

Section:	Council Policy	
Sub-Section:	Council Purchasing Policy	6

RELATED POLICIES

Number	Title
Administrative Policy 03	Code of Conduct
Council Policy	Wood First

APPROVALS

Approval Date: November 15, 2021	Resolution: 21-0541
Approval Date: May 11, 2023	Resolution: 23-0205

1. POLICY STATEMENT

- 1.1. The City looks to purchase goods, services and construction in a manner that offers the best overall value to the City. Best overall value is the process of considering all identifiable life cycle costs including disposal and environmental considerations, when purchasing goods, services, or construction as opposed to simply considering the lowest price.

2. PURPOSE

- 2.1. This Policy has been established to ensure the City's purchasing decisions are made in a consistent manner using best practice methods. A comprehensive purchasing policy helps to retain the stability and consistency of the municipality. It also outlines the authorities and responsibilities of expenditures and ensures that everyone follows this Policy.
- 2.2. Effective procurement is an essential service in the public sector to ensure the best value is found and that purchasing decisions are made without bias or favour. It allows an equal opportunity for qualified suppliers to bid for City business and to maintain a high standard of financial stewardship. This will ensure that purchases are consistent, provide accountability and transparency by reducing ambiguity as to the goods and or services that are procured using public funds.

3. SCOPE

- 3.1. This Purchasing Policy (the “Policy”) applies to all employees and any third parties hired by the City involved in the procurement of goods, services, or construction for use by the City and is to be used in conjunction with the City’s administrative purchasing procedures.
- 3.2. This Policy applies to all departments, corporations and commissions over which the City of Campbell River has jurisdiction. This facilitates the process of obtaining goods, services and construction along with the disposal of surplus supplies according to this Policy. The considerations outline herein are to be used as a guideline and used in tandem with discretion, good judgment and the City’s administrative purchasing procedures.

4. PRINCIPLES

- 4.1. The effectiveness of professional government procurement ensures that:
- 4.1.1. The City’s needs for goods and services are conducted in an open, fair, and transparent process.
 - 4.1.2. Procurement decisions are not necessarily based on the lowest price but considers the best overall value for its purchasing dollar.
 - 4.1.3. Procurement decisions are made in a responsible and ethical manner.
 - 4.1.4. Procurement decisions are based on best local government practices and contribute to the City’s sustainability.
 - 4.1.5. All suppliers have a fair and equal opportunity to provide their goods and services.
 - 4.1.6. It encourages competitiveness which will contribute to the overall success of the City.
 - 4.1.7. The City adheres to all applicable trade agreements to ensure a fair and level playing field for all and to further economic opportunities.
 - 4.1.8. Procurement decisions are accountable.
- 4.2. Professional Ethics
- 4.2.1. Employees shall not use their authority or office for personal gain and shall seek to uphold and enhance the City’s image by:
- (a) complying with the City of Campbell River’s Code of Conduct Policy which includes Conflict of Interest;
 - (b) maintaining unimpeachable standards of integrity in all their business relationships;
 - (c) fostering the highest standard of professional competence amongst City employees;
 - (d) maximizing the use of resources for which they are responsible so as to receive maximum benefit for the City; and
 - (e) ensuring purchasing procedures demonstrate that the provisions of this Policy have been reasonably observed.
- 4.3. Declaration of Interest
- 4.3.1. Any personal interest which may encroach or might reasonably be deemed by others to affect the impartiality of an employee in any matter relevant to their duties, should be declared by the employee to their supervisor.
- 4.4. Confidentiality and Accuracy of Information
- 4.4.1. Information received in the course of duty must be respected and shall not be used for personal gain. Information given in the course of duty should be true, fair and not designed to mislead.
- 4.5. Competition

4.5.1. Purchasing activities are to be carried out in a manner that enhances competitive bidding so that required materials or services are obtained in a timely manner, in the desired quantity, of the desired quality, and in the most cost-effective manner possible.

4.6. Equal Opportunity

4.6.1. Purchasing activities are to be conducted in a manner that assures all qualified suppliers have an equal opportunity to participate and to be treated fairly and without bias.

4.7. Wood First

4.7.1. Council Wood First Policy provides favourable consideration when utilizing wood as a key qualifying criterion for the design, construction and installation of wood structures or wood-use in energy production in City funded projects.

4.8. Life Cycle

4.8.1. Where practical, purchasing decisions are to consider the life cycle costs of the acquisition rather than just the initial purchase price. Life cycle costs include acquisition, operational, maintenance, and disposition costs.

4.9. Gifts

4.9.1. To preserve the image and integrity of employees and the City, business gifts should be actively discouraged. Gifts, other than those of small intrinsic value, shall not be accepted.

4.10. Sustainability

4.10.1 The City of Campbell River supports the use of sustainable products and practices and expects staff to pursue this objective in the acquisition of goods and services for the City. This will be accomplished by ensuring that sustainable choices are made subject to both suitability and cost using:

- (a) Environmental Considerations - products that do not harm the environment in their manufacturing, use or disposal and would lead to greenhouse gas reduction, waste reduction, toxic use reduction, etc.
- (b) Economic Considerations – to into account the life cycle costs, fiscal responsibility, performance, value, etc.
- (c) Social Considerations – products that ensures employee health and safety, inclusiveness, supplier code of conduct, etc.

4.11. Community Benefits

4.11.1 When feasible, the City is to consider community benefits in procurement decisions and to proactively leverage the supply chain in a manner that aligns and supports Councils strategic priorities, as stated in the City's strategic plan and in the Official Community Plan (OCP).

4.11.2 The City of Campbell River is to meet the taxpayer's expectations of financial prudence by leveraging procurement dollars already within the Council approved budget to simultaneously fulfill the procurement need as well as to contribute to the City's community benefit objectives.

4.11.3 This Policy directs staff to conduct procurement in a manner that contributes to the development of a supportive supply chain and to make positive contributions to the local economy and the overall vibrancy of the community.

4.12. Opportunities for Local Business

4.12.1 Purchasing from local business has the benefits of nurturing economic development and reducing transportation costs and carbon emissions. When a purchase is not publicly posted, the City will endeavor to obtain three (3) bids, with a minimum of one (1) being from a local business when possible.

4.13. Trade Agreements

- 4.13.1 The City will abide by the provisions of all applicable regional, national, and international trade agreements that have been given force of law through legislations of the appropriate level of government. Where possible, the spirit of the trade agreements is expected to be followed for acquisitions less than the stated trade agreement thresholds.

4.14. Indigenous Procurement

- 4.14.1 The City of Campbell River encourages Indigenous entrepreneurship, business, and economic development, providing Indigenous vendors with more opportunities to participate in the economy. Under the following trade agreements procurement from an Indigenous business is exempt from the requirements of a public competition process:

- (a) Canada Free Trade Agreement (Part IV, Article 800);
- (b) New West Partnership Trade Agreement (Part V, A. General Exceptions).

- 4.14.2 This permits the City to develop procurement programs, including set-aside programs, make direct awards of contracts, and otherwise conduct procurements that are intended to encourage participation of Indigenous businesses. Contracts awarded to an Indigenous business under those programs shall:

- (a) be awarded at market competitive rates;
- (b) meet City expectations with respect to safety and performance standards of the work;
- (c) meet all technical qualifications; and
- (d) take into account operational factors including, but not limited to, supply, competitive market impacts, program costs and efficiencies.

- 4.14.3 Indigenous Procurement is open to all Indigenous businesses, including sole proprietorships, limited companies, co-operatives, partnerships, and not-for-profit organizations. To be considered an Indigenous business, the following criteria must be met:

- (a) at least 50.1 per cent of the organization must be owned or controlled by Indigenous people, and
- (b) if the organization has six or more full-time staff, at least one third of the employees must be Indigenous.

- 4.14.4 Awards for Indigenous Procurement are subject to the award authority levels as stated in the Authorities section of this Policy.

4.15. Authorities

- 4.15.1 Through Council resolution for the adoption of this policy, Council budget approval is the approval of the purchasing spend. Council provides the authorization for staff to perform and oversee the various steps of the procurement process as outlined within this policy and the City's administrative purchasing procedures.

- (a) Contracting Authority is granted to the City Manager or delegate to commit the City to a procurement contract or agreement.
- (b) Policy Authority is granted to the Purchasing & Risk Management Officer through the Chief Financial Officer and the City Manager to implement and to enforce this policy and procedures.

4.16. Purchases Under \$10,000, GST Excluded

- 4.16.1 Purchases are to be conducted by the Department Manager who should obtain a minimum of three written quotes, where available.

- 4.16.2 Authority to approve the expenditure is granted to the Department Manager.

4.17. Purchases Between \$10,000 and \$75,000 (Goods or Services) or \$200,000 (Construction), GST Excluded

4.17.1 Purchases are to be conducted by the Purchasing Department who will determine the best method of procurement.

4.17.2 Authority to approve the expenditure is granted to the Purchasing & Risk Management Officer.

4.18. Purchases Exceeding \$75,000 (Goods or Services) or \$200,000 (Construction) GST Excluded

4.18.1 Purchases are to be conducted by the Purchasing Department who shall conduct a public competition process.

4.18.2 Authority to approve the expenditure is granted to:

- (a) The Chief Financial Officer or delegate for purchases exceeding \$75,000 (Goods or Services) or \$200,000 (Construction) to \$1,000,000, GST excluded;
- (b) Council for purchases exceeding \$1,000,000, GST excluded.

4.18.3 All capital project public procurements exceeding \$75,000 (Goods or Services) or \$200,000 (Construction), GST excluded, requires the Purchasing Department to:

- (a) Submit a status memo to Council, to be received as information, summarizing the competition process, the evaluation criteria, the awarded amount and successful proponent.

4.19. Debriefing

4.19.1 The debriefing process provides a mechanism for proponents to obtain information regarding the quality of their submission following a competitive procurement process to obtain feedback on their submission.

4.19.2 The Purchasing Department will facilitate the debriefing process with proponents and may request assistance from other City departments as required.

4.20. Dispute Resolution

4.20.1 The dispute resolution process provides a process to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion. If a proponent wishes to dispute the outcome of a bid, subsequent to a debriefing with the Purchasing Department, the process outlined below is to be followed:

- (a) The proponent shall contact the Purchasing Department in writing within five (5) business days of the debriefing meeting stating their concerns.
- (b) The City will attempt to resolve the proponent's concerns. If the concerns cannot be resolved administratively, proponents may request that City Council hear their challenge.
- (c) Once the City Council adjudicates the concerns all proponents shall be advised of the decision and the reasons therefore. The decision of City Council shall be considered final.

4.21. Asset Disposal

4.21.1 The City's Purchasing Department is responsible for the disposal of surplus items which may be obsolete, worn out, too costly to maintain, or no longer required. All surplus assets estimated to have monetary value shall be disposed of in a manner which will receive the best possible return to the City.

4.22. Review

4.22.1 The Purchasing Department shall periodically review this Policy and its procedures to evaluate its effectiveness and that the best value procurement practices are being followed and update accordingly.