



THE CORPORATION OF THE CITY OF VERNON

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Corporate Policy Manual

Section:	Financial Services Division	
Sub-Section:	Procurement Services Department	1200
Title:	Procurement Policy	

RELATED POLICIES

Number	Title
	Acceptance of gifts, rewards or other benefits
	Council Code of Responsible Conduct
	Delegation of Authority Bylaw #5727
	Employee Code of Conduct
	Freedom of Information and Protection of Privacy Act
	Privacy Impact Assessment
1690-02	Purchase Card Policy

APPROVALS

POLICY APPROVED BY:	AMENDMENT APPROVAL:	SECTION AMENDED
Approved by: Mayor: Victor Cumming Date: April 24, 2023	Approved By: Mayor: Victor Cumming Date: May 8, 2023	<i>Minor Modifications to TEXT to section 1.5, 1.7, 1.7b, 3, 3.2.1, 3.3, Appendix D. Reorder section 8. Addition of Procurement Manager to Appendix A1. Removal of "All Employees" from Appendix A2.</i>
	Approved By: Mayor: Victor Cumming Date:	<i>Minor Modifications to TEXT: purchase orders changed to purchase documents. Appendix A1, C and D updated for Workday.</i>

Procurement Policy

Policy Purpose

The City of Vernon (the “City”), in the performance of its duties and responsibilities, must engage in the Procurement of Goods and Services (including Construction). The purpose of this Policy is to ensure understanding and adherence to the principles, procedures, roles and responsibilities for the City’s procurement activities.

The Principles and Procedures in this Policy outline the authorization and competition requirements for the procurement of Goods and Services, including but not limited to, Capital Consulting and Construction Services.

The City is committed to creating and maintaining a high level of confidence in its procurement of goods and services by ensuring integrity, transparency, accountability, efficiency and consistency in its procurement activities.

All employees of the City are expected to adhere to Procurement Policy while maintaining a high standard of honest and open communication to ensure that all suppliers are given fair and equal access to do business with the City of Vernon.

Scope and Authority to Implement

The City of Vernon is a municipal public sector entity that through this Policy is acting within its authority under the Community Charter and Local Government Act. This Policy is in alignment with, and adheres to the following applicable legislation and agreements:

- Canadian Free Trade Agreement (CFTA).
- Comprehensive Economic and Trade Agreement (CETA).
- Freedom of Information and Protection of Privacy Act (FOIPPA).
- New West Partnership Trade Agreement (NWPTA).

The Manager, Procurement Services through the Director, Financial Services is authorized by the Chief Administrative Officer (CAO) to implement this Policy. This Policy applies to all employees involved in the procurement of goods and services for use by the City.

Definitions

Refer to [Appendix D](#).

1. General Principles

The City is committed to consistent ethical management in all of its procurement and contracting activities and will abide by all applicable legislation under the following principles:

1.1 Open and Fair Competition

The City will acquire goods and services through a fair, open, transparent and competitive process that balances the interests of the taxpayer with the fair and equitable treatment of suppliers. Competitive processes followed will be in accordance with legislative and trade agreement requirements.

The City promotes Bidding Opportunities on the City website, at a minimum, to encourage competition, to give all businesses equal opportunity to compete for larger contracts, and to achieve best value. The City utilizes an electronic procurement portal with audit trail functionality to facilitate the bidding process. The City may also post Bidding Opportunities to external third-party sites, at the City's discretion or where required by trade agreements.

The City does not discriminate or exercise preferential treatment and will ensure that procurement processes are objective and that all Bid Respondents are treated in the same manner and given equal consideration. The City will strive to ensure that Suppliers have fair and equal access to information. Any information made available to a potential Supplier that may influence a response to a Procurement process will be made available to all interested Suppliers.

1.2 Bidder/Respondent Complaints

Complaints (including disputes) by a bidder/respondent or any other member of the public regarding a procurement process, or the results of a procurement process conducted by the City shall, in the first instance, be directed to the Manager, Procurement Services.

The complaint must be submitted in writing to the Manager, Procurement Services within ten (10) days after the day on which the Complainant first knew, or reasonably should have known, of the issue to which the complaint relates. The written request must identify the summary of the complaint. If the complaint is received after the ten (10) day time period, the complaint may or may not be addressed, at the City's sole discretion.

If the complaint is received within the ten (10) day time period, the City shall review the complaint and consult with the Complainant within twenty (20) days following receipt of the complaint. The City's decision at the conclusion of the consultation process will be final, with respect to any further actions required by the City under this procedure. All consultations between the parties shall be without prejudice to the rights of the parties in any further proceedings.

1.3 Supplier Dispute Resolution

Competitive bidding documents used in procurement processes under Public Competition shall state that when appropriate, disputes between the Supplier and the City will be decided by mediation or arbitration, should the parties agree to that method. Contracts shall propose that arbitration is conducted pursuant to the *Commercial Arbitration Act* (British Columbia).

1.4 Best Value Considerations

The City encourages the consideration of overall cost in the procurement of goods and services, including, but not limited to acquisition cost, operating costs, life cycle costing, salvage value, availability, serviceability and delivery. The City will consider and evaluate the relevance of price and non-price factors before starting a competitive process. This may include:

- Accessibility and inclusion
- Delivery, deliverables and performance commitments
- Economic sustainability
- Encouragement of diverse suppliers
- Environmental sustainability
- Public Policy benefits as elements in the proposal and evaluation process
- Risk management, including safety practices and history
- Social sustainability
- Supplier experience, performance history and demonstrated ability to successfully perform, including service and support capacity
- Quality of the goods and / or services
- Total cost of Ownership, which may consider factors such as:
 - Administration and contract management costs
 - Costs of delay or performance failures
 - Cost of additional features, enhancements and upgrade limitations associated with proprietary or patent rights or constraints
 - Disposal and remediation costs.
 - Extensions, change orders, total cost change and cost escalation
 - Legal or technical costs
 - Licensing costs
 - Lifecycle costing
 - Purchase or contract total cost
 - Regular and ongoing maintenance
 - Shipping and packaging
 - Transition and training costs
 - Warranty, parts and / or repair

1.5 Sustainability Considerations

The City's procurement activities will be conducted with consideration of economic, environmental and social sustainability where appropriate. The City will set minimum specifications, evaluation criteria, and contractual requirements that recognize the principles described in the **City of Vernon Climate Action Plan**.

City Divisions should consider the inclusion of these evaluation criteria which reflect these factors where applicable. These factors shall be balanced with considerations such as cost and quality and may include:

- Prioritizing goods and services that represent a non-carbon alternative, are carbon neutral or that minimize greenhouse gas emissions contributing to reducing the carbon footprint of the City.
- Prioritizing goods and services that consider climate adaptation and resilience.
- Prioritizing reusable, recycled, or zero waste products, when possible.
- Purchasing recyclable, durable, and long-lasting products.
- Purchasing products with increased energy and resource efficiency wherever possible, such as equipment that complies with energy efficiency guidelines and recommendations.
- Purchasing products, including cleaning supplies and chemicals, that minimize exposure of building occupants and maintenance personnel to potentially hazardous chemical, biological and particle contaminants which may adversely impact air quality, health, building finishes and systems, and the environment.
- Stating a preference for minimal and recyclable packaging.

1.6 Supplier Diversity

The City will procure goods and services, and promote and participate in viable procurement opportunities with qualified Diverse Supplier groups. City Divisions should consider the role of Diverse suppliers when conducting procurement activities.

1.7 Relationship to Suppliers and Conflict of Interest with Suppliers

Conflicts of interest may occur when a City employee or Council member have a direct or indirect relationship with a supplier or potential supplier through financial, family related, or other beneficial interest. In accordance with the City's general principles on ethical conduct, the Employee Code of Conduct and Councils Code of Responsible Conduct, the following shall apply to all procurement processes:

- City employees shall exercise caution when there is a real, perceived, or potential conflict of interest with a supplier or potential supplier;
- City employees involved in a procurement process, either directly or indirectly, must notify the Manager, Procurement Services of any real, perceived, or potential conflict of interest;
- If a City employee or council member has a real, perceived or potential conflict of interest:

- a. Measures shall be taken to ensure that the employee or council member with the conflict does not have any influence whatsoever over the procurement process and/or contract decision; and
- b. Suppliers to which a City employee or council member has a conflict of interest will only be selected to provide goods or services if they are selected based on a transparent evaluation from a competitive procurement process, as per Appendix B.

1.8 Suppliers Acting in Good Faith

The City may choose to exclude or refuse doing business with Suppliers who do not possess the legal and financial capacities or commercial and technical abilities to undertake the relevant procurement.

The City may disqualify Suppliers who have demonstrated poor past performance through significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts, or who have made false or misleading declarations.

The City may choose to exclude or refuse doing business with Suppliers who have entered into litigation with the City. The City may reject Suppliers on the basis of professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier or final judgments in respect of serious crimes or other serious offences.

1.9 Open Communication and Debriefing

The City will provide Respondents with feedback on bids and proposals including those that are unsuccessful upon request. Open procurement award results will be posted to the City website.

1.10 Confidential Information

Release of information is subject to FOIPPA legislation. City employees will not release any information made available as an employee that is not otherwise available to the public on request. Any information made available to a potential supplier which may influence other suppliers' responses must be made available to all potential suppliers.

Information about budget and cost estimates, pricing or costing of competing suppliers, names of suppliers prior to award and any other information which may create an unfair advantage will remain confidential and will not be released by City employees to the public or a potential supplier. Any and all information provided by a potential supplier during the procurement process shall remain confidential pending bid analysis and award.

1.11 Gifts and Gratuities

City employees will not place themselves in a position of obligation or appearance of obligation by soliciting or accepting gifts, discounts, hospitality or tips from suppliers or potential suppliers. Refer to **Acceptance of Gifts, Rewards or Other Benefits Policy**.

2. Procurement Process Requirements

2.1 Authority to Spend

Procurement initiations, processes and award values must be within the Approved Budget and are to be requested by staff consistent with:

- **Appendix A1 – Standard Delegated Authority**
- **Appendix A2 – Non-Standard Delegated Authority**

2.2 Cost Value

Procurement values should be based on maximum cost estimates, considering the entire potential value of the contract including all future years, options, and extensions.

City employees shall base the value of the procurement on reasonable estimates and procurements should not be split or separated into parts with the intention of avoiding process requirements.

2.3 Methodology

Reasonable and adequate procedures ensure fairness for a level of competition, commensurate with the type of procurement considering price, requirements, available competition, risk and complexity of terms and conditions. The cost and time associated ideally should be proportionate to the benefit gained. The processes and methods of Procurement Services are based on the dollar value, context, nature, and risks associated with using a competitive process.

2.4 Specifications or Scope of Work

Requirements or Processes that are developed by end-user departments for use in a procurement process should:

- Be clear and defined when subjects allow, to enable prospective bidders an informed basis on which to submit their bids.
- Be sufficiently broad to allow for creative solutions by respondents when applicable.
- Be realistic and consider long term right sizing for the intended use.
- Include sufficient details on evaluation criteria, weightings and evaluators to be used in procurements to optimize 'best value' outcomes.
- Consider all other elements of this policy

Note: Contract terms and conditions will be determined by the Manager, Procurement Services or Senior Buyer in consultation with the Department Manager or Delegated Authority.

2.5 Contract Management and Monitoring

A City Contract Administrator (CA) must be identified for all ongoing contracts and agreements. The City's CA should ensure that the Contracted Provider performs to the requirements of the contract and that performance issues are documented and addressed in a timely manner. The CA is responsible to ensure that any remuneration invoiced meets the contract stated amounts. Procurement Services is to be notified of any performance or invoicing issues of note.

2.6 Bonding

Type and level of bonding is assessed as part of the procurement process or contract. The Manager, Procurement Services shall make the final determination on bonding in consultation with the Department Manager, Director or CAO dependent on circumstances.

Guidance to be provided by the most recent Municipal Insurance Agency of British Columbia (MIABC) Minimum Insurance Requirements for Contracts and / or external legal counsel. Bonding equivalent may be accepted as a Legal Bond, Cash, Certified Cheque or Irrevocable Letter of Credit, as determined by the Manager, Procurement Services.

2.7 Insurance

Liability, indemnity and insurance terms in contracts should be considered carefully based on the value, nature and risk of the goods/services being procured. All contractors working on City property must have valid insurance with the City of Vernon (or other relevant parties) as an additional insured and cross liability coverage on file with the City. Advice on insurance can be obtained from the MIABC or the City's Insurance provider.

2.8 Occupational Safety Consideration

City employees must ensure that all direction and instructions given to suppliers are compliant with the requirements of the Workers Compensation Act and Occupational Health & Safety Regulations. It is advisable that City staff obtain documentation attesting that the supplier's WorkSafe BC account is in "active and in good standing" status.

2.9 Business Documentation

Suppliers may be required to provide various forms of business documentation and/ or certifications as part of the procurement or contractual process. These requirements and timeline for provision will typically be listed in bidding documents.

2.10 Procurement Process Types

The following procurement types are collectively referred to as RFX's.

- Expression of Interest (EOI)
- Invitation to Tender (ITT)
- Notice of Intent (NOI)
- Pre-Qualifications
- Request for Quote (RFQ - Low Bid)
- Request for Quote (REQ - High Score - Best Value)
- Request for Proposal (RFP)
- Request for Information (RFI)
- Request for Suppliers Qualifications (RFSQ)

2.11 Construction Project Delivery Methods

- Construction Manager at Risk (CMAR)
- Design Bid Build (DBB)
- Design Build
- Integrated Project Delivery (IPD)
- Progressive Design Build (PDB)

2.12 Posting of Opportunities

For public sector procurement processes for RFX's, the bidding opportunity should be open for responses for durations as follows:

- a. Under \$25,000 – minimum 7 days
- b. Between \$25,001 and \$75,000 – 10 to 25 days (depending on complexity)
- c. Over \$75,000 for goods – minimum 25 days as required by CETA
- d. Over \$200,000 for construction – minimum 25 days as required by CETA

“Days” are considered to be calendar.

Under \$75,000 bidding opportunity duration is determined by this policy.

Above \$75,000 bidding opportunity duration is determined by Trade Treaties

2.13 Posting of Awards

For open competition processes, at a minimum, the opportunity must be advertised on BC Bid www.bcbid.gov.bc.ca and www.vernon.ca, with a link to the City's procurement portal: www.vernon.bonfirehub.ca.

For additional exposure, opportunities may also be posted to www.sica.bc.ca and <https://www.civicinfo.bc.ca/bids> or other websites deemed relevant to the subject.

Advertising in local newspapers or websites is at the discretion of the Manager, Procurement Services.

3. Delegated Purchasing Authority

All goods and services are to be acquired in accordance with this policy and shall be within Council approved budget unless authorized on an exception basis by the CAO.

Designated Employees undertaking purchasing activities must have formal authorization to do so from the City exempt staff member they report to and are to have completed training from Procurement Services. Employees may delegate their authorities to an individual that is temporarily performing their role in an acting capacity.

3.1 Standard Procurements and Invoice Approvals

Appendix A1 identifies the authority approval thresholds that also apply for staff approvals for Purchase Requisitions, Purchase ~~Documents~~ ~~Orders~~, Contracts, Contract Amendments, and Invoice Authorizations.

3.2 Purchase Card Authority

The considerations, application and management of Purchase Cards shall be in accordance with the Purchase Card Policy.

3.2.1 Alcohol Purchases

Designated employee(s) have authorization to purchase alcohol directly from Brewers Distributor Ltd. (BDL) and / or licensed liquor or wine stores. These purchases are specifically for Kal Tire Place, Recreation Services events or for other City organized special occasion liquor permits. Payment will be processed through a controlled automatic debit from the City account managed by Finance or designated employee's Purchase Card.

3.3 Direct Purchase Authority

Appendix A1 identifies that any City employee may authorize a Direct Purchase up to a value of \$5,000 (inclusive of applicable taxes, surcharges and freight). Unless benefit is derived from Purchase ~~Document~~ ~~Order~~ issuance, these purchases will be paid via Direct Pay method or the Purchase Card.

3.4 Non-Standard Procurements and Direct Awards

In some circumstances and subject to appropriate approvals, the requirement for an open competition may be waived.

Direct Awards valued \$25,000 or over, the requesting employee must document the rationale on a Direct Award Form informed by the below:

- **Appendix A2 – Non-Standard Delegated Authority Approval Limits**
- **Appendix C – Policy Exemptions and Expenditures**

Direct Awards valued above \$75,000 that are not Construction related must be covered by an allowable exception, exemption, or non-application clause in a governing trade agreement and the applicability of the clause must be formally established.

Employees are encouraged to review **Appendix C** of this policy in advance, then contact the Manager, Procurement Services to examine the application of any allowable exceptions prior to initiating the Direct Award approval process.

The CAO or their Designated Employee has the authority to waive the Procurement Policy where public safety, property and/or infrastructure are at risk. The financial plan is to then be updated as soon as possible to include the expenditure.

3.5 Notice of Intent

Direct Award procurements valued at \$75,000 or more will require a Notice of Intent (NOI) to be posted electronically on the City's website and BC Bid for a period of fourteen (14) calendar days. The Notice of Intent is not required if the procurement is for an emergency, is trade treaty exempt, or allowable via a compliant Buying Group procurement.

3.6 Buying Groups

Broader Public Sector organizations like the City of Vernon can sometimes access and participate in trade treaty compliant Buying Groups. This can provide advantages to reduce procurement process costs, lever preferred pricing or access professionally vetted expertise. A 'Buying Group' is generally understood as a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process.

The City of Vernon participates in Buying Groups whose members are municipalities, public sector entities or registered non-profits. City of Vernon participation in some or all of these groups is posted annually to the City's website.

3.7 Cooperative or Group Purchases

The City endorses Cooperative Purchasing among City departments to meet each department's needs for similar goods or services while taking advantage of economies of scale. Whenever practically possible the City, through Procurement Services, may participate with other organizations or public authorities in cooperative ventures or contracts where the best interests of the City would be served.

4. Bid Solicitation Process

Procurement Services in consultation with the City Department Manager or Designated Employee will decide which procurement bid type is appropriate for each request. Procurement Services will manage the formal solicitation process through to award and contract execution where applicable.

Standard City template bid documents for the process types as described in Section 2.10 will be used for solicitations. These documents have been developed to mitigate risk exposure and navigate competitive bidding law requirements. The procurement process provides consistency and will cause consideration and / or contemplation for the following:

- Conflict of Interest Declaration
- Contract Term and Extensions
- Cost Considerations
- Deliverables
- Evaluation Criteria
- Insurance and Bond Requirements
- Market Conditions
- Material Disclosure
- Prime Contractor Assignment
- Supplier Availability
- Terms and Conditions

Refer to most recent **MIABC matrix** for Insurance, Bonding and Risk considerations, available through the Procurement.

5. Pre-Qualification Process

5.1 Pre-Qualifications as listed on City website

For the purpose of establishing a pre-qualified list of Contractors and Trades to create an active call list for City departments to use if, as and when required. Pre-Qualification assists in establishing eligibility for small civil projects and hired services. Procurement Services will accept Pre-qualification registration forms throughout the year.

Procurement Services will maintain a list of information including; rates, equipment, experience and other required documents which will be available to Supervisors and Designated Employees for awarding work for small projects up to **\$25,000**.

5.2 Capital Consulting Services

For the purpose of establishing a pre-qualified list of Professional Consultants to create an active call list for City departments to use if, as and when required. Consultants can apply and be added to the shortlist in January of each year, provided the submission meets all the requirements and scores appropriately relative to other submissions.

The City reserves the right to alter the shortlist should any change of ownership, significant staff changes, unacceptable level of service, lack of subsequent submissions, as determined by the City through performance evaluations, or for any other reason which might alter a Consultant's qualifications. Consultants on the shortlist will be selected for specific assignments through one of three ways.

- Direct Award based primarily on suitability, capacity and timelines.
- Request for Quote inviting usually two to three shortlisted consultants.
- Request for Proposal inviting three or more consultants.

The selection process will depend on the scope, complexity, and estimated value of the assignment. Top ranked respondents may be short-listed to participate in a potential direct award and / or invitational second stage competitive process for the procurement of the deliverables.

6. Bid Evaluation Process

The evaluation team will consist of department employees with the experience to evaluate bidders' submissions. Procurement Services will be the main point of contact between the City and the bidders and will manage the process including; safeguarding confidential bids, confirming bid compliance, ensuring evaluation was performed with due diligence and in a timely manner, identifying potential gaps that need to be rectified, confirming accuracy of score, conducting consensus scoring sessions and providing bidder debrief upon bidder request.

7. Award and Contracting Process

7.1 Annual Contract Terms & Extensions

Contract terms will vary in length dependent of the service requirements and capital outlay required of the Contractor. The Manager, Procurement Services, in consultation with the Department Manager or Delegated Authority shall determine the appropriate contract term and maximum number of extension options. The contract period will vary in length depending on factors, including the service requirements, seasonality, complexity, market conditions and cost of switching suppliers.

If the contract carries provisions for an extension the City may extend the contract or supplier agreement. The decision may be based on supplier's performance, acceptability of new pricing, the need to revise terms and conditions, or any other factors that the City may consider relevant.

City Contract terms shall not exceed the term identified in the bid process and shall not exceed ten (10) years in total without advisement to Council. Advisement will occur before proceeding with the competitive bidding process and come jointly from the applicable Division Director and the Manager, Procurement Services.

7.2 On-Going Professional Services

Where professional services are to be retained on a long-term ongoing basis, a review will be undertaken every seven (7) to ten (10) years. These services will be considered and evaluated if appropriate to be bid in an open procurement bid process. Other specialized professionals may be engaged for specialized services approved by **Appendix A1**. Some of the services include, but are not limited to:

- Auditing Services
- Banking Services
- Employee Benefit Plan
- Insurance Services

8. Asset Investment Recovery

All excess, surplus, obsolete or other salvageable goods or equipment shall only be disposed of through Procurement Services. Working with the various Departments, surplus will be disposed of by one of the following methods:

- Re-use by other City Departments
- Trade-ins: where the surplus equipment is included in a competitive process for the procurement of new equipment, as part of a trade-in arrangement
- Public auction; e.g.: BC Auction, City website, other websites or auctioneers
- Sale to other municipalities, governments or agencies
- Scrap metal dealer
- Donate to non-profit organizations
- Landfill disposal for items deemed of no value / waste

9. Record Keeping

The City shall maintain records of its procurement processes, in order to support:

- Audits of procurement practices;
- Any required release of information under FOIPPA; and
- Debriefs to participants of bidding process as required under CFTA and CETA.

10. Roles & Responsibilities

The Manager, Procurement Services or their Delegated Authority is responsible for the administration and interpretation of this City Policy.

10.1 Chief Administrative Officer

- Delegate authority to develop and implement applicable procedures through the Director, Financial Services;
- Observe the overall delegated authority limits with respect to procurement;
- Review and authorize Direct Award requests; and
- Execute formal contracts.

10.2 Director of Financial Services

- Approve the City's procurement procedures;
- Support procurement and contracting activities throughout the organization to ensure they follow this policy and applicable procedures; and
- Ensure the procurement procedures are reviewed by Manager, Procurement Services as required;
- Review and authorize Direct Award requests; and
- Execute formal contracts.

10.3 Division Directors

- Ensure all divisional purchase activities are carried out in accordance with the City's policy and procedures;
- Monitor budget availability within the division; and
- Review and / or authorize Direct Award requests.

10.4 Department Managers

- Ensure departmental procurement and contract activities are carried out under this policy and applicable procedures;
- Ensure budget funds are available within the department for procurement requests;
- Set the limit for the procurement of goods or services that Designated Employees may purchase without further approval within the threshold limits;
- Request Council's approval for all expenditures not included in a budget unless an emergency situation exists;
- Ensure employees within their department who are involved in purchase activities are adequately trained to carry out the processes in accordance with this policy and procedures;
- Consider potential risks associated with procurement activities and consult with Procurement Services; and
- Ensure that Contractor performance meets contract deliverables.

10.5 All Employees

- Adhere to and act in accordance with this policy and relevant procedures;
- Ensure funding is available and approved in the budget;
- Secure appropriate approval prior to committing to any expenditure; and
- Consult and work with Procurement Services with providing specifications, terms of reference or deliverables to develop bid documents or purchase ~~documents orders~~.

10.6 Procurement Services Department

Purchased goods and services account for a significant portion of the total operating cost for the City. This provides a continuous opportunity for cost reduction and control. Procurement Services provides support to ensure an uninterrupted supply of goods and services of acceptable quality and best value. This support includes the following:

- Adhere to and act in accordance with this policy and relevant procedures;
- Establish applicable procedures and guidelines;
- Advise and provide training to employees involved in purchase activities on purchasing systems, this policy and applicable procedures;
- Provide leadership and assistance to departments in procurement processes;
- Conduct and / or assist with formal bidding processes;
- Communicate with suppliers throughout the procurement process;
- Submit contracts or scenarios, at its discretion, to the City's external legal counsel if circumstances warrant;
- Conduct procurement and contracting process reviews to ensure practices are compliant with policy and report findings to Director, Financial Services;
- Notify the appropriate Department Director, Director of Financial Services or the CAO of all situations that may be unethical, illegal, or place the City in a position of unacceptable risk;
- Manage surplus and scrap: reuse or disposal for best value;
- Assist with dispute resolution, annual contract management and supplier / contractor performance management;
- Operate Central Stores inventory to support City operations;
- Responsible for documentation retention, including safeguarding, confidential information to ensure procurement files contain appropriate documentation to meet audit and legal requirements; and
- Execute formal contracts.

11. References

- BC Government – Shared Services
- Canadian Free Trade Agreement (CFTA)
- City of Abbotsford Council Policy C002-03
- City of Barrie Bylaw 2019-015
- City of Penticton 2019
- City of Saskatoon Council Policy C02-045
- City Vernon Corporate Purchasing Card Policy (1690-02)
- Community Charter
- Comprehensive Economic Trade Agreement (CETA).
- District of Summerland Policy 200.6
- Local Government Act
- Municipal Insurance Agency of BC
- New West Partnership Trade Agreement (NWPTA)

Appendix A1 – Standard Procurement

Standard Procurements conform to the criteria in **Appendix B – Open Competition Thresholds**. The delegated authorities are authorized to:

- a. Approve the initiation of a Procurement if the estimated Procurement Value does not exceed the specified approval limit.
- b. Approve the award of a Contract if the Procurement Value does not exceed the specified approval limit; and
- c. Approve **change requests amendment** to existing Contracts if the increase in the value of the Contract does not exceed the specified approval limit **except if the amendment and does not exceed 15% of the original contact value and the cumulative value is under \$75,000.**
 - i. If the **results in a** cumulative increase in the value of the Contract exceeds **ing** 15% of the original Contract value **and is greater than \$75,000, in which case** the **change request amendment** must be approved by the Division Director and the Manager, Procurement Services.

Procurement and Invoice Approvals	
Delegated Authority	Approval Limit
All Employees	\$ 5,000
Delegate-1 Cost Center Agent	\$ 15,000
Delegate-2 Project Manager	\$ 25,000
Delegate-3 AP Approver	\$ 50,000
Manager – Report to Manager/ General Manager	\$ 50,000
Manager – Report to Director	\$ 75,000
Procurement Manager and General Managers Deputy Chief Financial Officer (CFO)	\$ 150,000
Division Director – Report to CAO	\$ 250,000
Chief Financial Officer (CFO)	Unlimited
Chief Administrative Officer (CAO)	Unlimited

Delegated Employees may be granted Procurement and Invoice Approvals differing from the above in certain circumstances when authorized by the ~~Director, Financial Services~~ **Chief Financial Officer (CFO)** or Chief Administrative Officer (CAO).

Appendix A2 – Non-Standard Procurement

Non-standard Procurements include:

- a. A “Non-Competitive Procurement”, where the deliverables are acquired directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required including consideration of unsolicited proposals; or
- b. A “Limited Competition”, where Bids are solicited from a limited number of Suppliers when an Open Competition would normally be required.
- c. Circumstances consistent with definitions provided in [Appendix C - Exemptions](#)

Non - Standard Procurement dollar thresholds and all potential scenarios are further governed by procurement regulations from the below act, charter and three (3) applicable trade agreements:

1. Canadian Free Trade Agreement (CFTA).
2. Comprehensive Economic and Trade Agreement (CETA).
3. The New West Partnership Trade Agreement (NWPTA).
4. The Community Charter.
5. The Local Government Act.

Direct Award Approvals	
Delegated Authority	Approval Limit
Manager – Report to Manager	\$ 50,000
Manager – Report to Director	\$ 75,000
General Manager	\$ 75,000
Division Director – Report to CAO	\$ 75,000
Chief Financial Officer (CFO)	Unlimited
Chief Administrative Officer (CAO)	Unlimited

Appendix A3 – Contract Execution

Contract, supply and service agreements binding the City may be signed by the below authorized signing officers.

Contract Execution Approvals	
Delegated Authority	Approval Limit
Manager, Procurement Services	\$ 75,000
Chief Financial Officer (CFO)	\$ 250,000
Chief Administrative Officer (CAO)	Unlimited

Appendix B – Open Competition Thresholds

Quote - informal process used in soliciting price and delivery quotations that meet minimum quality specifications for a stated quantity of specific goods and / or services.

Invited Competitive - formal process led by Procurement used in soliciting price and delivery quotations from a limited list or amount of Pre-Qualified or selected Suppliers.

Open Competitive Process - Bid solicitation that is open to any and all interested bidders and is posted at a minimum to BC Bid and the City of Vernon website.

Quotations for Construction - formal process used in soliciting price and delivery quotations from a limited list or amount of Pre-Qualified or selected Suppliers.

	Value	Process	Commitment Method
Department Led	Goods & Services		
	Less than \$ 5,000	<ul style="list-style-type: none"> Quote or Proposal Minimum one required 	<ul style="list-style-type: none"> Direct Payment Purchase Card Purchase Document Order (Optional)
	\$5,000 to \$ 25,000	<ul style="list-style-type: none"> Quotes or Proposals Two to three recommended 	<ul style="list-style-type: none"> Purchase Document Order Contract (Optional)
Procurement Led	\$25,000 to \$75,000	<ul style="list-style-type: none"> Invited Competitive 	<ul style="list-style-type: none"> Purchase Document Order Contract (Recommended)
	Greater than \$75,000	<ul style="list-style-type: none"> Open Competitive 	<ul style="list-style-type: none"> Purchase Document Order Contract (Mandatory)
	Construction Projects		
	Less than \$200,000	<ul style="list-style-type: none"> Quotation for Construction Direct Invitations 	<ul style="list-style-type: none"> Purchase Document Order Contract (Recommended)
	Greater than \$200,000	<ul style="list-style-type: none"> Open Competitive Process 	<ul style="list-style-type: none"> Purchase Document Order Contract (Mandatory)

Appendix C – Exemptions from Competitive Process

The following Procurements may be exempted from the competitive process from a City Procurement Services Policy perspective **and require a purchase document**:

- Approved Direct Award Authorization / Sole Source Requests
- For a work of art or when a contract is awarded to a winner of a design contest
- For additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services:
 - (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and
 - (ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity.
- Goods and services purchased for representational or promotional purposes
- Goods intended for resale to the public
- Goods purchased on a commodity market
- Health and Social Services Purchases from a public body or not-for-profit organization Purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from auction, liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers Sponsorships related to cooperative advertising or promotions by public bodies
- Supplier has a specialized skill or knowledge, **or ownership** which others do not have (**i.e. regulated service providers**) When a Notice of Intent to Direct Award is posted electronically and is not challenged on reasonable grounds. Whichever exemption, exception, or non-application clause listed in applicable trade agreements such as NWPTA, CETA and CFTA that applies.

The following Procurements are exempted from both the competitive process and purchase document requirement:

- Any form of assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives.
- Land acquisitions, appraisals or real estate transactions and fees
- Professional services provided by lawyers and notaries
- Refunds (such as property tax refunds, building permit refunds and refunds for cancelled services, programs or events)
- Regulated tariffed services (i.e. natural gas, utilities, electricity, non-wireless telecommunications services) When the acquisition is of a confidential or privileged nature and disclosure through an open Competitive Procurement process could reasonably be expected to compromise government confidentiality, cause economic disruption or be contrary to the public interest
- Time is of the essence and the supplier has knowledge or skills which are needed quickly such as an emergency situation.

Appendix D – Definitions

AP APPROVER – A designated Finance employee who has special authority to approve invoices that are exempt from the Competitive process and Purchase Document process - specifically regulated tariffed services.

Bid - An offer or submission received from a supplier in response to an Invitation to Tender, Invitation to Quote, Request for Proposal or any other type of solicitation (for the purpose of these procedures only).

Bid Bond - A form of security issued by a surety company whereby the surety agrees to pay the City the amount of money stated in the Bid Bond if the successful supplier fails to accept a contract.

Canadian Free Trade Agreement (CFTA) - An intergovernmental trade agreement signed by Canadian Ministers that entered into force on July 1st, 2017 replacing the Agreement on Internal Trade (AIT). Its objective is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open efficient, and stable domestic market.

Competitive Procurement - A formal competitive bidding process that utilizes a solicitation document to request written submissions from interested suppliers.

Comprehensive Economic and Trade Agreement (CETA) - A free-trade agreement between Canada and the European Union and its member states. It has been provisionally applied, thus removing 98% of the pre-existing tariffs between the two parts.

Contract - A formal legal agreement between two or more parties, usually written with binding legal and moral implications; usually exchanging goods or services for money or other consideration.

Contract Amendment - A formal change made by addition, deletion, or correction to a contract.

Contract Extension - An extension of the initial term of a contract allowed by provisions for extension included in the original contract.

Cost Center Agent – A person authorized by the City exempt staff member (Cost Center Manager) who is their “direct report” who can act on their behalf for the purposes of financial transactions, procurement approvals and contract execution as specified in Appendix A1.

Delegated Authority - Delegation of Authority outlines the specific responsibilities and levels of approval required for financial transactions, procurement approvals and contract execution. This can include setting threshold limits and specifying which individuals within the organization have the authority to approve certain transactions.

~~**Designated Employee** – A person authorized by the City exempt staff member who is their “direct report” who can act on their behalf for the purposes of financial transactions, procurement approvals and contract execution.~~

Direct Award - To award a contract or procurement to a supplier for the purchase of goods or services in the absence of a competitive bid process.

Direct Pay - Process where Accounts Payable will pay an invoice (without a PO) providing the invoice has been appropriately approved, assigned a GL code, to a maximum value of \$5,000.

Direct Purchase - Purchases that have been committed by the Designated Employee without Procurement Services Department involvement.

Direct Report - an employee whose position at work is directly below that of another person, and who reports to a manager or person in a leadership role within the organization.

Diverse Suppliers - Are majority-owned, managed, and controlled by individuals from equity-seeking groups that have historically faced barriers to employment and/or economic opportunity.

Emergency situation - Purchases that have been committed due to an emergency are defined as; There could be, or there is, a risk of safety or health of the City's citizens or property, or to the general public or when the operation, or a portion of the City is in jeopardy, or there is an unforeseeable situation of urgency and the goods or services cannot be obtained in time by means of open procurement process.

Evaluation Criteria - Criteria set out in the bid documents which are used to evaluate a bid.

Exclusive Invitation - Exclusive bid solicitation that is issued to bidders by invitation only.

Execution of Contract - The contract is executed when signed by the appropriate officers on behalf of both the supplier and the City. *Contract may require witness and or corporate seal.*

Exempt Staff - An employee whose duties are not governed by a collective agreement and are responsible for the management and administration of the corporation.

Expression of interest - A request by the City to determine the interest of potential suppliers to provide goods and services.

Formal Competitive Bid Process or Formal Quote - The acquisition of goods or services governed by competitive bidding law (tendering law) utilizing tools such as Invitation to Tender, Request for Proposal, Request for Quotation, Expressions of Interest. Controlled formal request for quote process issued by Procurement Services for procurement purposes. Typical for higher dollar procurements with complex specifications and/or service.

Goods - In relation to procurement, is moveable property (including the cost of installing, operating, maintaining or manufacturing such moveable property) and includes supplies, materials, raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form.

Informal Competitive Bid Process or Informal Quote - An acquisition where a quote(s) is solicited by either the Designated Employee or Procurement Services. Typical for low dollar procurements with straightforward specifications.

International Association for Public Participation (IAP2) - The International Association for Public Participation is the preeminent international organization advancing the practice of public participation. IAP2's mission is to advance and extend the practice of public participation.

Invitation to Tender - A formal bid document developed by Procurement Services inviting suppliers to respond and submit a tender.

Notice of Intent - Advance notification of award posted publicly.

New West Partnership Trade Agreement (NWPTA) - Is an accord between the Governments of British Columbia, Alberta and Saskatchewan that creates Canada's largest, barrier-free, interprovincial-market. Generally, procuring entities must ensure that covered procurements meet the following four principles for procurements valued at \$75,000 or more:

- Openness
- Non-Discrimination
- Non-Circumvention
- Transparency

Open Procurement Process - Competitive bid solicitation that is open to any and all interested bidders and is posted at a minimum to BC Bid and the City of Vernon website.

Privacy Impact Assessment (PIA) - A Privacy Impact Assessment is a process used to evaluate and manage privacy impacts and to ensure compliance with privacy protection rules and responsibilities.

Procurement - Is the acquisition by any means, including purchase, rental, lease or conditional sale of goods or services.

Procurement Process Form - An internal department form used to guide the individual steps of the procurement process, including collection of required documentation, as well as to record information to support the award decision.

Project Manager - A person authorized by the City exempt staff member (Cost Center Manager) who is their "direct report" who manages projects including financial transactions, procurement approvals and contract execution as specified in Appendix A1.

Purchase Card - A credit card authorized by the City and used by authorized employees of the City to purchase low dollar value items.

Procurement Value - The estimated total financial cost, including all premiums, taxes and freight where applicable, fees and commissions, resulting from procurement and taking into account optional renewals upon the expiry of the initial term.

Professional Services - For the purpose of this policy, these are services by third parties providing specialized knowledge and skills.

Proposal - A response to a Request for Proposal.

Proponent - A supplier responding to a Request for Proposal.

Purchase Document Order - A legal document which is the City's commitment to the supplier for the purchase of goods or services at an agreed upon price, terms, conditions and delivery date. This definition shall also include change orders and requisitions.

Qualified Bidder - A supplier whose reputation, past performance, business and financial capabilities are such that the supplier would be judged as capable of satisfying the City's needs for a specific contract.

Quote - A supplier's submission in response to a Request for Quotation.

Request for Proposal - A procurement request issued by the City asking interested suppliers to submit a proposal.

Request for Quotation - A procurement request issued by the City asking interested suppliers to submit a quote.

Requisition - A request for goods or services issued and approved by the department and actioned by Procurement Services to initiate the competitive bidding process and/or acquisition.

Selective Competitive Process - the process to be followed after potential suppliers have been short-listed following a response to an EOI, RFQ, RFI or RFP.

Services - All services excluding professional services.

Single Source - Non-competitive process used to acquire goods or services from a specific supplier, even though there may be more than one supplier capable of delivering the same goods or services.

Social Priorities - Foster social value and enhance community health and well-being by advancing reconciliation, inclusion, equity and diversity.

Sustainable Procurement - Seeks to maximize opportunities to advance positive environmental, social, and ethical impacts and reduce negative impacts while ensuring fiscal responsibility, meeting cost and quality requirements and respecting trade agreements. Will consider both the sustainability impacts of a good or service as well as a supplier's own corporate sustainability practices

Sole Source - Non-competitive process used to acquire goods or services from a specific supplier because there are no other suppliers available or capable of providing the required goods or services.

Supplier - Includes, but not limited to, an individual, firm, partnership, proprietorship, vendor, contractor, architect, consultant or bidder offering goods or services for sale.

Tender - An offer, in writing, to provide specified goods or services at a certain price, in response to an Invitation to Tender.