

CONTRACTING AUTHORITY AND PURCHASING

Effective Date: February 21, 2023	Authorized By: Council – Regular Meeting	Replaces: August 23, 1994 January 9, 1996 April 16, 1996 January 21, 1997 March 31, 1998 November 9, 1999 February 13, 2001 April 22, 2003 October 11, 2005 October 26, 2010 February 8, 2011 October 23, 2018 September 17, 2019
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1. POLICY STATEMENT:

The District of Peachland will procure all goods, services and construction of assets in accordance with this procedure.

2. POLICY OBJECTIVE:

The objectives of this policy are to:

- a) Establish authority to enter into a procurement contract on behalf of the District.
- b) Establish spending authority limits within approved budget limits.
- c) Identify types of procurement contracts that can be entered into.
- d) Encourage as a preference, contracting agreements and purchasing criteria that promotes reductions in Greenhouse gas (GHG) emissions and energy consumption ((increased efficiency)). In doing so, consideration shall be given to the use of alternative fuels, new technology and life cycle costing (reducing operating and maintenance costs).

3. GENERAL:

a) Responsibilities:

- i. Department Heads are to ensure that funds are available within the spending authority of those authorized to sign a procurement contract on behalf of the Department.
- ii. The Chief Administrative Officer may designate Department Heads to approve incoming invoices from contracts, utilities, government agencies and any other approved payables up to specified limits. Authorizations to be in writing and may be revoked at any time.

b) Sustainable Business Practice:

- i. The District shall give preference to contracts, equipment, machinery, vehicles and supplies which incorporate green or sustainable business practices or technology.

This preference shall form part of the RFP and the grading criteria used to evaluate proposals when it applies.

- ii. Grading criteria shall make reference to purchase cost, fuel consumption cost, GHG emissions and total life cycle cost (including purchase, fuel operating and maintenance costs) over the life of the equipment of contracted service.

c) Application:

This policy applies to all activities, works or services entered into by the District except contracts of employment.

Exceptions to this policy can be made by Council resolution. In accordance with Section 173 of the *Community Charter*, the Chief Administrative Officer is authorized to make expenditures on behalf of the District of Peachland which are not included in the financial plan of the District, where such expenditures are required for the preservation of life, health and the protection of property during an emergency or disaster in the community on the following basis:

- a) Up to and including one hundred thousand dollars (\$100,000), after consultation with the Mayor;
- b) All amounts exceeding one hundred thousand dollars (\$100,000), with the prior approval of the Council.

Any expenditure made under this section must be presented to Council in a report at a regular meeting.

In the case where a local or regional emergency has been declared, the requirement for competitive quotes, bids, tenders, or request for proposals does not apply.

d) Prohibition:

- i. All procurement by the District of Peachland will be consistent with the requirements under AIT (Agreement on Internal Trade) and TILMA (Trade, Investment and Labour Mobility Agreement).
- ii. No one other than the Chief Administrative Officer or Deputy Chief Administrative Officer will enter into a contract for goods or services.

e) Spending Authority:

To allow for the efficient operation of the District's departments, the following authority levels are delegated to Management positions for individual invoices and individual contract limits

POSITION	SPENDING LIMIT
Chief Administrative Officer	Within Financial Plan
Senior Leadership Team – Directors & Fire Chief	\$75,000
Other Exempt Staff – including Managers & Deputy Fire Chief	\$25,000

To allow for the efficient operation of the District's departments, the following authority levels are delegated to various workforce staff within their Departmental budgets:

POSITION	TYPE OF GOODS	SPENDING LIMIT
Water Treatment Chief Operator	Water Treatment	\$5,000
Engineer Technologist	Public Works & Utilities	\$5,000
Leadhands	Supplies	\$5,000
Heavy Duty Mechanic	Fleet Parts & Services	\$3,000
Maintenance/Construction & Special Projects	Supplies	\$500

Department Heads must counter-sign all Departmental Purchase Orders prior to submitting to Accounting Department.

4. DEFINITIONS:

Alternate Fuels - fuels available for use other than conventional fuels (oil, gasoline, natural gas, propane and diesel).

District - the Corporation of the District of Peachland.

Formal Public Tendering Process - the process whereby bids are solicited by the District by means of public advertising including by newspaper, publications, website or BC Bid. Bids are normally opened and read publicly at a fixed time and place.

GHG (Greenhouse gases) - equivalent tonnes of carbon dioxide (CO²) emitted into the environment through the use of various types of energy sources.

Goods - materials, goods, or equipment.

Holdback - monies held back from progress payments.

Late Bid - an offer received in the designated location after the specified closing date and/or time.

Lease - a contract by which the District acquires the use and possession of lands, buildings, and personal property for a specified time at a fixed payment.

Life Cycle Cost - the total cost to purchase and operate a type of vehicle or equipment or contracted service. This shall include initial purchase cost, operational cost, maintenance cost, fuel cost and GHG emissions.

Lowest Evaluated Bid - the bid which meets the specifications at the lowest overall cost to the District, as determined by the Chief Administrative Officer or designate, considering such factors as suitability, price, availability, service, related administrative cost, and disposal value. The lowest overall cost shall be evaluated over the life cycle of the equipment or contracted service. This shall include purchase cost, operating cost, maintenance cost, fuel cost and GHG emissions.

Procurement Contract:

- Purchase Order issued for procurement of goods or services;
- Service Contract issued under a written agreement with the supplier of services, or;
- Construction Contract entered into in writing with the successful bidder following an invitation to tender for construction of an asset.

Progress Payment - a payment made under the terms of the contract before completion of the contract.

Proposal - an offer to provide goods, services, or construction submitted to the District in response to a request for a proposal.

Purchase Order - the pre-printed, pre-numbered form containing all the necessary information and signatures required to begin procurement action.

RFP (Request for Proposal) - the process whereby proposals are solicited by the District by means of invitation to particular suppliers or advertising. Proposals are reviewed by staff against grading criteria as described in the proposal.

Security:

- Certified cheque or other legal instrument made payable to the District of Peachland;
- Government guaranteed bond; or
- Other security as may be considered appropriate.

Service - performance of work to meet a general need by a person(s) not an employee of the District of Peachland.

5. RESPONSIBILITIES

a) Department Head:

- i. Ensure that all procurement contracts initiated within the department are complete and properly authorized, including, if necessary, to be authorized by Council, prior to being sent for procurement action.
- ii. Ensure that expenditures are identified in the Financial Plan and within the spending authority of those authorized to sign a procurement contract on behalf of the department.

b) General Guidelines:

- i. Procurement documentation must be in place before goods are delivered or services rendered, including a contract for services covered under a Service Contract.
- ii. Unauthorized Purchasing:
Any employee who wilfully acquires goods or services in contravention of this policy or relevant procedures is liable to disciplinary action.

iii. Purchase Orders:

- Official: 8 1/2" X 11" sequentially numbered form.
- ALL applicable sections must be completed, including an actual or estimated cost, and the account to be charged for the item(s).
- Copy distribution:

White	-	Supplier
Yellow	-	Accounting
Pink	-	Department
- May have additional information attached such as drawings, detailed specifications, samples, etc.
- Cancellation of a Purchase Order - ensure that all copies are cancelled/marked as VOIDED.
- Ensure that a Purchase Order is completed and its number quoted when an order is placed with a supplier.

iv. Service Contract:

A pre-negotiated and/or tendered agreement, usually of a long- term duration, for such items as:

- auditing services;
- bonding services;
- maintenance agreements;
- lease agreements;
- fuel supplies;
- externally owned machinery and/or operators; or
- other.

When a Service Contract has been awarded, direct orders may be placed with the supplier by authorized personnel.

v. Verbal Quotes:

Verbal quotes are to be sought for supply of all goods and services from at least three suppliers when the cost is estimated to exceed \$5,000 and not exceed \$10,000.

vi. Formal Written Quotations:

Written quotations are to be sought for the supply of all goods and services from at least three suppliers when the cost is estimated to exceed \$10,000 and not exceed \$75,000.

vii. Formal Public Tendering and Request for Proposals:

Tenders and request for proposals are to be sought by formal public advertising for the supply of all goods and services when the cost is estimated to exceed \$75,000. Procedures for receiving and opening tenders shall conform to the following:

- Tenders and RFP's enclosed in sealed envelopes will be received at the tender address until tender closing time;
- All tenders and RFP's will be recorded as to the date and time received at the front counter who will file the tender in the vault until tenders are opened;

- Verbal and late bids will not be accepted.
- Facsimile transmitted bids or tenders will be accepted up to the closing time and date of the tender. Facsimile amendments to bids or tenders will be accepted unless specifically prohibited in the bid or tender document.
- One member from Corporate Services and the department head or designate responsible for the project will proceed with the tender and RFP opening at precisely the designated time on the closing day. Council is invited to be in attendance.
- Tender and RFP envelopes shall be opened and each tender and RFP shall be checked to ensure that is in signed and valid in respect of any bid bonds, etc. Any financial securities shall be stored in the vault for safekeeping.
- Security, as required by the Invitation to Tender, must accompany the tender bid in order to be considered.
- Tenders are normally opened/registered in public at the District Office. Requests for Proposals are not normally opened publicly.
- Where only one tender is received, the District reserves the right to not make the amount of the tender public at the tender opening. The amount of the tender will be made public if a contract is awarded.
- A contract may, in most cases, be awarded to the lowest bid. However, the District, for its sole benefit, reserves the right to award a bidder it deems appropriate based on scoring of grading criteria identified in the tender or RFP document.