



EMPLOYEE POLICY AND PROCEDURE MANUAL

Financial Administration and Procurement Policy	
Section: Financial	Resolution No. 461-86
Policy Number: 3-1	Amended by: 14-88, 784-90,
Effective Date: 1986 07 15	271-94, 322-97, 588-05, 203-17

1. Policy Statement:

All purchasing related activities, including procedures and maintenance of acquisition records will subscribe to public sector procurement best practices. This policy will contribute to efficient, ethical, fair and transparent practices, mitigate risks and strive to meet the operational, financial and accountability obligations of the City.

This policy applies to all City personnel involved with the purchase or contracting for goods, services or construction and disposal for the needs of all Departments within the City.

1.1. Purpose:

The purpose of this policy is to establish procurement policies and guidelines to ensure value for money for taxpayers when purchasing or contracting for goods and services or construction for the City operations and administrative services. The policy encourages competition among suppliers and contractors to obtain the best value as defined by the City.

1.2. Principles:

- a) To acquire the necessary quality and quantity of goods and services in an efficient and cost effective manner with the primary objective being to provide the best value to the tax payer.
- b) To act in a manner which provides potential suppliers equal opportunity to participate in the business of the City and to effect open and transparent procedures that withstand public scrutiny at all times.
- c) To ensure that the City maintains its reputation as a preferred customer by completing timely and accurate transactions within all aspects of the purchasing system.
- d) To encourage open competitive bidding on the acquisition and disposal of goods and services where practical.
- e) To consider the total cost of ownership as defined by the City in all contracts for goods and services.
- f) To participate with other governmental entities in co-operative purchasing programs, when the best long-term interest of the City would be served.

1.3. Definitions and interpretation:

Referred to in the City Procurement policy and or competitive bid-related documents as follows:

Chief Administrative Officer: The CAO is the officer assigned the powers duties and functions itemized in section 147 of the Community Charter and City of Castlegar bylaw 909.

Competitive bid: A quote (price) given by a supplier to the City in response to a competitive bidding process such as an Invitation to Tender (ITT) or Request for Proposal (RFP) or Request for Quotation (RFQ) in competition with other suppliers.

Contact Person: The person acting as the single point of contact with the City or their designate.

Contract: A legally binding agreement between the City and an organization or individual which may be in a written, verbal or implied format.

Council: The Council of the City of Castlegar.

Debriefing: After a competitive process has been concluded and a contract awarded to the successful proponent, unsuccessful proponents may contact the City to gain an understanding of where their proposal might be improved for future bid opportunities.

Direct award: A contract awarded to a supplier without a competitive bid process by the City.

Director: The person appointed to be responsible for the operation of any Department or office of the City as outlined in bylaw 909.

Director of Finance: The financial officer assigned the responsibility of financial administration, which includes the powers, duties and functions itemized in section 149 of the Community Charter and the City of Castlegar bylaw 909.

Emergency: Any situation, or the threat of an impending situation, which may affect the environment, life and or property, safety, health or welfare of the public; or cause delays, liabilities or damages to the City.

Good and or services: Includes, but is not limited to supplies, construction materials or services, equipment, furniture, merchandise, stationery, insurance, maintenance, repair and operating contracts, and other related supplies and services required by the City for its business operations and administration.

Informal Quote: For low dollar value items employees typically get verbal quotes from multiple sources.

Invitation to Quote: An ITQ is a competitive bid process used to solicit price-based proposals typical of lower dollar value and or under threshold contracts.

Invitation to Tender: An ITT is a price-based competitive solicitation process where the purchase of goods, the construction of items or straightforward buys has a clear set of specifications and the City wants to find the lowest price from a qualified supplier. An ITT is usually used for higher-value contracts.

Notice of Intent to Contract: A NOITC is a public notice of the intention by the City to make a direct award or negotiate with any supplier without a competitive process.

Prequalified vendors: A short-list of potential suppliers to provide services for routine or commodity type goods or services and or seasonal work for the City which meets predetermined criteria.

Proponent: A party responding to a competitive bid document being issued by the City.

Proposal: A written submission received in response to a competitive bid document being issued by the City.

Purchase Card: A P-card is the corporate purchasing card issued to departments and or staff for purchases as per the terms and conditions of the P-card policy.

Purchase order: A (PO) is the City's written offer to a supplier stating all terms and conditions of a proposed transaction for goods or services. Alternatively, the PO can be used to confirm the terms of an agreement which have already been negotiated, including verbal orders.

Request for Information: An RFI is a non-binding process to gather information from the marketplace during the planning stage of procurement.

Request for Proposal: An RFP is issued to seek both competitive and creative input from proponents where an outcome-or performance-based solution is desired. An RFP may include mandatory and weighted criteria that will be used to determine the best value for the City.

Request for Quotation: An RFQ is a price-based competitive bidding process for goods and or services where there is a clear set of specifications and the City wants to find the lowest price from a qualified supplier.

Responder/Respondent: The company, individual or entity responding to a form of Request.

Sole source: A contract directly awarded or negotiated with a supplier without a competitive process. The sole source supplier has been deemed to be the only capable and available supplier at the time.

Total cost of ownership: The TCO is the total cost to acquire goods or services, which includes but it is not limited to price, quality, maintenance, operating and repairs, training, local, delivery, warranty, disposal, remediation, and other terms and conditions.

Unsolicited proposals: A proposal received by the City which has not been solicited through a competitive process.

1.4. Confidentiality

Subject to the British Columbia Freedom of Information and Protection of Privacy Act, the City considers the information it receives from suppliers or other external parties, including responses to requests for supply, to be confidential information and will exercise reasonable care to protect the confidentiality of that information.

1.5. Conflict of Interest

An employee must not participate in a contracting decision if the contract involves a direct relative, a person married to a direct relative, or a person sharing the same household as the employee. A direct relative means a spouse, parent, grandparent, grandchild, brother, sister, son, or daughter.

An employee who is exposed to an actual, perceived or potential conflict of interest in relation to an actual or proposed solicitation must disclose the matter to his or her supervisor. If, after review, it is determined that there is a conflict, the supervisor must remove the employee from this particular contract situation. An employee who fails to disclose a conflict of interest can be subject to disciplinary action up to and including dismissal. Any suspected conflicts of interest must be investigated and resolved.

2. Authority to Procure Goods or Services:

- a) The Director of Finance or their delegate may purchase or contract for all supplies and services required by any City department. This purchasing authority is delegated to persons authorized to expend City funds through the limits prescribed in appendix "A". The Director of Finance is responsible for maintaining and updating appendix "A" as may be required.
- b) In the event that the Director of Finance is unable to perform their duties due to absence or unavailability the Deputy Director of Finance is appointed to do so. In the event that the Deputy Director of Finance is also unable to perform the duties due to absence or unavailability the C.A.O. or the Director of Finance may appoint a person or persons as a Director of Finance designate.
- c) It shall be the responsibility of the Director or the duly authorized delegate to ensure that funds have been provided in the budget for the proposed expenditures and that the purchase will not result in an unapproved over-expenditure of any budget account.
- d) The Director of Finance is responsible for reporting potential over expenditures to Directors and to City Council.
- e) Except as provided for under section 2 of this policy, or where a Purchasing Card or Petty Cash is deemed more efficient, all purchases over the amount of \$5,000 shall be covered by a Purchase Order issued in accordance with the policies and procedures herein established.
- f) No contract or purchase shall be divided to avoid the requirements of this policy.
- g) Purchasing limits for goods and services:

Amount	Authorized	Restrictions
\$ 1 - \$5,000	Director or duly authorized delegate	Normal operational or capital items included and approved in budget.
\$5,001 - \$25,000	Director or duly authorized delegate	Normal operational or capital items included and approved in budget. Record of quotations to be retained by the purchaser.
\$25,001 - \$50,000	Director counter-signed by Director of Finance prior to issue.	Normal operational or capital items included and approved in budget. Record of quotations submitted with the purchase order.
\$50,001 and up	Director countersigned by the Director of Finance and the CAO. Council to approve tender contracts by resolution.	Normal operational or capital items included and approved in budget. Record of Quotations/Tender to be filed with the tender/project documents.

- h) All purchases not associated with the normal operation of the City and not approved in the duly authorized budget must be approved by City Council prior to the issuance of a purchase order. Notwithstanding, all purchases in excess of \$50,000 shall be approved by City Council prior to the issuance of a purchase order or entering into a contract.
- i) Purchases greater than \$5,000 must be conducted through a competitive bid process wherever possible. Informal quotes may be obtained for purchases greater than \$5,000 but less than \$10,000.
- j) In the case of an emergency that requires the immediate purchase of goods or services a competitive process may not be appropriate. Where a competitive process is not appropriate, a full report shall be submitted to the Standing Committee and City Council by the Director or their designate for purchases over \$25,000.
- k) Purchases of up to \$250.00 may be made through the use of Petty Cash, without the issuance of a purchase order or in lieu of using a Purchasing Card. Such expenditures shall be kept to a minimum and should represent extraordinary expenditures which are required immediately and not otherwise available. All Petty Cash vouchers shall be signed by the individuals and duly authorized by a Director to make the purchase.

1.6. Authority to Contract and Cheque Signing

- a) Following the completion of a competitive bidding process, the City and the successful Proponent may enter into a contract. Such contracts must be entered into pursuant to a recorded Resolution of the City Council, in accordance with section 2 (g) of this policy.
- b) All other contracts that obligate the City financially must be entered into in accordance with section 1.6 (c) of this policy.
- c) Cheques, bills to exchange and other instruments drawn on the treasury accounts of the City require the following signatures:
 - a. Cheques, bills of exchange and other negotiable instruments of a value of \$2,500 or less require the stamped signatures of the Mayor, Chair of the Finance Committee, the Deputy Mayor or any other available Councillor and countersigned by the Director of Finance or their designate.
 - b. The Mayor, Chair of Finance and Committee, the Deputy Mayor or any other available Councillor and the Director of Finance or their designate must sign the cheque register or electronic payment advice authorizing the payment for release.
 - c. Cheques, bills of exchange and other negotiable instruments of a value greater than \$2,500 require the live signature of the Mayor, Chair of the Finance Committee, the Deputy Mayor or any other available Councillor and countersigned the Director of Finance or their designate.

2. Purchasing Cards

Purchasing cards are intended to reduce operating costs associated with processing purchases. Purchasing cards complement the City's procurement and payment guidelines.

- a) Departmentally approved employees are authorized to use a Purchasing Card to purchase goods and services up the amount shown in Appendix A..
- b) The Purchasing Card program will be administered and audited by the Finance Department. The Finance Department will maintain a master list of all Purchasing Cards and their limits. All requests for Purchasing Cards and related documentation are to be submitted to the Finance

Department for review and processing. No individual or department is to submit forms directly to the bank.

- c) Liability for authorized charges on the Purchasing Card rests with the City of Castlegar.
- d) Liability for unauthorized charges on the Purchasing Card rests with the individual cardholder.
- e) The Purchasing Card may only be used to purchase goods and services required for City of Castlegar operations. It shall not be used:
 - a. When a contract or tender is in effect for the product or service.
 - b. For personal use or personal purchases.
 - c. For personal vehicle expenses.
 - d. When the total purchase price exceeds the single purchase limit on the card.
 - e. For leases or extended rentals.
 - f. For cash advances.

Appendix "A"

Spending Authority Delegated to City Employees

Position	Purchasing Limit
C.A.O	see section 2 (g)
Directors	see section 2 (g)
Operations Manager	\$ 25,000
Deputy Directors	\$ 25,000
Building Official	\$ 10,000
Engineering Technician	\$ 10,000
Planning Technician	\$ 10,000
Working Forepersons	\$ 7,500
Public Works Administrative Assistant	\$ 7,500
Administrative Assistant	\$ 7,500
All other regular employees	\$ 2,500

Maximum Transaction Limit on purchasing cards

Per transaction purchasing limit, purchase cards	\$ 2,500
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Appendix “B”

Purchase Order Exceptions

The items listed in this Appendix are those for which a purchase order is not required unless specifically requested by the vendor.

- a) Items purchased using the City of Castlegar purchasing card.
- b) Petty Cash items in accordance with the petty cash policy described under section 2(i)
- c) Training, education and conferences.
- d) Memberships and subscriptions.
- e) Refundable employee expenses.
- f) Insurance.
- g) Lease payments.
- h) Professional and special services.
- i) Utilities.
- j) Where a contract is signed. For example a janitorial services contract.
- k) Payroll related expenses.
- l) Auditor and professional services, including legal fees and other professional services.
- m) Treasury services including lease payment and debt payments.
- n) Property tax payments to other government bodies.
- o) Grant payment in accordance with grant policy directive 3-2.