potential vendor must report this interest immediately to the Financial Services Department. The Financial Services Department will review the interest and may remove the staff member from involvement in the procurement recommending a suitable staff member for replacement.

CVRD staff and non-staff evaluating quotes, offers, bids, tenders and proposals, which includes serving on an evaluation committee, will not disclose any information gained during the course of their evaluation except to other CVRD staff who may in the normal course of CVRD business have a need for such information.

CVRD staff and non-staff participating on an evaluation committee will be required to sign a declaration of non-conflict of interest and confidentiality statement.

6.2 Supplier Code of Conduct

All suppliers, vendors and individuals including volunteers offering goods or services to the CVRD are expected to comply with the code of conduct detailed below. Failure to follow this code of conduct may result in the termination of a contract and disqualification from future opportunities.

Professionalism

All employees, volunteers, agents, and contractors or vendors under agreement or contract with the CVRD are required to:

- Carry out their responsibilities in a professional and competent manner.
- Continue to improve their knowledge, competence, skills, and professional ability.
- Be aware of and abide by the British Columbia Human Rights Code.
- Not engage in any action or conduct or make any comment, gesture, or contact which a reasonable person would regard as likely to cause offence or humiliation to anyone, whether in the workplace or any other location.
- Act, and be perceived by the public to act, in a fair and impartial manner in the performance of their duties or provision of services.
- Not make any public comments that denigrate, disparage, or are disrespectful of the CVRD, employees, and elected officials, and refrain from making negative comments about the credibility of the CVRD, employees, and elected officials.
- Conduct themselves in a friendly, courteous, and professional manner when dealing with the public.
- Refrain from engaging in any other practice that could unfavorably reflect upon the CVRD as identified solely by the CVRD.

6.3 Lobbying

No bidder/proponent/vendor or anyone involved in preparing bids or proposals shall lobby any elected official or CVRD staff in an effort to secure a contract. During a competitive procurement process all communications are to be made through the Financial Services Department unless the procurement document explicitly states otherwise. Vendors found to be lobbying for a contract award will be disqualified from consideration for the procurement and may be disqualified from future procurement opportunities. The following will be deemed as inappropriate communication during an active procurement:

- (a) commenting on, or attempting to influence views on, the merits of the vendor's response Proposal, or in relation to responses of other vendors;
- (b) influencing, or attempting to influence, the evaluation and ranking of responses, the selection of the vendor, or any negotiations with the preferred vendor;
- (c) promoting the vendor or its interests in the services, including in preference to that of other vendor;
- (d) commenting on or criticizing aspects of the procurement, the evaluation process or the scope of services, including in a manner which may give the vendor a competitive or other advantage over other vendors; and
- (e) criticizing the responses of other vendors.

6.4 Gifts

CVRD staff shall avoid accepting gifts, discounts or other favours from vendors of moderate or material value. Immaterial gifts can be accepted provided they do not result in personal gain for the receiver or result in favourable treatment of the vendor.

6.5 Transaction/Contract Splitting

CVRD staff shall not split transactions or procurements in an effort to fall below thresholds set out in sections 5.3 or 8.0.

7. SUSTAINABLE PROCUREMENT

In an effort to leverage procurement dollars to benefit the community and society; the CVRD may include the consideration of sustainability in Best Value Procurements.

Sustainability could include attention to environmental, ethical and corporate social responsibility as well as social value.

The CVRD is committed to sustainable procurement and will endeavor to design opportunities to minimize environmental and ethical impacts and maximize social value.

Sustainability considerations will be balanced against best value requirements for each individual procurement. The weighting toward sustainability in each procurement may be based on the marketplace, Scope of Work and/or level of risk inherent with the procurement.

When evaluating sustainability factors, CVRD staff shall look to third party verification and certifications when awarding points and may also look to utilize reference checks to verify claims made in response to a CVRD public solicitation.

7.1 Environmental Responsibility

When evaluating environmental responsibility in CVRD procurements, points may be awarded where proponents:

- Minimize environmental harm, including end of life impacts.
- Maximize resource efficiency (e.g. reduce energy and water consumption and minimize waste).
- Minimize carbon emissions.

7.2 Ethical Responsibility

When evaluating ethical responsibility, points may be awarded where proponents:

- Maximize fair trade opportunities.
- Ensure sound working conditions throughout the supply chain that meet or exceed provincial, national or international employment standards.

7.3 Social Value

When considering social value, points may be awarded where proponents:

- Maximize employment, training and apprenticeship opportunities among local, disadvantaged, equity-seeking or marginalized individuals and populations.
- Maximize the diversification of the supply chain by including non-profit organizations, social enterprises and small-medium enterprises.
- Contribute to the strengthening of the community by supporting the social goals and objectives of the CVRD.
- Include any corporate social responsibility initiatives undertaken by the organization that contribute to social wellbeing.

8. PROCUREMENT THRESHOLDS AND METHODS

The following thresholds will guide the method of procurement used to purchase goods or services. Authority to commit to goods or services is governed by Bylaw No. XXXX and this policy.

Goods and General Services

Value	Procurement Method (minimum)	Issued By
<\$100	Direct award	User Department
\$100 - \$7,500	Single informal quote	User Department
\$7,500 - \$25,000	Request three written quotes	User Department
\$25,000 – \$50,000	Request three written quotes or Public Competitive Process	Financial Services Department
\$50,000 +	Public Competitive Process	Financial Services Department

Professional Services

Value	Procurement Method (minimum)	Issued By
<\$50,000	Single written quote/proposal or request three written quotes/proposals	User Department
\$50,000 - \$75,000	Request three written quotes/proposals or Public Competitive Process	Financial Services Department
\$75,000 +	Public Competitive Process	Financial Services Department

Construction

Value	Procurement Method (minimum)	Issued By
<\$50,000	Single written quote (rotate suppliers)	User Department
\$50,000 - \$150,000	Three written quotes or Public Competitive Process	Financial Services Department
\$150,000 +	Public Competitive Process	Financial Services Department

9. PROCUREMENT AND AWARD METHODS

9.1 Procurement Methods

Market Research Methods

Market research methods are public solicitations that do not result in the award of CVRD business. They are utilized to assess the marketplace for potential CVRD opportunities and to offer the market transparent and fair input into a resulting competitive procurement process.

- a. Request for Information
To request general information regarding goods and/or services provided by vendors, and to invite input regarding the development of procurement strategies. May also request a response for high level budgetary considerations.
- b. Request for Expressions of Interest
To determine the market interest in a competitive solicitation process.

Non-Competitive Methods

- a. Direct Award and Notice of Intent (NOI) to Award
The award of CVRD business directly to a vendor for a low value procurement or where it can be demonstrated that only one vendor can supply the good or service. A NOI is used to provide public notice of the CVRD's intent to direct award, where the CVRD cannot strictly demonstrate that there is only one vendor as required under this clause. If a successful challenge is received, an appropriate procurement process will be undertaken.

NOIs will be posted to the regional district bid site as well as BC Bid for any direct award in excess of \$75,000 and subject to the requirements of NWPTA, CFTA and CETA.

To proceed with a direct award where more than one quote is required, specific details, in writing, must be provided to the Manager of Operating and Capital Procurement justifying the requirement for direct award according to the following exceptions:

- i. To ensure compatibility with existing products or methods, 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;
 - ii. 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;
 - iii. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
 - iv. For the purchase of goods on a commodity market;
 - v. For the acquisition of services from not-for-profit organizations;
 - vi. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor or the lessor's pre-approved suppliers;
 - vii. For work to be performed by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work or equipment;
 - viii. For a contract to be awarded to the winner of a design contest;
 - ix. For the procurement of a prototype of a first good or pilot of a first service to be developed in the course of a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
 - x. For the purchase of goods under exceptionally advantageous circumstances such as used goods, bankruptcy, auction or receivership, but not for routine purchases;
 - xi. For the procurement of utilities
 - xii. For the procurement of employee benefits;
 - xiii. For the procurement of real property;
 - xiv. Where a Public Competitive Process is impractical because of the need to obtain unique third party skills, there is a requirement for contractor continuity, or there is a strong case for the cost effectiveness of maintaining or retaining an existing contractor for a specific task;
 - xv. Where the CAO in conjunction with another general manager approves the direct award purchase as requested.
- b. Informal Quote
A quote that has been requested by phone or email and may be received verbally, via fax or email.
- c. Written Quote
A formal quote offering goods or services. May include terms and conditions.

Competitive Methods

Competitive methods are formal procurements for goods or services that will be publically available on the CVRD's bid page, BC Bid and potentially other public tendering systems. Once a Public Competitive Process has been undertaken all vendors covered under the CFTA and the NWPTA who submit compliant responses will be considered in a fair and transparent manner without discrimination.

a. Request for Proposals (RFP)

A process to acquire services (primarily) where price is not the only consideration in selecting a contractor. The award is value-based and awarded to the proponent with the highest score and offering best overall value.

b. Invitation to Tender (ITT)

To acquire construction and other services where price is the only deciding factor. Used when the work to be undertaken can be specified in detail and must be adhered to by the contractor. Award is generally to the lowest compliant bidder.

c. Request for Standing Offers (RSO)

To acquire offers for goods or services that are needed on an ongoing basis, where the CVRD enters into contract only when an order is placed, as needed. Can be either price-based or value-based.

d. Request for Qualifications (RFQu)

To create a pre-qualification list of vendors who are eligible to participate in subsequent procurement processes. Shortlists are created using qualitative factors only and price would not normally be considered.

e. Request for Quotations (RFQ)

To acquire goods or services when price is the predominant deciding factor. Awarded to the lowest price bid that meets all mandatory requirements and Specifications.

f. Request for Corporate Supply Arrangement or Master Standing Agreements

To acquire goods or services on behalf of a collaborative or co-operative buying group or purchasing consortium. Award is either price based or value-based.

9.2 Award Methods

Commitment and spending authority limits are governed by Bylaw No. XXXX and this policy. The following award methods will be used when finalizing a purchase commitment. The staff member authorizing the award will be responsible for deciding on the type of award and may seek consultation from the Financial Services Department. User departments are responsible for managing contracts and agreements following the award.

Petty Cash

- g. Used for low value purchases of less than \$150.

Purchasing Card

- h. Used for low value purchases, foreign exchange purchases within spending thresholds, and as permitted by the CVRD purchasing card policy.

Cheque Requisition

- i. Used for low value purchases where an invoice has been received and a Purchase Order is not applicable or has not been issued.

Purchase Order

- j. Generally used to purchase goods or equipment of low to high value or a service of low value with minimal risk and a defined Scope of Work.

Contract / Agreement

- k. Used for purchasing all types of general, professional and construction services.
- l. May require legal review for complex or high value contracts.

Change Orders / Contract Amendment

- m. Used to update, alter, extend or otherwise modify a contract.
- n. Changes to contract value must be within the approved Financial Plan or, if exceeding the financial plan, have received Board approval to amend the Financial Plan.

Corporate Supply Arrangements and Master Standing Agreements

- o. Used by a buying group to form a contract for goods or services.

10. VENDOR PERFORMANCE MANAGEMENT

In an effort to ensure open and transparent communication with existing vendors, Contract Managers will actively monitor the performance of vendors and contractors and work directly with vendors to resolve any minor or isolated moderate performance issues. In instances where severe performance issues or an unsatisfactory accumulation of minor or moderate performance issues occur, Contract Managers are to contact the Financial Services Department and a formal vendor performance review will be undertaken. In most cases (excepting the most extreme instances), vendors will be provided an opportunity to respond and resolve any performance issue(s) identified in a vendor performance review.

Vendors may be subject to termination of a contract or disqualification from future business if there is sufficient evidence of consistent failure to meet the standards specified by the CVRD. The CVRD will maintain vendor performance files as required. Information in this file will be supplied by the Contract Manager, receivers and procurement staff. Vendors may be evaluated based on price, quality of the product or service, contract adherence and performance, customer service and their responsiveness to requests from the CVRD. Upon reasonable notice in writing to the vendor involved, and after a reasonable opportunity for response, a vendor can have their contract terminated and can be disqualified for a period not exceeding five years from participation in a solicitation for goods or services.

Vendors or proponents shall be disqualified when:

- a. Serious breach of contract indicating unwillingness to perform a contract in accordance with the terms and conditions or Specifications or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof or in accordance with its Specifications or both.
- b. An inducement to an official or employee of CVRD by a vendor or proponent for consideration in an attempt to influence continued or future procurement opportunities.
- c. Conviction for a criminal offense of a person or a director or official or such person relating to obtaining or attempting to obtain a contract or subcontract. An indication of lack of business integrity or honesty which directly and seriously affects the responsibility of the vendor or proponent.

A written decision shall be issued to the vendor or proponent disqualified or suspended setting out its reasons for disqualification or suspension, to the usual business address of that vendor or proponent as shown in the records of the Financial Services Department.

Vendor or proponent disqualification will be approved by the CAO.

11. OTHER PRACTICES

11.1 Debriefing

Within 60 days of notice of award, an unsuccessful bidder or proponent may request an opportunity to be debriefed by the CVRD on the reasons for not being awarded a particular opportunity.

11.2 Document Retention

A procurement file for any completed publically posted procurement shall be finalized and filed. The file shall be retained for a period of not less than seven years in accordance with the CVRD Records Management Program.

11.3 Unsolicited Proposals

The CVRD will accept unsolicited proposals for unique, innovative products or services that will result in demonstrated savings to the CVRD. Unsolicited proposals are to be sent to the Manager of Operating and Capital Procurement and will be reviewed. Business will be awarded based on the requirements laid out within this policy and the requirement for a Public Competitive Process will not be precluded by the receipt of an unsolicited proposal.

11.4 Tie Bids

In the rare case of a tie bid or quote, when all factors including pricing are considered equal, a coin toss shall be used to determine which of the tied bidders receive the award.

11.5 Single Bid / Proposal

When only one bid or proposal is received in response to a competitive procurement method, CVRD staff or representatives shall evaluate the response to ensure fair value will be acquired. Once CVRD staff are confident that the response represents fair value, the contract may be awarded.

Should CVRD staff find that the response does not represent fair value, staff may elect to negotiate or cancel and reissue the procurement.

11.6 Review by Legal Counsel

The CAO will approve all requests for legal services which should be supported by a quote outlining the cost for the service.

Legal services relating to procurement may be required for:

- Procurements with significant risk
- Procurements of a value higher than \$1,000,000 for Best Value Procurements and \$10,000,000 for Tenders
- Award decisions when not awarding to low bid or the highest scoring proponent
- The disqualification of a vendor due to either bid non-compliance or poor performance on a contract
- Non-standard forms of contracts
- Substantial changes to the CVRD standard contract template

11.7 Collaborative Procurement

The CVRD may look to work with other procuring entities within the region, province or otherwise in an effort to maximize value and achieve economies of scale. When considering a collaborative procurement opportunity the CVRD shall evaluate:

- The impact to the local vendor community and its ability to submit a potential response to a competition.

- The collaborative procurement group’s ability to represent the values and meet the strategic goals of the CVRD in relation to the procurement.

11.8 Service Delivery

Agreements between the CVRD and other local governments for the management of direct service delivery for a CVRD function, must obtain Board approval.

11.9 Land Acquisition

All acquisitions of land shall be approved by the Board.

12. DEFINITIONS

In this Policy:

“Best Value Procurement” means a procurement that considers factors other than only price.

“CAO” means the Chief Administrative Officer of the Comox Valley Regional District.

“CETA” means the Comprehensive Economic and Trade Agreement between Canada and the European Union.

“CFTA” means the Canada Free Trade Agreement between the federal government and the provinces and territories of Canada. Replaces the Agreement on Internal Trade.

“Contract Manager” means the manager from a User Department responsible for administering the contract.

“CVRD” means the Comox Valley Regional District.

“Emergency Operations Centre Director” means the person appointed to the position in the event of the activation of an Emergency Operations Centre in response to a state of emergency; usually the CAO of the CVRD or, as designated, the CAO of one of its member municipalities.

“Financial Plan” means the Board approved budget and five year financial plan adopted by the CVRD Board each year as a result of the CVRD financial planning process.

“General or Executive Manager” means any employee of the CVRD that holds a position of General Manager or Executive Manager and includes the Chief Administrative Officer, the Corporate Legislative Officer, the Corporate Finance Officer and the Executive Manager of Human Resources.

“Low Bid Procurement” means a procurement that considers price as the predominant deciding factor from qualified bidders.

“NWPTA” means the New West Partnership Trade Agreement between the provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

“Procurement Transactions” means all functions that pertain to the acquisition of goods or services.

“Public Competitive Process” means a procurement where the CVRD will request competitive bids and/or proposals from the public marketplace.

“Scope of Work” means a description of work or services that is to be performed by a vendor.

“Specifications” means a description of a good or finished product that is to be delivered by a vendor.

“User Department” means a department or branch of the CVRD.

Approval History

Adopted by CVRD Board:	Mmm DD, YEAR
Amended:	

COMOX VALLEY REGIONAL DISTRICT

BYLAW NO. 284

A bylaw to delegate the purchasing authority for the Comox Valley Regional District

WHEREAS under sections 176(1)(e) and 192(1) of the *Local Government Act* the board may, by bylaw, adopted by at least two thirds of the votes cast, delegate its powers, duties and functions, including those specifically established by an enactment, to its officers and employees;

AND WHEREAS the board of the Comox Valley Regional District wishes to delegate to its officers and employees certain powers, duties and functions;

NOW THEREFORE the board of the Comox Valley Regional District in open meeting assembled hereby enacts as follows:

Repeal

1. Bylaw No. 75 cited as “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 75, 2009,” and amendments thereto, is hereby repealed.

Definitions

2. In this bylaw:
 - a) **“board”** means the board of the Comox Valley Regional District
 - b) **“purchasing policy”** means the purchasing management services policy attached to this by law as schedule ‘B’
 - c) **“CVRD”** means the Comox Valley Regional District

Delegation

3. A delegation of a power, duty or function under this bylaw includes a delegation to a person who is, from time to time, acting on behalf of the delegate or is appointed by the board to act in the capacity of the delegate in the delegate’s absence.

Purchasing authority for goods and services

4. (1) The board hereby delegates to the persons holding the positions referred to in column 1 of schedule “A” of this bylaw the power, duty and function of the CVRD to purchase or acquire goods or services on behalf of and for the benefit of the CVRD to the amounts listed in column 2 of schedule “A” in accordance with the purchasing policy attached to this bylaw as schedule “B”.
- (2) In the absence of the delegate, the powers delegated under section 4(1) of this bylaw may be exercised by a person who has been appointed to act in the capacity of the delegate, or the executive manager of that person’s branch. In the absence of an executive manager, the powers delegated under section 4(1) of this bylaw may be exercised by the chief administrative officer or the person designated as the acting chief administrative officer.

Land use agreements

5. (1) The board hereby delegates to the persons holding the positions referred to in column 1 of schedule "A" of this bylaw the following powers, duties and functions to be exercised in accordance with the purchasing policy:
- (a) The power to acquire, amend or discharge a statutory right of way or easement on behalf of the CVRD in connection with the operation and maintenance of any works or service of the CVRD; and
 - (b) The power to enter into a lease or license of real property necessary or convenient for the operation and maintenance of any works or service of the CVRD where the value of the rent, licence fee or other consideration for the term is within the amounts listed in column 2 of schedule "A".
- (2) In the absence of a general or executive manager, the powers delegated under section 5(1) of this bylaw may be exercised by the chief administrative officer or person designated as the acting chief administrative officer.

Limits on expenditures

6. (1) Despite the authority granted in section 4, an officer or employee of the CVRD must not enter into an agreement of a capital nature under which the CVRD would incur a liability payable after the end of the then current year for a term that is for more than five years, including all rights of renewal and extension.
- (2) An expenditure made by a person to whom the board has delegated authority under this bylaw must be within the CVRD's approved financial plan.

Citation

This Bylaw No. 284 may be cited for all purposes as "Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 284, 2013."

Read a first and second time this **26th** **day of** **November** **2013.**

Read a third time this **26th** **day of** **November** **2013.**

Adopted by
two-thirds of the votes cast this **26th** **day of** **November** **2013.**

E. Grieve

J. Warren

Chair

Corporate Legislative Officer

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 284 being "Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 284, 2013" as adopted by the board of the Comox Valley Regional District on the 26th day of November 2013.

J. Warren

Corporate Legislative Officer

Schedule 'A'

	Column 1 Position	Column 2 Commitment/spending authority
1.	<u>Purchase cardholders</u>	Cardholders and cardholder limits authorized by the chief administrative officer
2.	<u>Branch supervisors</u> <ul style="list-style-type: none"> • Network manager • Assistant manager of recreation operations • Assistant manager of building services • Assistant manager of planning services • Marketing specialist • Manager of administration • Executive assistant • Fire chief 	Purchases less than \$5,000
3.	<u>Branch managers</u> <ul style="list-style-type: none"> • Senior manager of information systems & GIS • Senior manager of recreation facilities • Senior manager of engineering services • Senior manager of CSWM services • Manager of bylaw compliance and special investigations • Manager of transit and sustainability • Manager of financial planning • Manager of payroll and benefits • Manager of fire services • Manager of emergency programs • Manager of communications • Manager of water services • Manager of wastewater services • Manager of liquid waste planning • Manager of planning services • Manager of building services • Manager of community parks • Manager of recreation operations • Manager of recreation administration • Manager of recreation programs • Manager of CSWM disposal facilities operations • Manager of CSWM transfer facilities operations 	Purchases less than \$10,000

	Column 1 Position	Column 2 Commitment/spending authority
4.	<p><u>General and executive managers</u></p> <ul style="list-style-type: none"> • Chief administrative officer • General manager of community services • General manager of property services • General manager of public affairs and information systems • Corporate legislative officer • Corporate financial officer • Executive manager of human resources • Executive manager of strategic and long range planning 	Purchases less than \$50,000
5.	<p>Chief administrative officer and one of the following:</p> <ul style="list-style-type: none"> • General or executive manager • Corporate financial officer 	Purchases less than \$100,000
6.	<ul style="list-style-type: none"> • Chief administrative officer, or • General manager of property services, or • General manager of community services 	Land use agreements less than \$50,000

All amounts in column 2 are exclusive of taxes.

Schedule 'B'

PURCHASING MANAGEMENT SERVICES POLICY

Purpose and scope of the purchasing management services policy

1. The purpose of the purchasing management services policy is to set out the responsibilities and accountability associated with the efficient and economical acquisition of goods and services. This policy applies to all CVRD services (functions) and includes all purchases, leases and rentals using operating, capital and restricted funds of the CVRD.

Guiding principle

2. The purchasing management services policy is guided by the principle of probity, which means that all activities are undertaken in a visibly fair, ethical, environmentally sustainable, and prudent manner.

Policy statement

3. It is the policy of the CVRD to acquire goods and services through a competitive process whenever practical that results in supply arrangements at the most effective net cost, in the correct quantities, of the appropriate quality, including recycled content, lowest possible toxicity, recyclability wherever possible and from the most responsive and responsible source.

Roles and responsibilities

4.
 - (1) Purchasing and supply management activities at the CVRD are decentralized by branch (service), which are delegated the responsibility and authority for acquiring goods, equipment, services and construction for all operational and capital requirements, as per appendix A – Spending, commitment and signing authority matrix.
 - (2) The officer responsible for financial administration for the CVRD is responsible and accountable for the management of the acquisition of goods, protection and disposal of assets.
 - (3) The purchasing officer for the CVRD is the corporate financial officer, who is responsible for the implementation of the day-to-day administration of the purchasing management services policy, and will establish and employ such practices, processes, procedures or methods as are determined appropriate to the efficient and effective operation of purchasing management services.
 - (4) It is the intention of the policy to provide internal control measures through the separation of duties and responsibilities (i.e. commitment authority; confirmation of goods/services received; invoice approval) relating to the acquisition of goods and/or services.
 - (5) Contracts, agreements and purchase requisitions are to be executed in accordance with appendix A being the spending, commitment and signing authority matrix.
 - (6) The senior accounting technician - financial planning and analysis is responsible for the administration (i.e. recording the sale, asset write-down; co-ordination of annual sale or assisting branches with appropriate disposal method). The administration relates to the disposal of all surplus materials and assets through re-allocation within the CVRD, to organizations delivering services on behalf of the CVRD, public offer for sale, auction, trade, donation or landfill. A branch may choose to dispose of an asset any time during the year. The senior accounting technician is to receive full details of the asset disposal whenever an asset is disposed of.

Spending, commitment and signing authority

5. (1) All acquisitions must comply with appendix A - Spending, commitment and signing authority matrix.
- (2) Persons with spending, commitment and signing authority have the following responsibilities:
 - (a) Ensure that the CVRD is able meet its obligations within the terms of the contract and that it is likely the other party can meet their obligation.
 - (b) Ensure that the contract complies with WorkSafe BC legislation, labour legislation, employee collective agreements, tax legislation, and other legislative and regulatory requirements.
 - (c) Ensure that the appropriate level of approval has been obtained for the contract.
 - (d) Be aware of any financial and other benefits that are expected to flow to the CVRD as a result of the contract.
 - (e) Any administrative (support services) or staff overhead rate must be consistent with CVRD guidelines or amended by the corporate financial officer or the chief administrative officer.
 - (f) Review intellectual property requirements and consider physical, bodily injury and personal injury indemnities and risk exposure.

Contract management

6. (1) The executive management branch shall maintain a register of contractual documents as follows:
 - (a) a list of the contractual documents;
 - (b) the name of the other party or parties signing the documents;
 - (c) the contact name, address and phone number of the other parties representative;
 - (d) CVRD function code and staff responsibility for administering the contract;
 - (e) a brief description of the subject matter contained in the documents;
 - (f) the date of execution;
 - (g) the insurance requirements pursuant to the contract and confirmation note to indicate that they have been met;
 - (h) the critical dates such as performance related requirements, if any;
 - (i) total contract commitment;
 - (j) available budget;
 - (k) the payment terms;
 - (l) effective start and termination date and the actual or estimated amount of each contractual obligation;
 - (m) change order terms.
- (2) The executive management branch shall notify the purchasing officer on a regular basis of pending expiry dates, including insurance, performance bonds and contract term dates and forward a copy of the contract to accounts payable.

Legal services

7. The chief administrative officer will manage corporately, all legal matters through an organizational process. The process involves ongoing monitoring of legal costs, monitoring of legal service quality, and regular reporting to the board. Legal services will be evaluated based on ability to meet the following key service elements:
 - (1) Timeliness: all legal matters must be dealt with within appropriate and agreed upon timelines. Phone calls must be returned in a timely manner and correspondence completed on agreed schedules.
 - (2) Communication: the firm must designate a partner who will communicate with the designated client in a manner and frequency agreed upon by both parties.
 - (3) Coordination of client matters: the firm must designate one partner, with a backup, to manage all client legal work, be able to brief the client on any legal matter directed to their firm and develop monthly status reports. The firm must coordinate administrative matters proactively with a minimum of client resources.
 - (4) Cost management: the firm must monitor legal costs, compare them to the firm's quote provided, if applicable, and advise the client immediately regarding any variances.
 - (5) Legal education: the firm must be committed to providing and delivering educational opportunities and issuing papers on current, emerging legal matters.
 - (6) Meeting attendance: the firm must be committed to attending, on short notice, board meetings or staff meetings if the firm or client believes the importance of the legal matter warrants attendance.
 - (7) Cost of legal services is to reflect quality of service provided.

Policy provisions

8.
 - (1) All CVRD staff and directors shall comply with the letter and spirit of laws and regulations governing the public procurement function.
 - (2) Branches responsible for the acquisition of goods or services must ensure that processes used to purchase goods or services are conducted in a manner that best serves the interests of the CVRD and are consistent with the purchasing management services policy. The purchasing officer shall periodically review practices to evaluate whether effectiveness and value added procurement practices are being followed.
 - (3) CVRD staff with direct or indirect interest in a vendor or potential vendor must disclose such interest to the purchasing officer 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.
 - (4) Gifts or prizes received by staff while on CVRD business shall be the property of the CVRD, except:
 - (a) items included with registration package, and
 - (b) items valued at < \$1,000.00.
 - (5) Where directors receive gifts or prizes while on CVRD business, they must comply with the requirements of the Local Government Act and Community Charter
 - (6) Commitments or indications of preference to a supplier are not to be made by

- branches without written request and approval from the purchasing officer, corporate financial officer or chief administrative officer.
- (7) Strategic alliances provide additional value to the regional district by reducing point of purchase prices, reducing administration costs through longer term agreements, and/or resulting in increased revenue that supports regional district objectives. Additional value may take various forms such as cash, in-kind products and/or services, promotional items and others, in exchange for marketing value back to the external organization. Since this often results in a preferential agreement offering exclusivity, preferred supplier status or other benefits for a longer specific period of time, contractual arrangements of this nature require CVRD board approval.
 - (8) In respect to public process purchasing, the CVRD may, in its absolute discretion, reject a tender, proposal or bid submitted by a tenderer, if the tenderer, or any officer or director of the tenderer is or has been engaged either directly or indirectly through another corporation in a legal action against the CVRD, its elected or appointed officers and employees in relation to:
 - (a) any other contract for works or services, or
 - (b) any matter arising from the CVRD's exercise of its powers, duties, or functions under the Local Government Act or another enactment,within five years of the date of the public process.
 - (9) In determining whether to reject a tender, proposal, or bid under this article, the CVRD will consider whether the litigation is likely to affect the tenderer's ability to work with the CVRD, its consultants and representatives and whether the CVRD's experience with the tenderer indicates that the CVRD is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the tenderer.
 - (10) All CVRD staff will make purchases in compliance with legislation and statutory regulations including WCB safety standards, customs duties, excise taxes, goods and services tax and provincial sales tax.
 - (11) Rental/leases: Commitments to other parties may not be made, nor items acquired through a capital lease, which extend beyond:
 - (a) Funding availability.
 - (b) Local Government Act or Community Charter legislation for agreements requiring the consent of the public.
 - (c) Month-to-month rentals are permitted subject to funding availability and at the expiration of an agreement there is no funding shortfall to the respective budget. Such agreements must be in compliance with the statutory limitation for agreements not requiring the consent of the public.
 - (d) Adjudication regarding leases is the responsibility of the purchasing officer, with exceptions requiring the approval of the general manager.
 - (12) The purchase of goods and/or services shall be initiated by properly completed and approved documentation in accordance with appendix A - Spending, commitment and signing authority matrix. A purchase order or formal agreement except for petty cash and purchasing card transactions shall contract goods and/or services.
 - (13) The chief administrative officer may authorize staff to use a purchasing card, or initiate other e-commerce purchase and payment mechanisms to facilitate acquisition of low-dollar value goods and/or services consistent with and in accordance with purchasing operating guidelines and the purchasing card program. Staff are required

to complete and sign a purchasing cardholder agreement approved by their manager which is to be retained on file by the finance department.

Circumstances for direct award procurement

9. Specific details, in writing, must be provided justifying the requirement for direct award procurement according to the following exceptions:
 - (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 the purchase of goods on a commodity market;
 - (5) For the acquisition of services from non-profit organizations;
 - (6) For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor or the lessor's pre-approved suppliers;
 - (7) For work to be performed by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work or equipment;
 - (8) For a contract to be awarded to the winner of a design contest;
 - (9) 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;
 - (10) For the purchase of goods under exceptionally advantageous circumstances such as used merchandise, bankruptcy, auction or receivership, but not for routine purchases;
 - (11) For the procurement of subscriptions to newspapers, magazines or other periodicals; utilities and employee benefits;
 - (12) For the procurement of real property;
 - (13) Where the competitive process is impractical because of the need to obtain unique third party skills, there is a requirement for contractor continuity, or there is a strong case for the cost effectiveness of maintaining or retaining an existing contractor for a specific task;
 - (14) Where the chief administrative officer in conjunction with another general manager approves the direct award purchase as requested.

Service delivery

10. All agreements between organizations or other local governments for the management of service delivery for a CVRD function, must obtain board approval.

Emergency acquisitions

11. In an unforeseen circumstance that requires immediate action, such that inaction would result in harm to a person or harm or damage to real or personal property of any type, then an acquisition by way of direct award or through a public process as deemed necessary to rectify the situation by a person authorized in appendix A - spending, commitment and signing authority matrix, shall be made in accordance with the authority in appendix A.

Schedule A – Summary List of updates to the Procurement Policy/Bylaw

- Separation of the delegation of authority bylaw and the board approved procurement policy.
- The removal of the requirement for board approval for contract awards above \$100,000.
- Language to ensure all contract awards are within the financial plan.
- Language to ensure the financial plan first be amended should a contract award be in excess of the financial plan.
- The ability for the board to identify procurements that require additional approval.
- The ability for staff to identify procurements that require additional approval.
- The ability for the CAO to delegate his/her procurement authority to another in situations where an emergency has been identified. This includes the delegation to an employee of a member municipality.
- Exemptions that apply within the New West Partnership Trade Agreement shall apply to the CVRD procurement policy.
- Updated roles and responsibilities.
- An adjustment to contract award thresholds for management levels.
- The removal of specific job titles in favour of generic job titles.
- The addition of guidance to staff for the development of scope of works and/or specifications.
- The addition of an Ethical Considerations section which includes guidance to:
 - staff on:
 - conflict of interest
 - confidentiality
 - the acceptance of gifts
 - transaction splitting
 - the vendor community on:
 - lobbying
 - the expectation of conduct when executing a CVRD contract
- The addition of a sustainable procurement section which includes:
 - Guidance to staff and the vendor community on how sustainable procurement will be carried out at the CVRD
 - The inclusion of environmental, ethical and social value considerations
 - How the CVRD will evaluate sustainable procurement
- An update to the procurement thresholds that guide how a procurement process will be executed.
- The inclusion of guidance to staff on when the Financial Services Department will lead and administer a procurement.
- The addition of a separate procurement threshold for construction services.
- The addition of procurement and contract award methods and a brief description of each.
- The addition of a Vendor Performance Management Section outlining staff responsibilities and the expectation of the vendor community.
- The addition of the following guidance clauses:

- Debriefing unsuccessful proponents
- Document retention
- Unsolicited proposals
- Tie bids
- Single bids
- Review by Legal Counsel
- Collaborative Procurement
- Service delivery by other local governments for a CVRD function
- Land Acquisition