



## POLICY F-32 CSRD PROCUREMENT OF GOODS AND SERVICES

### Purpose

The purpose of this Policy is to minimize financial risk, define and identify appropriate oversight of Procurement, control expenditures, and maintain fiscal responsibility while providing transparency, flexibility, efficiency, and consistency in all departments of the Columbia Shuswap Regional District (CSRD) when spending public funds.

### Policy Statement

This Policy will ensure that all Goods and Services are acquired in a competitive, fair, and open manner that:

- a. is efficient, accountable and maximizes Best Value principles;
- b. meets the strategic goals and objectives of the CSRD in its commitment to economic, environmental, and social responsibility by supporting the acquisition of sustainable products and services; and
- c. meets the requirements of the *Community Charter*, the *Local Government Act*, the Applicable Trade Agreements, and public sector Procurement standards and competitive bidding law.

### Scope

This Policy applies to all CSRD service functions and to all Acquisitions and Purchases of Goods and Services made by CSRD officers, employees and volunteers.

### Interpretation

Schedule "A" contains definitions of terms used in this Policy and where not defined are interpreted consistently with the *Community Charter*, and the *Local Government Act*.

A reference to any statute, regulation or Bylaw refers to that enactment as it may be amended or replaced from time to time.

Words in the singular include the plural and gender specific terms include both genders and include corporations.

The headings in this Policy are for convenience only and must not be construed as defining or in any way limiting the scope or intent of this Policy.

If any part of this Policy is held to be invalid by a court of competent jurisdiction, the invalid part is severed, and the remainder continues to be valid.

### Responsible Procurement

The CSRD's primary goal in the Procurement process is to attain Best Value using processes that are competitive, open, transparent and non-discriminatory. Where possible, the CSRD will give preference to the purchase of Goods and services and Construction that minimize adverse environmental impacts and greenhouse gas emissions and that promote recycling, re-use and reduction of waste.

### Authority for Procurement Transactions

Procurement transactions must be within the Budget authority of the approved annual five-year financial plan. Before any purchase is made, approval will only occur within the following authorization levels (all figures exclude GST):

Position	Authority Level
CSRD Board	Greater than \$500,000
Chief Administrative Officer and Chief Financial Officer	Up to \$500,000
General Manager	Up to \$250,000
Department Manager	Up to \$100,000
Coordinators and Team Leaders	Up to \$25,000
Staff	Up to \$1,000
Volunteer	Subject to the approval of the Chief Financial Officer

### Approval by CSRD Board

Board approval is required for all purchases where:

- a. A Direct Award recommendation for the award of a Goods and Services and Construction is in excess of \$50,000 (plus GST);
- b. Where the only criteria for award was lowest price and a Bid other than the lowest Bid, in excess of \$50,000 (excluding GST), is being recommended for award; or.
- c. Any Purchase being recommended for award in excess of \$500,000 (excluding GST).

### Procurement Methodology

The method of CSRD Procurement is based on the dollar value and the nature of the specific Procurement transaction, ensuring that the cost and time associated with using a competitive process is proportionate to the benefit received.

Minimum Procurement methods will be selected in accordance with the following table:

Estimated Transaction Cost	Minimum Methodology
<b>GOODS AND SERVICES</b>	
Less than \$10,000	Direct Award
Less than \$25,000	3 Verbal Quotes
Less than \$75,000	3 Written Quotes
Greater than \$75,000	Formal Competitive Process (RFP, ITQ)
<b>CONSTRUCTION</b>	
Less than \$200,000	3 Written Quotes
Greater than \$200,000	Formal Competitive Process (RFP, ITT)
<b>PROFESSIONAL CONSULTING SERVICES</b>	
Less than \$50,000	Direct Award
\$50,000 to \$75,000	3 Written Quotes
Greater than \$75,000	Formal Competitive Process (RFP)

\*RFP – Request for Proposals

\*ITT – Invitation to Tender

\*ITQ – Invitation to Quote

Note: Multi-year agreements, including options to renew, are dollar value accumulative for the total term of the agreement and shall be subject to the thresholds listed above.

## Form of Agreements (Purchase Order (“PO”) and/or Formal Agreement)

All CSRD purchases over \$1,000 (subject to exemptions identified in this policy) are required to be procured using a Purchase Order or a Formal Agreement. At a minimum, PO’s and Formal Agreements will contain: the parties involved in the agreement, the offer and acceptance terms of each party, price(s), insurance requirements, and time/delivery provisions.

Purchase Orders will be signed by the respective CSRD Authorized Position within the respective Authority Level contained within this Policy.

All Formal Agreements are to be signed by the Authorized Position. Formal Agreements that exceed a value of \$100,000 (excl. GST) require the additional signature of the Corporate Officer or their Designate. Formal Agreements authorized by the CSRD Board are signed by the Chief Administrative Officer or their Designate.

Employees shall not authorize vendors to start work or ship goods until the appropriate PO or Formal Agreement has been finalized, except under emergency circumstances as detailed below.

## Exclusions

In exceptional circumstances as listed here, Purchases for Goods and Services may be negotiated and directly awarded without meeting the Minimal Methodology as listed in this Policy and in accordance with the Applicable Trade Agreements:

- a) CSRD can strictly prove that only one Supplier is qualified, or is available to provide the Goods, Services or Construction;
  - I. subject matter expertise related to a unique requirement in an CSRD business area;
  - II. absence of competition for technical reasons;
  - III. Supplier has a statutory monopoly;
  - IV. equipment or a part must be acquired from an original equipment manufacturer to ensure a warranty remains valid;
  - V. to ensure compatibility with existing goods;
  - VI. work performed on leased building or property must be performed by lessor;
  - VII. there is a proprietary right, copyright, or patent that restricts the source of supply;
  - VIII. confidentiality restricts the sourcing of a competitive offer;
  - IX. purchase of proprietary software from a software developer or exclusive license holder, when it can be demonstrated that the specified software is the only product capable of meeting the stated requirement, and competing commercial software is not available.
- b) the Contract is with another government organization;
- c) an unforeseeable Emergency exists and the Goods and Services and/or Construction could not be obtained in time by means of a competitive process;
- d) a competitive process would interfere with CSRD’s ability to maintain security or order or to protect human, animal or plant life or health;

- e) the acquisition is of a confidential or privileged nature and disclosure through an open Bidding process could reasonably be expected to compromise CSRD confidentiality, cause economic disruption or be contrary to the public interest;
- f) the Contract is with a licensed lawyer or notary public;
- g) acquisition or rental of land, existing buildings, or other immovable property or the rights thereon.

### Exemptions

Some expenditures do not lend themselves to the Minimum Methodology of the Procurement thresholds and are also exempt from the requirement for a PO or a Formal Agreement; (either these expenses are already authorized through a service agreement (ex. Monthly utilities and phone bills, legal fees), or an agreement would be unnecessary (ex. Hotel accommodations, course). Exemption items can be a Direct Award Purchase using Best Value Principles but must still follow the Appropriate Authority Levels.

Exemption Item	Examples
Petty Cash Items	Small office supplies      Cleaning and Toiletry Supplies Lunch items for meetings      Other low valued items
Training and Education	Conferences, conventions or tradeshow seminars, workshops or courses, memberships, subscriptions, and professional fees
Refundable Employee and Other Expenses	Travel expenses, hotel accommodations, approved entertainment, Course Reimbursements, Miscellaneous Non-Travel Expenses
Special Services	Honoraria, insurance, banking, legal services, accounting services, and permits.
Subscription Fees	Ongoing subscription fees for software licenses, security monitoring, etc.
Miscellaneous	Printing and copying services, custom invoices, stationery supplies, catering, groceries, postage, print, media advertising, utilities, couriers or shipping.

### Prohibitions

The following activities are prohibited:

- (i) Purchase by the CSRD of any Goods or Services for personal use by or on behalf of any member of the Board, appointed Officers or Employees or their immediate families:
- (ii) The division of a single Purchase into multiple increments to circumvent policies or levels of authority; or
- (iii) Committing the CSRD or entering into a Procurement transaction without the appropriate authority to do so.

### General

**Co-operative Purchasing:** The CSRD may participate in cooperative Purchasing initiatives with other government or broader public sector entities where it is in the best interest of the CSRD to do so. The co-operative Purchasing process may be conducted in accordance with the Procurement policies and procedures of the entity that is responsible for coordinating and leading the process, provided that those policies and procedures are consistent with the CSRD’s Best Value selection criteria, and Applicable Trade Agreements.

**Evaluation and Award of ITT and ITQ:** In general, the CSRD will award an ITT or ITQ to the lowest,

qualified, compliant Bid that meets all of the CSRD's specifications. Preference may be given to local suppliers in the event of an equal Bid. Notification of award (successful supplier and lump sum contact value) must be made available to the public.

Evaluation and Award of RFP: Proposals will be evaluated in accordance with the criteria set out in the RFP and the relative weighting of criteria. The evaluation criteria and weighting will be developed to meet the requirements of the service required. The assigned criteria and weighting will be custom developed for each RFP. If negotiations are to be entered into, the right to do so and the substantive matters that may be subject to negotiation must be explicitly indicated in the RFP. Following a competitive process, unsuccessful suppliers are entitled to a debriefing upon request to obtain feedback on the strengths and weaknesses of their proposal. Notification of award (successful proponent) must be made available to the public.

Direct Award: At any time the Procurement Methodology is not followed it is considered a Direct Award. All Direct Awards need to be justified in writing and submitted for approval to the appropriate Authority based on the Authority for Procurement Transactions in this Policy and the CFO or designate. All Direct Awards that fall above the Trade Agreement Thresholds require a Notice of Intent to be posted on BC Bid.

Purchasing Cards: The Chief Administrative Officer, General Managers, Department Managers and Team Leaders are entitled to have a CSRD Purchasing card. Other staff may be offered Purchasing cards on the approval of the Manager of Finance or the Chief Administrative Officer. Only bona fide CSRD expenditures may be incurred on a CSRD Purchasing card in accordance with CSRD's Purchasing Card Agreement.

Unsolicited Proposals: Unsolicited proposals received by CSRD will be reviewed by Authorized Employees in the applicable department. Any Procurement activity resulting from the receipt of an unsolicited proposal must comply with the provisions of this Policy.

Hourly Rate Equipment and Services: The CSRD will maintain and update a list of Contractors interested in providing services of equipment on an hourly forced work rate. Hourly rate services can be procured directly from the list of eligible Contractors and will be subject to Best Value selection criteria. If there is more than one Contractor that offers equal value to the CSRD, a random selection process will be employed to select the Contractor to conduct the required work.

Procurement of services on an hourly basis will be limited to situations where, due to the size of a project, it is not economical or feasible to enter into a tendering process or where the scope of the work is not easily identifiable, or where ongoing direction is required by the CSRD throughout the project.

Increase to an Existing Contract: Increases to the value of an existing Contract or Purchase Order must only be approved by the Authorized Position that approved the original award and only if the total amount of the Contract or Purchase order, including the increase, is within that Authorized Position's authority limit and within the approved Budget.

WorkSafe BC Coverage: Contractors who supply services to the CSRD are to provide evidence of WorkSafe BC coverage. For Contractors who are unable to obtain WorkSafe BC coverage, the cost of the premiums that the CSRD would be required to remit to WorkSafe BC for the labour provided will be added to the cost quoted by the Contractor when selecting a supplier.

Insurance: All Contracts for services to be provided on CSRD property require the supplier to provide and maintain insurance coverage acceptable to the CSRD, including but not limited to commercial general liability, auto, property/all risk and/or professional liability. The risk associated with each Contract varies and accordingly the CSRD may require additional factors as outlined in the *Contractors Liability Insurance Matrix Policy A-31*.

Bonds: Performance and Labour Material bonds may be required for Construction type projects based on value, risk and/or where project assurances are required.

Ethics and Conflict of Interest: A conflict of interest occurs when in the execution of official duties of Procurement, employees are in a position to be influenced or appear to be influenced by a private or personal interest they may have that could lead them to try to gain a personal advantage or to avoid a personal disadvantage.

- a. Potential **conflict of interest** exists when an employee's personal or private interests put them in a position where they could be influenced.
- b. **Actual conflict of interest** exists when, given an employee's personal or private interests, they are in a position to be influenced.
- c. **Perceived conflict of interest** exists when an employee's personal or private interest exposes them to being in a position where they could appear to be influenced in the execution of their duties.

In all of these forms of conflict of interest, the overriding factor is that the personal or private interest of an employee threatens to compromise the employee's ethical public duty as Procurement practitioners.

Private or personal interests that could lead to actual, potential or perceived conflict of interest, may include professional and/or social activities and interest with individuals or groups, in addition to family and friends. Personal or private interests could be monetary or non-monetary.

A CSR D employee cannot participate in a Procurement decision that involves the award of a Contract for a monetary or non-monetary interest to themselves, a direct relative, a person married to a direct relative, a person sharing the same household as the employee, or a personal friend or colleague. A direct relative is defined as a spouse, common law partner, parent, grandparent, grandchild, brother, sister, son, daughter, or in-law.

It is the responsibility of all CSR D employees to identify any actual, potential, or perceived instances of conflict of interest. It is particularly important that employees with a conflict of interest are precluded from involvement in the evaluation, selection, and Contract award processes.

Whenever an employee is in a situation of potential, perceived or actual conflict of interest, they must take the necessary action to disclose it by formally declaring themselves disqualified from participation in a particular Procurement process due to possible bias given their personal and/or financial interest.

Any exemptions require the approval of the respective Department Manager, the Manager of Finance **and** the Chief Administrative Officer.

### Waiving of Requirements

Subject to applicable enactments and the CSR D's Bylaws, the Board may waive this Policy or authorize an exemption on a case by case or class basis.

December 10, 2010  
December 9, 2021  
June 16, 2022  
March 21, 2024

## **SCHEDULE “A”**

### **DEFINITIONS**

“Acquisition” means to obtain by any method, accept, receive, purchase, be vested with, lease, take possession, control or occupation of, and agree to do any of those things, but excludes expropriation.

“Applicable Trade Agreements” includes the New West Partnership Trade Agreement (NWPTA), Canadian Free Trade Agreement (CFTA), Canadian European Union; Comprehensive Economic Trade Agreement (CETA), and any other trade agreement applicable to CSRD that exists on or after the adoption of this Policy.

“Authority Level” means the dollar value (excl. GST) that an Authorized Position is responsible and authorized to purchase Goods and Services and sign PO’s and Formal Agreements on behalf of CSRD.

“Authorized Position” means the person responsible and authorized to Purchase Goods and Services and sign PO’s and Formal Agreements on behalf of CSRD within their Authority Level.

“BC Bid” is a provincial Procurement platform required to post Formal Procurement Competitions as per the New West Partnership Agreement.

“*Best Value*” means the CSRD will purchase in the open market and will seek the greatest possible value and services for its Procurement dollars. The placement of orders and awards of Contracts will be based on the best value to the CSRD. This is defined as, but not limited to, the following as may be applicable to the purchase:

- Adherence to Government Legal Requirements (Trade Agreements)
- Price
- Lowest Life Cycle Cost
- Timely Delivery
- Adherence to Conditions of Purchase
- Adherence to Specifications
- Resale Value
- Suitability for Intended Use
- Safety Standards
- Environmental Sustainability
- Parts Availability
- Service Response Time
- Quality of Workmanship and Product
- Dependable Service
- Low Maintenance Requirements
- Warranty
- Standardization
- Reputation, Resources and References of Supplier

“Bid” includes a written formal quote submitted in response to an invitation to provide pricing for the supply of Goods and Services.

“Budget” means through the Budget process, the Board sets operating service levels and capital project priorities together with the related funding sources. To enable departments to operate

efficiently and effectively in the performance of those service levels set by the Board, Department Managers have the authority to reallocate funds within the operating Budget for which they are responsible. Along with this flexibility comes the need to manage and ensure that the gross and net expenditures remain within the Budget for which Department Managers are responsible.

“Construction” means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery of they are included in an incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include Professional Consulting Services related to the construction Contract unless they are included in the overall Procurement.

“Contract” includes any Formal written Agreement, including Purchase Orders, authorized or ratified and executed by the appropriate authority.

“Contractor” means anyone supplying Construction type services to the CSRD.

“CSRD” means the Columbia Shuswap Regional District.

“Direct Award” means Best Value principles are applied to determine the purchase of Goods and Services from a Supplier without soliciting additional verbal or written quotes.

“Estimated Transaction Cost” means the total cost, excluding GST, for the purchase of a Good or Service from a single vendor.

“Formal Competitive Process” means a public Procurement process that is competitive, open, transparent, non-discriminatory, and compliant with all Applicable Trade Agreements including advertised on BC Bid.

“Formal Agreement” means the same as Contract and will contain: the parties involved in the agreement, the offer and acceptance terms of each party, as well as (if applicable) prices, insurance requirements, and time provisions.

“Goods and Services” includes supplies, equipment, furniture, fixtures, machinery, vehicles, Construction, labour and materials, maintenance, service Contracts, and Professional Consulting Services, but does not include Real Property.

“Invitation to Quote (ITQ)” means a process used to solicit Bids from suppliers for the provision of clearly defined Goods and/or Services. The Bids received in response to an ITQ are evaluated primarily on price.

“Invitation to Tender (ITT)” means a process used to solicit Bids from suppliers for the provision of clearly defined construction projects where the specifications, terms, conditions, and other details are set out in the invitation. The Bids received in response to the ITT are evaluated primarily on price.

“Minimum Methodology” means the minimal requirement for procuring Goods & Services within this policy.

“Procurement” means the Acquisition by any means, including by Purchase, rental, lease or conditional sale, of Good and Services.

“Professional Consulting Services” means qualified professional services such as, but not limited to, engineering, landscape design, hydrology, agrology, architecture, specialized services (photography, influencers etc.).

“Purchase” means the Acquisition of Goods and Services or any interest therein by purchase, contract, lease, rental or otherwise.



“Purchase Order (PO)” is issued to a Supplier to authorize the one-time purchase of a Good or Service that was not Procured through a Formal Competitive Process.

“Request for Proposal (RFP)” means an invitation to Suppliers or Contractors of a product or service to submit proposals on the right to supply that product or service where the requirements cannot be specifically defined or where alternate solutions or offers are being solicited or where evaluation criteria are weighted and evaluated beyond price.

“Supplier” means anyone supplying Goods and Services to the CSRD.

“Verbal Quote(s)” means no written quote required.

“Written Quote(s)” means quotes must be submitted to the CSRD in writing (email is acceptable).