

THE CORPORATION OF THE
CITY OF WHITE ROCK
15322 BUENA VISTA AVENUE, WHITE ROCK, B.C. V4B 1Y6



POLICY TITLE: PROCUREMENT POLICY

POLICY NUMBER: FINANCE - 301

<i>Date of Council Adoption: September 28, 2015</i>	<i>Date of Last Amendment: November 4, 2013</i>
<i>Council Resolution Number: 2015-336; 2013-346</i>	<i>Historical Changes (Amends, Repeals or Replaces): amends contract award and contract changes section</i>
<i>Originating Department: Finance</i>	<i>Date last reviewed by Finance and Audit Committee: September 14, 2015</i>

Policy:

It is Council's expectation that the City obtain the best value for its expenditures while ensuring that all acquisition and procurement processes are compliant with legislation and legal requirements, as required, and are characterized by the highest level of corporate and personal integrity.

Council expects the procurement process to be open, transparent and fair, and that all qualified vendors be given an opportunity to compete for the City's business.

Guiding Principles:

1. The purchasing function is decentralized and administered by individual departments.
2. It is the responsibility of Department Directors to ensure their department's purchasing practices serve the best interests of the City and are in compliance with City policy and related provincial/federal legislation, eg. TILMA.
3. An approved source of funding (i.e. budget) must be available prior to any procurement activity for goods and services, including construction.
4. In determining a successful bidder, the City will consider factors such as: cost, experience of bidder, references, capacity and any other valuation criteria stated in the contract or otherwise determined necessary.

5. The award of a contract resulting from a Request for Proposals will be made to the bidder whose proposal is found to be the most advantageous to the City based upon the evaluation criteria in the Request for Proposal.
6. The City of White Rock may enter into cooperative procurement agreements with other public sector entities for the purpose of combining requirements to increase efficiency or reduce administrative expenses in the procurement process.

Responsibilities

1. The Chief Administrative Officer (CAO) is responsible to prepare and distribute procedures providing clear instruction to staff for implementation of this policy.
2. Department Directors are responsible for ensuring budget funds are available in duly authorized accounts before making commitments for goods and services, including construction.
3. Department Directors are responsible for delegating acquisition authority to the appropriate levels.
4. Department Directors and managers are responsible to ensure they and their staff understand and comply with the Procurement Policy and associated procedures.

Contract Award

Provided funds exist in the appropriate accounts within Council's approved budget, the authority to award quotations, tenders, proposals and contracts for the provision of goods and services, including construction, is as follows:

1. For contracts up to \$30,000 – Department Director, or designate
2. For contracts up to \$100,000 – Director, Engineering & Municipal Operations, and the Director, Financial Services, or designate for either position
3. For contracts up to \$250,000 – the Chief Administrative Officer, or designate
4. For contracts over \$250,000 – Council, unless prior authorization to do otherwise has been granted by Council
5. Notwithstanding (4) above, annually during the month of August when Council is in recess, contracts greater than \$250,000 may be awarded by a committee of Council.

Sole/Single Source Procurement

1. **Sole Source** – refers to a procurement of goods and services, including construction from one supplier due to the lack of competitors in the market, or where only one supplier can provide that particular good or service. It is important to remember that a sole source can only be supported where alternatives cannot be considered, or where alternatives could present higher total costs to the City. Sole source purchases must be approved in writing by the CAO.
2. **Single Source** – refers to a procurement of goods and services, including construction, from one supplier despite there being competitors in the market. Single source procurement is discouraged unless a valid business case can be made, such that entering into a competitive bid process would be detrimental to City operations or where the value of the goods is low and the administrative costs would exceed any benefit derived from competitive bids. Single source purchases must be based on a written business case and approved in writing by the CAO. Council must be advised of single source purchases over \$30,000 for information.

Contract Changes

A purchasing contract may include provisions for modification of the contract during performance, but no contract may be increased more than 15% of the original contract value without advance approval from the appropriate level of approval authority. (subject to the note below regarding construction contracts). Further, an approved funding source is required for all contract changes. The total cost of the contract, including contract changes, is used in determining the approval level required.

For construction projects, the appropriate level of approval authority may authorize changes, including changes to the scope of the project, to a contract up to a 15% cumulative amount over the original contract value if budget funds are available for the project.

Ethical Practice

Employees will familiarize themselves, and comply with the City Council Policy (Human Resources) No. 404, “Employee Code of Conduct”. This policy covers appropriate employee conduct including, but not limited to, conflict of interest and acceptance of gifts.

Division of one contract into two or more contracts to avoid the requirements of this policy is strictly prohibited.

Rationale:

Acquisition of a variety of goods and services, including construction, is an important part of the work carried out by the City. Written standards, authorizations and dollar value limits must be in place to ensure consistency in administering the procurement processes.

Council requires that the procurement processes be legal, transparent and undertaken with the highest level of personal and corporate integrity.