



## Purchasing Policy

**Table 1**

Policy Reference Number	
Approval Date:	
Board Resolution Number:	
Related Policies / Procedures:	<ul style="list-style-type: none"> <li>• Regional District Okanagan Similkameen Purchasing Procedures, 2024</li> <li>• <a href="#">Purchasing Card Policy</a></li> <li>• <a href="#">Vehicle Replacement Policy</a></li> </ul>

## 1. PURPOSE

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This Purchasing Policy has the following purposes:

- a) To establish the overall direction, philosophies, and values that the Regional District Okanagan Similkameen (RDOS) will follow in the procurement of its goods and services;
- b) To confirm the authorizations, approval limits and processes that must be followed in the procurement of those goods and services; and
- c) To set the process that must be followed for the disposal of surplus equipment, materials and other goods.

## 2. POLICY STATEMENTS & GENERAL PRINCIPLES

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The following general statements and principles apply to how the RDOS shall conduct its procurement activities:

### 2.1. Overall RDOS Conduct:

The RDOS commits 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 how it conducts its processes.

### 2.2. Fair Competition:

The RDOS shall acquire goods and services through fair, transparent and competitive processes in accordance with legislative and trade agreement requirements. Competitive processes followed shall balance the interests of RDOS taxpayers with the fair and equitable treatment of suppliers and contractors.

### 2.3. Legislation & Trade Agreement Requirements:

The RDOS's procurement processes and conduct shall comply with the authorities and obligations of the following legislation and trade agreements:

- The Local Government Act;
- The Community Charter;
- The New West Partnership Trade Agreement (NWPTA);
- The Canadian Free Trade Agreement (CFTA); and
- The Comprehensive Economic Trade Agreement (CETA).

### 2.4. Local Suppliers or Contractors:

The RDOS does not give preferential treatment to local suppliers or contractors in accordance with its trade agreement requirements.

## **2.5. Record Keeping:**

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

- audits of procurement practices;
- any required release of information under the Freedom of Information and Protection of Privacy Act (FOIPPA); and
- timely and useful debriefs to participants of competitive processes, as required under CFTA and CETA.

## **2.6. Ethical Conduct:**

The RDOS shall:

- act honestly and with integrity, avoiding even the appearance of impropriety, in all of its procurement and related practices;
- maintain consistency in all processes and actions; and
- adhere to good ethical standards in all its procurement and related practices.

## **2.7. Gifts & Gratuities:**

RDOS employees shall not accept gifts, tips or rewards from suppliers/contractors which could place them in an obligatory circumstance with that supplier/contractor. Items of a nominal value, e.g. pen, fridge magnet are exempted from this principle.

## **2.8. Best Value Considerations:**

The RDOS shall:

- Where practical, consider overall total life-cycle cost (TLC) or total acquisition cost (TAC) when planning procurement of goods and services, as opposed to just the initial acquisition price alone. TLC or TAC analysis will consider costs such as operating, energy consumption, delivery, disposal, training, and other cost factors in addition to the initial acquisition price.
- Evaluate the relevance of both price and non-price factors as part of the procurement process. Non-price factors may include quality, service standards, delivery time, team expertise, past experience and other criteria relevant to determining best overall value.

## **2.9. Confidentiality & Disclosure of Information:**

It is recognized that most of the transactions related to purchasing are of a confidential nature.

The RDOS commits to the following in its procurement of goods and services:

- Information will be released in accordance with the RDOS's obligations under FOIPPA;
- Any information made available to a potential supplier or contractor, which may influence a response to a procurement process, will be made available to all interested suppliers or contractors;
- Subject to the requirements of FOIPPA, information provided by a supplier/contractor during a procurement process will remain confidential.

### 2.10. Contractors/Suppliers Acting in Bad Faith:

The RDOS will not conduct business with suppliers/contractors who do not act in good faith towards the RDOS. This shall include suppliers/contractors that do not fulfill the terms of an agreement, or who enter into unjustified and/or frivolous litigation with the RDOS. The RDOS also reserves the right to refuse to do business with suppliers/contractors who the RDOS deems unethical either by engaging in deceitful business activities or unfair business practices. These instances must be brought to Board's attention and dealt with on a case by case basis.

### 2.11. Environmental & Sustainable Purchasing:

Where practical, the RDOS shall consider goods and services which are environmentally friendly and cause less harm to the environment, particularly when quality and total cost is equal to or better than less environmentally sustainable goods and services. Furthermore, criteria used for the purposes of evaluating vehicles and/or equipment, contained in the vehicle replacement policy, shall be incorporated in into the tender documents issued for vehicles and equipment purchases.

## 3. SCOPE

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This policy applies to all RDOS staff, RDOS Board Members, paid on call employees and any third-party's—such as consultants hired by the RDOS that are involved in the procurement of goods and services for use by the RDOS.

This policy governs the procurement of all goods and services (including construction) purchased by the RDOS, except for the following:

- General Expenses: RDOS payroll and refundable employee expenses, grants, tax remittances, co-sponsored programs, customer refunds, payments to other government or public bodies (Protective Services/RCMP, library, transit); and
- Land acquisitions or real estate transactions and fees.

## 4. DEFINITIONS

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Definitions used in this policy shall have the meanings as follows:

- **'Approvers'** means staff who have approval limits but do not have authority to commit to purchases exceeding \$3500.
- **'Approval Limits'** means the permission limit for which staff may engage a procurement process in order to select goods, services and vendors, as set out in the Purchasing Policy.
- **'Board'** means the Board of Directors for the RDOS
- **'Buyers'** means staff who have the responsibility to purchase goods and services on behalf of the District', as set out in the Purchasing Policy.
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- **'CAO'** means the Chief Administrative Officer for the RDOS.

- **'Conflict of Interest'** means, in relation to a procurement process; the supplier/contractor has an unfair advantage or engages in conduct, directly or indirectly, by way of:
  - Having access to confidential information of the RDOS which is not available to other suppliers/contractors.
  - Communicating with RDOS employees or Board Members with a view to influencing the competitive process.
  - Engaging in conduct that compromises, or could be seen to compromise, the integrity of the procurement process.
  - Has other commitments, relationships or financial interests which could be perceived to:
    - Exercise improper influence over the objectivity, independence and impartiality of the procurement process, or
    - Compromise, impair or be incompatible with the effective performance of the intended contractual obligations.
- **'Direct Award'** means a good or service is procured direct from one supplier/contractor with no competitive process. This is sometimes also referred to as a 'sole source'.
- **'FOIPPA'** means British Columbia's Freedom of Information and Protection of Privacy Act.
- **'Limited Tendering'** means a procurement process whereby the RDOS invites the supplier(s)/ contractor(s) of its choosing. .
- **'Public Competition'** means a procurement process whereby any interested suppliers or contractors may submit a proposal or tender, typically to a publicly advertised Invitation to Tender, Request for Proposal, or Pre-Qualification Process.
- **'RDOS'** means the Regional District Okanagan Similkameen

## 5. PURCHASING AUTHORITIES & PROCESSES

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### 5.1. ROLE OF BOARD:

The RDOS Board grants RDOS staff the ability to approve and commit to contracts for the procurement of goods and services in accordance with the delegations and thresholds set-out in 5.2, provided that:

**5.1.1. The purchase commitment is within the annual RDOS budget that has been approved by the Board (budget compliance to be verified by the CAO); and is within budget;**

5.1.2. The procurement has been conducted in accordance with this policy; and

5.1.3. One of the following applies:

- a) For a contract where a 'lowest-price-wins' based Request for Quotation or Invitation to Tender process has been conducted, **and** more than one

**Tender (not quotation)** was received, **and** the contract is being executed with the lowest-priced bidder meeting the requirements/specifications; or

- b) For a contract where- a ‘best-value’ based procurement process has (or will be) conducted, **and** the contract is being executed with the highest-scoring proponent according to the rules of that process; or
- c) For a contract where the process requirements under sections 5.3 or 5.4 of this policy do not require ‘Formal Quotes’, ‘Limited Tendering’, or a ‘Public Competition’ but all other requirements of these policy sections have been complied with.

Any purchasing commitment that does not meet the requirements of this 5.1 must be approved by RDOS Board, prior to any contract being executed.

**5.1.4 TENEDERS/RFP’s THAT EXCEED THE BUDGET**

Where a Tender, RFP or Quotation exceeds the budget, the following actions may be considered:

- a) Reevaluate the scope of the project to determine if the scope can be reduced without reducing the objective of the project/service.
- b) Identify additional funding sources.
- c) Recommend rejection of bids.

**5.2. DELEGATED PURCHASING APPROVAL AND AUTHORITY:**

Provided the requirements of 5.1 are complied with, or will be complied with after a contemplated Tender process, the following positions are authorized to either approve or commit the RDOS to a contract/purchase, either by way of a signed contract, executed by Legislative Services and/or issuing a purchase order, through the Purchasing Department. Purchasing Cards, SPOs and other methods are permitted for all purchases below \$3500, by employees with permission from their Managers.

Please refer to table 2, below:

**Table 2**

Staff Position	Approvers Approval limit:	Buyers Authority to Commit
Board	Unlimited	
CAO, Deputy CAO and/or delegate	Unlimited	Unlimited (Purchase Order issued by Purchasing and/or contract executed by Leg Services)
CFO	Up to \$500,000	
Procurement Manager & Delegate(s)	Up to \$250,000 (necessary to approve Purchase Orders)	Up to \$250,000 (with Department Manager’s and/or CAO’s Approval)
Senior Managers / Fire Chiefs	Up to \$150,000	
Managers	Up to \$100,000	
Supervisors/ Asst. Fire Chiefs	Up to \$50,000	

All RDOS Staff		Up to \$3500 (as approved by their Manager/Supervisor)
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Notes:

- “Approval limit” and “Authority to commit” shall include the total value of all commitments made in the contract, including any future years or options committed to (if applicable). Values shall exclude GST/PST.
- Staff may delegate the above approvals to an individual that is temporarily performing their role in an acting capacity.
- The above approvals are for the commitment to contract only, and do not apply to approval of invoice payments. Limits and roles for the approval of invoice payments may be different and will be determined in accordance with the Finance Department.
- The RDOS’s general practice shall be that the individual who signs the contract commitment will be different to the individual who signs and approves invoice payments for the same goods/service.

**5.3. PURCHASING THRESHOLDS & PROCESS REQUIREMENTS:**

The RDOS shall give potential suppliers and contractor’s fair opportunity to supply goods and services to the RDOS, by conducting competitive processes in accordance with the thresholds set-out below:

Abbreviations:

- |   |                                      |
|---|--------------------------------------|
| AHE = Annual Hired Equipment                        | NWPTA = New West Partnership         |
| CCDC = Canadian Construction Documents Committee    | Trade Agreement.                     |
| Informal Quote = may be verbal, written, electronic | PO = Purchase Order                  |
| ITT = Invitation to Tender                          | PTL = Prequalified Trades List       |
| MMCD = Master Municipal Construction Documents      | RFQ= Request for Quotation           |
|   | RFP = Request for Proposals          |
|   | SPO = Standing Purchase Order        |
|   | Pre-Qual = Pre-Qualification Process |

**Table 3**

PROCUREMENT VALUE *	GOODS PROCESS	SERVICES PROCESS
\$0 - \$3500 Nominal Purchases	<p><b><u>Direct Award: (Go buy it)</u></b></p> <ul style="list-style-type: none"> <li>• Use RDOS Purchase Card (Credit Card) or SPO.</li> <li>• Obtain and return invoice for signature authorization.</li> <li>• Purchase Order not required</li> </ul>	<p><b><u>Direct Award: (Go buy it)</u></b></p> <ul style="list-style-type: none"> <li>• Use SPO or hire from pre-qualified AHE or PTL**.</li> <li>• Obtain and return invoice for signature authorization.</li> <li>• Purchase Order not required</li> </ul>
\$3501 - \$10,000	<p><b><u>Informal Quotes Required:</u></b></p> <ul style="list-style-type: none"> <li>• Request 2 or more informal competitive quotes.</li> <li>• Execute against SPO or request PO issued by Purchasing Department.</li> </ul>	<p><b><u>Informal Quotes Required:</u></b></p> <ul style="list-style-type: none"> <li>• Request 2 or more informal competitive quotes or hire from pre-qualified lists (AHE &amp; PTL**, or SPO). For other services request 2 or more</li> </ul>

		informal quotes and PO issued by Purchasing. <b>Exception: Multi-year agreements require solicitation issued by Purchasing Department.</b>
\$10,001 - \$75,000	<u><b>Formal Quotes / Bids Required:</b></u> <ul style="list-style-type: none"> <li>Request 3 or more written quotes/proposals (RFQ, RFP, and ITT). <b>Contact Purchasing to discuss.</b></li> <li>PO (or SPO) issued by Purchasing Department.</li> </ul>	<u><b>Formal Quotes / Bids Required:</b></u> <ul style="list-style-type: none"> <li>Request 3 or more written quotes/proposals (RFQ, RFP, and ITT). <b>Contact Purchasing to discuss.</b></li> <li>PO (or SPO) issued by Purchasing Department and/or written agreement. Note: when hiring Professional Consultants see 5.4.2 Exceptions</li> </ul>
<b>PROCUREMENT VALUE *</b>	<b>GOODS PROCESS</b>	<b>SERVICES PROCESS</b>
Above \$75,000 NWPTA “Kicks in”	<u><b>Public Competition:</b></u> <ul style="list-style-type: none"> <li>Request bids through open public competition (such as RFP, RFQ, ITT, or Pre-Qual).</li> <li><b>Contact Purchasing to discuss.</b></li> <li>PO issued by Purchasing Department and/or written agreement.</li> </ul>	<u><b>Public Competition:</b></u> <ul style="list-style-type: none"> <li>Request bids through open public competition (such as RFP, RFQ, ITT or Pre-Qual).</li> <li><b>Contact Purchasing to discuss</b></li> <li>PO issued by Purchasing Department and/or written agreement.</li> </ul>
Construction Above \$200,000 NWPTA “Kicks in”	<u><b>Public Competition:</b></u> <ul style="list-style-type: none"> <li>Request bids through open public competition (RFP, ITT, or Pre-Qual) and written agreement (such as MMCD, CCDC or other Contract) and/or Purchase Order.</li> <li><b>Contact Purchasing to discuss.</b></li> </ul> <p>Note: Construction \$75,000 to \$200,000 may use Limited Tendering (select vendors).</p>	Not applicable.

\* RDOS staff shall base the value of the procurement on reasonable estimates, considering all future years and options that the RDOS will potentially commit to, as



applicable. Procurements shall not be split or separated into parts with the intention of avoiding process requirements.

\*\* When RDOS staff are hiring from the AHE or PTL, they shall rotate selection of contractors as practical.

\*\*\*Purchases which are exempt from **purchase orders** include:

- a) Costs related to court actions of damage claims.
- b) Subscriptions, publications, dues and fees.
- c) Utility accounts.
- d) Insurance premiums & service charges.
- e) Salaries, wages and benefits.
- f) Grant in aid payments.
- g) Purchase card purchases under \$3500.00; further exemptions are necessary, on a case by case basis—such as purchasing specialty items abroad that exceed the \$3500 threshold. The Manager of Procurement may approve such purchases, providing the item to be purchased is in the budget, is within budget and under \$30,000. Such purchases exceeding \$30,000 shall be authorized by the CAO or delegate.
- h) Travel expenses, requiring submission of expense form.

**5.4. EXCEPTIONS TO PURCHASING PROCESS REQUIREMENTS:**

While still covered by this policy, the following procurements are exempt from the threshold and process requirements detailed in section 5.3 and can be contracted through Direct Award or Limited Tendering at the discretion of the Procurement Manager.:

**Table 4**

5.4.1	An extension to the term of an existing ongoing contract, provided; a) the contract was originally executed in compliance with this Purchasing Policy; and b) the contract contains an express provision for such an extension. Exercise of contract extensions will be at the RDOS's sole discretion and based on factors including performance and acceptability of new pricing.
5.4.2	Professional Consulting Services (e.g. business consulting, or professional engineers) where the total commitment is less than \$75,000. Note: The rationale for Direct Award of Consulting Services is for the following reasons: 5.4.2 a) Time is of the essence and the Consultant has knowledge or skills which are needed quickly; b) The Consultant has a specialized skill or knowledge which others do not have; c) The Consultant has been previously engaged by the RDOS at an earlier stage of the same project, and therefore will require less start-up time or cost to work a new stage in the project. d) Hourly rates of Consultants are similar from firm to firm.

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5.4.3	Insurance Services
5.4.4	Legal or notary services.
5.4.5	Goods or services for promotional reasons (e.g. promotion of tourism or civic business).
5.4.6	Health and Social services.
5.4.7	Social Procurement (Indigenous groups; other examples may include procurement from philanthropic institutions, prison labour or persons with disabilities).
5.4.8	From non-profit organizations or public bodies, including RCMP and other protective services.
5.4.9	Where an unforeseeable situation of emergency or urgency exists, and the goods or services cannot be procured in-time using the required process. a) Note: any use of this exception requires prior approval by the CAO when the commitment value is to exceed \$75,000. b) The CAO, or delegate, shall have authority to waive the Purchasing Policy where public safety, property and/or infrastructure are at risk.
5.4.10	Where it can be demonstrated that only one supplier is able to meet the requirements of a procurement (e.g. need for proprietary and or existing software modules, specialized parts and equipment and/or maintenance for specialty equipment).
5.4.11	In the absence of receipt of any bids which meet the requirements of a public RFP or Tender process.
5.4.12	Established water and waste water treatment chemicals, equipment, parts and supplies. Note: Water and investments in water are also exempt in NWPTA
5.4.13	Magazines, subscriptions, periodicals
5.4.14	Petty Cash
5.4.15	Training, education, workshops, seminars, and dues.
5.4.16	Utilities (postage, government charges, hydro, gas, telephone)

### 5.5. CONFLICT OF INTEREST WITH SUPPLIERS/CONTRACTORS:

In accordance with the RDOS's general principles on ethical conduct in procurement, the following shall apply to all procurement processes:

- 5.5.1. RDOS employees shall exercise caution when there is a possibility or perception of conflict of interest with a contractor/supplier, or potential contractor/supplier;
- 5.5.2. RDOS employees involved in a procurement process, either directly or indirectly, must notify their direct supervisor of any potential conflict of interest with a contractor or supplier;
- 5.5.3. No RDOS employee or Board Member, involved directly or indirectly in a procurement process or management of a contract, will have an interest or receive any personal benefit in any contract placed by the RDOS for goods or services, unless it is disclosed and approved in writing by the CAO; and
- 5.5.4. If a RDOS employee or Board has a potential conflict of interest as outlined in sections 5.5.2 and 5.5.3, the general guideline for the procurement process shall be as follows:
  - a) Measures shall be taken to ensure that the employee or Board Member with the conflict does not have any influence whatsoever over the procurement process and/or contract decision; and
  - b) No Direct Award will occur to any supplier or contractor involved in a conflict of interest, regardless of the value. Suppliers or contractors to which an RDOS employee or Board Member has a conflict of interest will only receive a contract for goods or services if they are selected based on a transparent evaluation from a competitive procurement process.

## 6. DISPOSAL OF SURPLUS ASSETS

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Once surplus assets with residual value are identified for replacement or disposal, the following should first be considered:

- Re-use by other RDOS departments;
- Trade-ins: where the surplus asset is included in a competitive process for the procurement of a new or replacement asset, as part of a trade-in arrangement.
- Donation to the local Schoolboard or locally recognized Non-profit organization, with approval from the CAO.

If the above options are not practical, then the assets shall be disposed of through one of the following:

- Public auction sales;
- Sale by Bid Process, where competitive bids are sought through a publicly advertised process and the sale occurs to the highest bidder.

\*The asset is sold" as is, where is".

\*\*Proceeds from the sale of surplus assets will be credited back to the appropriate RDOS fund—such as the vehicle replacement reserve, etc.

\*\*\*Direct sales of surplus equipment, materials or goods to RDOS employees, their direct family members or Board members, is not permitted.

If the asset is deemed to have no residual value, then the asset shall be disposed as:

- Direct Scrap – arrange for the responsible disposal at the nearest landfill or appropriate recycling facility.

## 7. REFERENCES & LINKS

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- North West Partnership Trade Agreement (NWPTA):  
<http://www.newwestpartnershiptrade.ca/>
- Canadian Free Trade Agreement (CFTA): <https://www.cfta-alec.ca/>
- Comprehensive Economic and Trade Agreement (CETA):  
<http://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?lang=eng>

## APPENDIX 1

### EVALUATION SCORE SHEET – RFP's

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<b>PROJECT: (INSERT PROJECT TITLE)</b>		<b>POOR</b>	<b>MARGINAL</b>	<b>FAIR</b>	<b>GOOD</b>	<b>OUTSTANDING</b>	<b>TOTAL OF 100</b>
<b>RESPONDENT: EXAMPLE ONLY</b>							
<b>CRITERIA</b>	<b>WEIGHT</b>	<b>0.4</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>1</b>	<b>MAX PTS 100</b>
<b>Methodology</b> - Clear understanding of project scope, challenges and solutions required - work plan which meets or exceeds the District's needs - creativity in solutions provided - demonstration of any "value added service" the Respondent provides - Ease of client access	35						
<b>Contractor Experience</b> - Respondent demonstrates experience on projects with similar scope and needs - qualification and experience - skills of proposed team members - sub-Contractor experience, skills and qualifications	35						
<b>Schedule</b>	10						
<b>Fees and Disbursements</b> (Lowest priced quotation divided by the next evaluated quotation price x 25) Note: scores will be evaluated based on an average of the two prices provided	5						
<b>References</b>	10						
<b>Exceptions to the Contract</b>	5						

<b>EVALUATION TOTAL:</b>	
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**1.1. SCORING METHOD:**

The following method will be used to score the criteria:

- Price: Price will be scored relative to other Respondents using the following formula:
  - $Lowest\ Price \div Respondent's\ Price \times Weighting = Score$

Other Criteria: All other criteria (except Price) will be scored by the evaluation committee, which will then be multiplied by the Weighting factor to provide a total weighted score out of 100 which includes price.

**1.2. RANKING OF RESPONDENTS:**

Following completion of the evaluation against the scored criteria, the weighted scores for each Proposal will be added together, and Proposals will be ranked according to their total weighted scores. The Respondent with the highest-ranked Proposal will be invited to conclude a Contract with the RDOS. In the event that two or more Proposals have an equal total weighted score, then the Respondent with the Lowest Total Price will be invited to enter into a Contract with the RDOS.