

District of Barriere

REPORT TO COUNCIL

Request for Decision

Date: May 26, 2025	File: 530.20/Rpts
To: Council	From: Chief Administrative Officer
Re: Procurement Policy No. 56FI	
Recommendation: THAT Council adopts Procurement Policy No. 56FI; AND THAT Council rescinds Purchasing Policy No. 13 and Credit Card Policy No. 15.	

Purpose

For Council to consider adopting an updated Procurement Policy No. 56FI and to consider removing outdated Policies No. 13 and 15 regarding purchasing and credit card authorization.

Background

The District had various purchasing policies in the past with the current one being in place since August 15, 2011. The current Credit Card Policy has been in place since January 23, 2012. Both policies have served the District well over the years; however, the impact of change that was accelerated by the Covid-19 pandemic has also started to impact the District of Barriere when considering procurement processes and credit card authorities.

Based on Council's strategic plan, staff reviewed the two policies with the intent to streamline financial procedures and processes. This policy also aims to incorporate many of the recommendations and best practices advocated for by the Auditor General for Local Government (AGLG) before the AGLG's office was disbanded by the Province in March 2021.

Staff has for some time struggled with the interpretation and application of the existing purchasing policy (example: capital versus operating purchasing), which also lacks clear direction related to commonly occurring situations (for example Direct Awards, Purchase Orders, and on-going services), and is missing some critical items that should form part of a procurement policy. The policies is also outdated with respect to not referencing trade agreements, utilizing outdated definitions, focusing primarily on capital items (which are now a part of the annual budget process and asset management policies) and overall outlining cumbersome procedures and processes which open the District up to additional risk.

Staff has undertaken a fair amount of research to prepare and updated Procurement Policy which addresses the practical requirements of those responsible for procurement, while maintaining sufficient controls and direction to ensure that the stated objectives are achieved.

The proposed new policy is a complete re-write which envisions to provide better direction to staff and provides for conformity with current best practices. Below are some highlights regarding the policy and where the key differences are between the current one and the proposed one:

Purpose, Scope, and Objectives

These sections are similar to the previous policy; however, wording has been amended to be more aligned with current asset management principles and practices.

Responsibilities

The proposed policies envision a shift from the Chief Financial Officer (CFO) having primary responsibility to the Chief Administrative Officer (CAO). This change further establishes the structure of the one employee model that the District is utilizing, and which is enshrined in various policies and bylaws.

The CFO's role on the other hand would shift to *"monitor adherence to the provisions of this policy and record events of non-compliance"*, essentially being the "checks and balance" function of the District that is not in place under the current policy. Essentially a second line of defence in terms of financial oversight.

Department Head responsibilities are now also listed as is a statement on ethics and a reference to District code of conduct guidelines.

Exclusions

This section has been added for clarity of what is not considered a procurement of goods or services. It includes for example: Transfers to and from investment accounts, payments of debt, payroll deductions, etc.

Compliance

The Compliance section includes the expectation of the District to employees to adhere to the policy and the reporting requirements for non-compliance by others.

Authority

Under this section, the execution of contracts is delegated to the CAO. This is already delegated in the Officers Bylaw, and as such, this section is primarily intended to define a clearer direction in terms of the length of contracts and to guide the approval requirements.

The spending authority provided in this section refers to Schedule B for a comprehensive list. (see more details below)

Purchasing Guidelines

This section details the four key principles for our procurement practices in alignment with asset management principles, namely, Best Value, Sustainable Procurement, Cooperative Purchasing, and following Trade Agreements that pertain to the District.

Purchasing Method

This section is broken down into the various different types of purchasing that the District generally does and it includes Petty Cash (under \$100 generally), Credit Cards (a list of authorized users and respective limits are set in Appendix C), and Purchase Orders (PO). The biggest change for the District is possibly to formalize the PO processes and expectations. PO's have so far been a standard process with the District, performed manually and not logged in the finance software, however, no clear guidelines and limits were provided. Going forward, expenses over \$1,500 will require a PO unless they fall within the exception categories provided, which includes: legal and accounting fees, utilities like propane and electricity, courses and travel expenses, etc.

Change Orders

Change Orders are also a standard process, however, so far, no clear guidelines have been in place. This section attempts to codify some of the current practices.

Sourcing Methods

This section includes written details on various different sourcing methods. A summary table can be found in Appendix A. In short, this section sets the expectations for general goods and service procurement and when it is recommended to ask for three verbal quotes (over \$10,000), when three written quotes are required (over \$25,000), and when a Request for Proposal (RFP) style process is required (over \$75,000). For construction projects these numbers are slightly higher, up to \$200,000 for three quotes, and an RFP process for over \$200,000.

Other sourcing methods discussed include Expression of Interests (EOI), Pre-Qualifications (PQ), and Hired Equipment guidelines.

In most circumstances a PO will be used to establish a "contract" with the supplier; however, larger amounts will generally require a Contract to be in place. In extenuating circumstances, a Direct Award or Sole Source may be required. This generally occurs where there is only a single supplier available for a specific item or a limited amount of responses are received from a quote request (a full list of sole source reasons can be found in the draft policy). The policy subsequently established the criteria under which a Direct Award can be made and who can authorize such a procurement (CFO under \$25,000, CAO over \$25,000). Any Direct Award over \$75,000 would also require a public Notice of Intend on the District's website, and, if required by law, on BC Bid.

Selection of Consultants

The District often engages with consultants and professionals for special projects. The policy sets guidelines for retaining such consultants and the process that should be followed, which again, a project estimated over \$25,000 will require three quotes.

On-going Professional Services

In a perfect world, some key services like banking, legal, benefits programs, and engineering services will be reviewed on a regular basis. The policy sets the intent to review these at an interval of every five years. If there are no alternatives or there are other critical reasons why not to investigate alternatives, Council may direct Staff to not undertake such a process for a five-year span.

Grant Funded Projects

This section establishes Council's expectations that Staff will follow the funders procurement provisions. If none are provided, then at a minimum this policy will apply

Performance Evaluations

The District already monitors the performance of its key contractors on a regular basis. This section simply codifies those practices.

Unsolicited Proposals

The minimum expectations as it relates to procurement by staff is listed in this section.

Bylaws, Policies, and other References

These sections list the various District Bylaws, and Policies, as well as, the different types of trade agreements and information items that staff should consult when undertaking procurement, especially for items in excess of \$75,000 for goods and services, and over \$200,000 for construction.

Appendix A highlights the various purchase forms, PO requirements, and dollar limits per type of purchase.

Appendix B includes the spending limits depending on position:

Position	Spending Limit
Chief Administrative Officer	Within Financial Plan
Chief Financial Officer	\$25,000
Corporate Officer	\$15,000
Department Heads/Managers	\$10,000
Deputy Managers	\$ 5,000
Leadhand/Coordinator/Foremen	\$ 1,500
Accounting Clerk	\$ 1,500
Administrative Services Clerk	\$ 500
Other permanent employees	\$ 250

Appendix C includes the Credit Card limits. The overall aggregate would be \$40,000 going forward, currently Policy No. 15 has a \$20,000 limit.

Position	Credit Limit
Mayor	\$ 5,000
Chief Administrative Officer	\$10,000
Chief Financial Officer	\$10,000
Corporate Officer	\$15,000
Department Heads/Managers	\$10,000
Administrative Services Clerk	\$ 500

Credit Cards used to be addressed in a standalone policy. It would be staff's recommendation to consolidate the two policies and include credit card authorities and limits within the procurement policy. Subsequently, the stand-alone credit card policy would be no longer needed and would need to be rescinded. It is also recommended to provide a credit card to the Administrative Clerk position as this role is responsible for a large amount of smaller purchases in a month, yet currently uses personal cards and then gets re-imbursed from the District.

Some key Differences from the current policies to the proposed one:

- the removal of definitions, which are generally redundant and unnecessary, and clauses which relate to procedures and standard practices rather than policy.
- Capital expenditures that are addressed through the annual budget process which has guidelines from the Asset Management Policy have now also been removed as it may otherwise produce conflicting statements.
- expansion of the responsibilities statements and guidelines to address best value, sustainable procurement, and co-operative purchasing
- a clear outline on when Purchase Orders (PO 's) apply and when not. The limit for PO's has been set to \$1,500 which is a reasonable amount for the size of municipality.
- inclusion of additional sourcing methods
- Council approvals for certain dollar amounts for procurement would no longer be required as authority has already been handed to staff through Financial Plan and other policies and Bylaws.
- addition of sections which cover change orders, selection of consultants and professional service providers, on-going contracts, performance evaluations, and unsolicited proposals
- clearly defined purchase order exemptions and other exemptions
- clarification regarding direct awards greater than \$25,000 and of the type of situations which may justify sole sourcing
- change in spending amount authority for some staff and credit card limit changes

Summary

In summary, after a thorough review of the procurement and credit card policies, the point of decision for Council is whether to adopt a new procurement policy at this time and rescind the two outdated ones.

Benefits or Impact

General

The revised Procurement Policy provides more definitive direction to Staff in the procurement of goods and services and incorporates many of the recommendations and best practices advocated by the Auditor General for Local Government.

Finances

There are no additional costs associated with this Policy. The policy statements provide a guideline for fiscally responsible procurement, specifically, this policy mandates practices which are aimed at achieving best value for money in procurement, while addressing the requirements of those responsible for managing operations and projects in a practical and efficient manner.

Strategic Impact

Priority #2: Fiscally Responsible Operations

Goal 3. – Financial Confidence and Oversight are Rebuilt

Actions to get us there:

- a. Enhancing Financial Procedures and Processes
 - a. The Annual Operational Budget is Program Based (not line by line), Variances are clearly highlighted.
 - b. The Annual Capital Program and Special Projects are separate from the Operational Budget.
 - c. Workflows, signoff, and other processes are evaluated and enhanced where feasible.
 - d. All Financial Policies are reviewed, and possibly new Policies are established, to align with the needs of our growing organization, including:
 - i. Procurement Policy
 - ii. Credit Card Policy
 - iii. Budget Transfer Authority
 - iv. Payroll and Expense Review Policy
 - v. Travel and Expense Policy

Risk Assessment

Compliance: Council has the authority to adopt policies. The following are key documents that are referenced in the Policy:

- Auditor General for Local Government (AGLG) Perspectives Series
 - Improving Local Government Procurement Processes
 - Oversight of Capital Project Planning & Procurement
- Global Affairs Canada - International Trade Agreements and Local Government: A Guide for Canadian Municipalities
- New West Partnership Trade Agreement (NWPTA)
- Canadian Free Trade Agreement (CFTA)
- Comprehensive Economic and Trade Agreement (CETA)
- Canada-UK Trade Continuity Agreement (CUKTCA)

Risk Impact: Low

Internal Control Process:

Department heads reviewed the draft policy. Staff will follow internal processes to update all staff on the various policy changes.

Next Steps / Communication

- Communicate to Staff the new guidelines
 - Work with the Credit Union to update our Credit Card limits and establish new cards for certain positions
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Attachments

- Draft Procurement Policy No 56.FI
- Current Policies No 13 (Purchasing) and No. 15 (Credit Card Authorization)

Recommendation

THAT Council adopts Procurement Policy No. 56FI; AND THAT Council rescinds Purchasing Policy No. 13 and Credit Card Policy No. 15.

Alternative Options

1. Council could choose to amend the policy.
2. Council could choose to not establish a new procurement policy in which case staff would be following the previous policies.

Prepared by:

D. Drexler, Chief Administrative Officer



DISTRICT OF BARRIERE COUNCIL POLICY MANUAL

Approval Date: N/A

Amended Date: N/A

NO: 56FI
SECTION: Finance
SUBJECT: Procurement Policy

Purpose

This policy establishes general guidelines, authorizations, and approval limits for the procurement of goods and services on behalf of the District.

Scope

This policy applies to all procurement of goods and services, including construction, consulting, or professional services, made by or on behalf of the District by employees and other authorized personnel.

Objectives

The objectives of this policy are to:

- a) Establish authority and limits for the purchase of goods and services on behalf of the District.
- b) Procure the necessary quality and quantity of goods and services in an efficient, timely and cost-effective manner, while maintaining controls appropriate for a public sector body.
- c) Promote fair, open, accountable, and transparent purchasing practices.
- d) Encourage as a preference, contracting agreements and purchasing criteria that consider total life cycle costs and minimize environmental impacts.
- e) Ensure that the District acts in accordance with all applicable legislation and trade agreements.

Policy Statements

1. Responsibilities

Chief Administrative Officer (CAO) to:

- a) approve and issue administrative directives to implement this policy
- b) review and approve sole and single source purchases greater than \$25,000
- c) approve recommendations for contract awards
- d) approve term contracts of less than 5 years

Chief Financial Officer (CFO) to:

- a) monitor adherence to the provisions of this policy and record events of non-compliance
- b) approve and implement administrative procedures necessary for compliance with this policy
- c) review and approve sole and single source purchases as stated in Section 8.
- d) remain informed of current legislation and ensure compliance with trade agreements

Department Heads to:

- a) ensure that their departments' purchasing activities meet the objectives and administrative requirements of this policy
- b) ensure funds are available for departmental spending and within the spending authority of those authorized to make purchases on behalf of the department
- c) ensure that all procurement contracts initiated within the department are complete and properly authorized, including, if necessary, a legal review for bid compliance

All employees are expected to conduct themselves with personal integrity, ethics, honesty, and diligence when acquiring goods and services on behalf of the District, and shall exercise impartiality and fairness at all times in evaluating suppliers and awarding contracts. Employees must comply with other District policies regarding conflicts of interest and receipt of gifts, and shall maintain confidentiality of information which the District is obligated to protect.

2. Exclusion

The following transactions are, by their nature, not generally considered procurements of goods and services, and are thus excluded from the provisions of this policy:

- Payments made with respect to payroll taxes and source deductions, union dues, workers' compensation assessments, and similar payments.
- Payments of debt interest and principal
- Transfers to and from investment accounts
- Payments in respect of taxes collected on behalf of other authorities
- Donations, grants, and fee-for-service payments
- Fire department cost sharing and volunteer payment agreements
- Payment of damages or settlements
- Acquisition of land and improvements, by purchase, lease or other agreement

The hiring of regular, temporary, and casual employees is also outside the scope of this policy.

3. Compliance

All employees and other authorized personnel responsible for purchasing goods and services, for approving the purchase of goods and services, or for executing contracts on behalf of the District must adhere to this policy.

Any employee who willfully acquires goods or services in contravention of this policy is liable to disciplinary action. Activities such as making unauthorized purchases, committing the District without appropriate authority, disclosure of suppliers' confidential or proprietary information, or dividing contracts or purchases to avoid the thresholds of this policy are expressly prohibited.

All incidents of non-compliance, including those requiring special approvals shall be documented and reported to the appropriate level of management, or Council if warranted.

4. Authority

Under authority delegated by Council to the CAO, the following authorizations are provided to management and employees of the District in order to give administrative effect to this policy:

a) Authority to Execute Contracts

- i. The CAO shall execute contracts awarded through the public tendering process.
- ii. All contracts with a term greater than 5 years require Council resolution, and are to be executed by both the Mayor and either the Corporate Officer (CO), the CAO, or the CFO.
- iii. Contracts within the parameters of the Financial Plan (5 years or less) require approval by both the CAO or designate and the Corporate Officer.

b) Spending Authority

District employees may approve purchases of goods and services up to their individual approval limits as set out in Appendix B. When an authorized staff member is away, the staff member performing their duties during the period of their absence is authorized up to the spending limit of the absentee member. In case of the fire department, the CAO would need to approve any spending while the Fire Chief is away.

5. Purchasing Guidelines

Best Value

Purchase decisions should take into consideration the total cost of ownership, and not just the lowest purchase price. The total life cycle cost, including acquisition, shipping, disposal, operating, and maintenance costs should be assessed, in addition to taking into account other characteristics such as availability, suitability, serviceability, warranty, training requirements, and environmental impact.

Sustainable Procurement

The District will procure goods with due regard to its commitment to encourage the use of environmentally friendly products and processes which reduce waste, air and water pollution, and the use of chemicals.

Cooperative Purchasing

The District may participate in cooperative purchasing with other government, First Nation or their subsidiaries, broader public sector entities, or public agencies where it is in the best interest of the District to do so. The cooperative procurement process may be conducted in accordance with the procurement policy of the leading organization.

Trade Agreements

The District shall comply with the relevant provisions of all trade agreements to which it is subject. These agreements generally state that goods, services and construction above certain dollar thresholds must be publicly tendered so as not to discriminate among bidders on the basis of origin.

6. Purchasing Method (also see Appendix A for a summary)

Petty Cash

A petty cash fund is an alternative for small value purchases which do not warrant the processing of an invoice through accounts payable. Purchases made using petty cash should generally not exceed \$100 per transaction.

Credit Cards

Credit cards will be assigned to staff according to their purchase needs. District staff may use credit cards for bona fide District expenses within their assigned credit limits. Credit limits are detailed in Appendix C. Purchase orders are required for credit card transactions in accordance with the provisions of this policy. If a credit charge cannot be justified or accounted for, the cardholder may be responsible for reimbursement at the discretion of the CAO or Council.

Purchase Orders

Unless exempted below, purchase orders shall be issued for all goods and services costing in excess of \$1,500, excluding Provincial Sales Tax, Goods and Services Tax, freight, and delivery charges.

Where the exact purchase amount is unknown but is anticipated to exceed \$1,500, the purchase order should be issued using a reasonable estimate or, if quantities are unknown, a specified hourly or unit cost.

Annual standing purchase orders may be issued to frequently used suppliers, for supplies of a repetitive or continuous nature.

An authorized purchase order must be in place prior to any commitment being made for the purchase of goods and services.

Purchase Order Exemptions

The following expenditures do not require a purchase order:

- Association dues and membership fees, publications/subscriptions
- Legal, human resources consulting, and accounting fees
- Postage, freight, and courier costs
- Utilities such as electricity, gas/propane, internet, telephone, and cell phone
- Procurements made under annual or other contracts, such as services and equipment leases
- Courses, seminars, conventions, workshops, and other training fees
- Travel expenses and advances
- Licenses and permits
- Insurance and payroll benefit plan premiums
- Expenditures made during situations of declared emergency or other threat to public health or safety necessitating immediate action

Where there is no breach of the competitive process or risk to the District, an unintentional failure to issue a purchase order as noted above is subject only to internal administrative redress.

7. Change Orders

Managers will have the authority to approve change orders subject to the following conditions:

- there are sufficient uncommitted funds within the existing project budget to cover the cost of the change order;
- the change order does not materially alter the scope of work of the project; and
- the change order does not exceed the lesser of 15% of the original purchase amount and the manager's authority limit.

8. Sourcing Methods (also see Appendix A for a summary)

Direct Acquisition

Goods or services with an estimated cost of less than \$10,000, where no individual item is greater than \$5,000 in value, may be purchased directly from a supplier; however, staff is expected to make a reasonable effort to obtain the best value.

Verbal Quote and Request for Quotation (RFQ)

A minimum of three suppliers shall be solicited for price quotations for purchases between \$10,000 and \$75,000 in value.

While staff are recommended to obtain written quotes for all purchases over \$10,000, verbal quotes may be used for lower dollar value purchases (under \$25,000), with a written record maintained of the businesses contacted and the quote amount, or lack of response if applicable. Written price quotations are required for goods and service purchases between \$25,000 and \$75,000 and may be sought through direct request to qualified suppliers, or through an invitational or public tendering process. The same applies for construction projects under \$200,000.

The award will be made to the respondent who has submitted the lowest price and that meets all the specifications of the RFQ. However, in determining the best qualified and acceptable quote, consideration should be given to other factors such as vendor qualifications, quality, source of supply, availability, and supplier's past performance. The District reserves the right to accept a quote other than the lowest bid based on a higher evaluation of the criteria noted above.

Requests for Expressions of Interest (EOI) and Vendor Pre-Qualification (PQ)

A prequalification process may be used whereby vendors or contractors are requested to provide an expression of interest or qualifications to be used in developing a short list of prospective qualified suppliers. Prequalification of vendors may be used as a preliminary step in the public tendering process, providing the requirements for advertising noted below are met.

Requests for Standing Offers (RFSO) - Hired Equipment

The District may issue a request for standing offers or EOI for the registration of equipment for hire on an as-and-when-required basis. The District will maintain a list of prequalified providers, with equipment to be hired based upon criteria such as price, availability, and condition.

Formal Public Tendering (ITT) and Request for Proposals (RFP)

Invitations to Tender (ITT) and RFP are to be sought by formal public advertising for the supply of all goods and services when the cost is estimated to exceed \$75,000. All competitive procurement opportunities shall be advertised in BC Bid or other electronic tendering system, and must follow the District's established processes and procedures for receiving and opening tenders. The same applies for construction projects over \$200,000.

Contracts

Other than unique situations entailing mandate from Council, the maximum term for a contract for services, including any renewals, shall be five years. Continuing contracts, other than those included as professional services in Section 10, or contracts with multiple indefinite annual renewals are expressly prohibited.

The approval level for contracts with a duration of greater than one year is calculated as the total financial obligation over the term of the contract, including any options for extension.

Once a service contract has been awarded, direct orders may be placed with the supplier by authorized personnel.

Direct Award (Sole or Single Sourcing)

A purchase of goods or services below \$75,000 may be made by direct award where the opportunity to obtain quotes or solicit competitive bids does not exist or is not justified in the circumstances. Sole source purchasing shall not be conducted in order to avoid competition between or discriminate against suppliers. Failure to plan appropriately does not provide justification for sole sourcing in a situation of urgency.

Circumstances that may support sole sourcing include (but are not limited to) the following:

- there has been limited or no response to an RFQ which has been posted publicly for at least one week;
- an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time through the competitive procurement process;
- the expenditure is minor and the potential savings available through competitive contracting do not justify the increased time and costs involved in obtaining quotes;
- in the case of cooperative purchasing, where the cost of the goods or services is verifiably competitive;
- services and supplies are provided by utility companies on a monopoly or regulated tariffed basis;
- there is an absence of competition for technical reasons and the goods or services can only be supplied by one particular service provider, with no reasonable alternative or substitute;
- there is only one service provider who has the unique qualifications or skills needed for the work;
- there is a need to maintain compatibility with existing products or specialized products which can only be provided by the manufacturer or representative of the product;
- the work is a continuation or follow-up and is most appropriately done by the original service provider;

- an opportunity arises to take advantage of cost savings realizable when non-resident contractors are already available locally for a limited time (eg. paving contractors);
- an item is offered for sale by tender, auction, or negotiation, and purchasing the item is clearly in the best interest of the District; or
- the project is highly sensitive or confidential, and advertising it through open competition is not appropriate.

Direct award purchases require a documented request and justification with approval of the Chief Financial Officer. Direct award purchases over \$25,000 require additional approval from the Chief Administrative Officer or designate.

Direct award purchases over \$75,000 also require a Notice of Intent (NOI) to be posted on the District's website and, if required, on BC Bid for a period of minimum seven (7) calendar days. The NOI is not required if the procurement is for an emergency, is trade agreement exempt, or allowable via a compliant procurement through a cooperative purchase.

General Guidelines for Sourcing

The District of Barriere reserves the right to reject any or all tenders, EOI's, RFP's, RFQ's, etc.; the lowest will not necessarily be accepted.

The District of Barriere reserves the right to waive informalities in or reject any or all tenders or accept the tender deemed most favorable to the interest of the District of Barriere.

All contractors and suppliers providing goods and services to the District are required to have all necessary licenses, insurance, and WCB number.

9. Selection of Consultants and Professional Services

Consultants and professional service providers may be engaged directly for services under \$25,000, where a reasonable evaluation or pre-qualification process has been completed.

A Public Call for Written Proposals or direct invitation shall be sought from at least three qualified consultants where the anticipated cost of engaging the consultant is \$25,000 or more.

Consultants will be retained on the basis of expertise, experience, professional reputation, ability to complete the work and to provide cost effective advice and solutions. The District will not rely on one consultant to provide the majority of project consulting services. To achieve best value for money, staff will endeavour to engage consultants by means of a direct contract rather than subcontracting through an intermediary.

The following criteria shall be taken into consideration when evaluating potential candidates:

- the firm's relevant experience and past performance
- familiarity with municipal procedures and practices
- references from former or current clients
- fees to be charged
- potential for conflict or perceived conflict of interest

10. Contracts for On-Going Professional Services

Where professional services are to be retained on an ongoing basis, a review should be undertaken of such services every five years, if not more frequently. These services will be requested by way of an Expression of Interest or Request for Proposal. Ongoing professional services include the following:

- Banking and Investment Services
- Legal Services
- Employee Benefit Plan Brokerage Services
- Professional Engineering Services for the District's utilities

Council may determine not to undertake a review of a particular Professional Service for a five-year span, due to a lack of options, conflicting timelines, or projects that are already underway.

11. Procurement for Grant Funded Projects

All procurements of goods and services for projects funded by Federal, Provincial or other grant programs shall comply with the procurement and contract management provisions of the grant funding agreements. At a minimum, these project procurements shall comply with the provisions of this policy regarding the use of consultants and a competitive bidding process for goods and services contracts over \$75,000. All procurement related to grant funded projects shall be conducted in accordance with applicable trade agreements.

12. Performance Evaluation

Contractor and consultant evaluations are essential to proper contract management in order to ensure that performance issues are addressed quickly and effectively. The manager responsible for a particular contract should endeavour to implement a performance evaluation process for all contracts over \$75,000 and lower valued contracts as appropriate, and should maintain written records of any performance issues, including correspondence and notifications sent to the service provider.

The manager responsible should continuously monitor the performance of the contractor or supplier and evaluate the performance based on standard criteria adopted from time to time, including, but not limited to the following:

- ability to meet contract specifications, cost, delivery, terms or conditions
- project management
- time planning and scheduling
- quality of workmanship
- health, safety and other regulatory compliance

Performance evaluations from previous contracts will be taken into consideration when evaluating and awarding future work, with legal advice to be obtained when necessary.

13. Unsolicited Proposals

Unsolicited proposals received by the District will be reviewed by the Department Head to determine the merit of services offered and appropriate response. Any purchasing activity resulting from the receipt of an unsolicited proposal must comply with the provisions of this Policy.

Related Bylaws and Policies

- District of Barriere Officers and Delegation of Authority Bylaw No. 201
- Conflict of Interest Guidelines Policy No. 3
- Asset Disposal Procedure Policy No. 49FN

All Bylaws and Policies listed may be amended, replaced, or repealed from time to time.

References

- Auditor General for Local Government (AGLG) Perspectives Series
 - Improving Local Government Procurement Processes
 - Oversight of Capital Project Planning & Procurement
- Global Affairs Canada - International Trade Agreements and Local Government: A Guide for Canadian Municipalities
- New West Partnership Trade Agreement (NWPTA)
- Canadian Free Trade Agreement (CFTA)
- Comprehensive Economic and Trade Agreement (CETA)
- Canada-UK Trade Continuity Agreement (CUKTCA)

Resolutions and Amendments

MMM DD, YYYY – Council Policy No. 56FI Established and Purchasing Policy No. 13 Rescinded

Appendix A
Method and Form of Purchase

Method and Form of Purchase	PO Required	Limit
Petty Cash	No	< \$100
Credit Card Purchase (receipt/invoice required)	No	< \$1,500
Credit Card Purchase (receipt/invoice required)	Yes	> \$1,500
Direct Purchase without quotation	No	< \$1,500
Direct Purchase without quotation - no single item > \$5,000	Yes	< \$10,000
Verbal Quote - minimum 3 quotes (to be documented)	Yes	< \$25,000
Written Quotes and RFQ - minimum 3 quotes	Yes	\$25,000 - \$75,000
Direct Award (approval of CFO or CAO)	Yes	\$10,000 - \$25,000
Direct Award (approval of CFO and CAO, over \$75,000 NOI)	Yes	> \$25,000
Public Tender - ITT and RFP	Yes	> \$75,000
Term Contracts < 5 years - CAO and CO approval	No	All amounts
Term Contracts > 5 years - Council resolution	No	All amounts

Appendix B

Spending Authority

Position	Spending Limit
Chief Administrative Officer	Within Financial Plan
Chief Financial Officer	\$25,000
Corporate Officer	\$15,000
Department Heads/Managers	\$10,000
Deputy Managers	\$ 5,000
Leadhand/Coordinator/Foremen	\$ 1,500
Accounting Clerk	\$ 1,500
Administrative Services Clerk	\$ 500
Other permanent employees	\$ 250

Appendix C

Credit Card Authority

Position	Credit Limit
Mayor	\$ 5,000
Chief Administrative Officer	\$10,000
Chief Financial Officer	\$10,000
Corporate Officer	\$15,000
Department Heads/Managers	\$10,000
Administrative Services Clerk	\$ 500

The cumulative limit for all credit cards shall not exceed \$40,000.



DISTRICT OF BARRIERE COUNCIL POLICY MANUAL

Page 1 of 6
Approval Date: August 15, 2011

NO: 13
SECTION: FINANCE
SUBJECT: PURCHASING POLICY *(Replaces Purchasing Policy No. 8 dated May 19, 2009)*

The Municipality recognizes the need to control expenditures, thereby maintaining fiscal responsibility.

The Council attempts to obtain maximum value for each dollar expended consistent with good purchasing practices. Consideration shall be given to the supplier's reputation and experience, the ability to deliver or perform within the time specified, and the ability to provide after-sale maintenance and service. Past experience on previous orders will also be considered.

All other factors being equal, the council's policy is to purchase from local, Provincial and Canadian suppliers, in that order of preference. Preference will be given to environmentally friendly products wherever appropriate and affordable.

The Financial Officer shall be responsible for the purchasing functions of the District except for:

- a) Major construction contracts
- b) Land acquisition

Regulations shall be established in accordance with the policy statements.



PURCHASING OF CAPITAL EQUIPMENT

Capital Equipment purchasing regulations are as follows:

The Council recognizes the need to purchase new or replacement equipment for all City departments.

1. The Chief Administrative Officer and the Financial Officer will assess the needs for new and replacement equipment through consultations with the various departments.
2. If the request for purchase is made after the budget has been approved for the current year, and if the cost of the purchase can come from within the total amount of the approved department budget, the Chief Administrative Officer may approve the Capital Purchase.
3. The Chief Administrative Officer will submit to the Council requests for funding specific operational and capital acquisitions in support of upgrading projects or functions as part of the annual budget development process.
4. The Financial Officer will, in consultation with the Chief Administrative Officer, submit specific requests for funding for support departments as part of the budget development process.
5. Written notification of the approved expenditures by department will be distributed after receipt of approval by the Council.
6. Requisitions for items to be purchased are to be forwarded to the Finance Department for approval by the Financial Officer. Purchase orders for standard items will be developed by the Finance Department.



PURCHASING PROCEDURES

The Purchasing regulations are as follows:

A. Definitions

Budget Manager

An individual who controls and is responsible for a segment of the budget.

Tender

Submission on a prescribed tender form by a vendor of a price and terms for provision of goods and/or services. A deadline for submissions is established.

Quotation

Submission by a vendor of a price and terms other than on a prescribed tender form. A deadline for submissions is established.

Award

The acceptance of a tender or quotation and the issuance of the order to provide the specified materials or perform the required service.

Capital Item

Any article with a unit cost of more than \$3,000.00 having a useful life of at least three years.

District Budget

Approved annually by Council by May 15th.

Chief Administrative Officer

Chief Administrative Officer of the District of Barriere as appointed by Council.

Financial Officer

Financial Officer of the District of Barriere as appointed by Council.

Request for Proposal

A request for proposal is another formal invitation to suppliers. The supplier is invited to propose what they consider to be the best way of meeting the District's needs. In response to a request for proposal, the supplier describes how its services, methods, equipment or products can meet the District's specific need at what cost.



The District of Barriere

Policy – Finance

B. Criteria and Limitations

1. The details of the purchase of all capital items must be approved by the Financial Officer or the Chief Administrative Officer (CAO) as applicable.
2. Purchase of materials and services may be undertaken subject to the following limitations:

Total Order Amount	Pricing Support Req'd	Approval Req'd
\$0-\$2,000.00	Estimates, Catalogue Price, Verbal quotes, optional.	Budget Manager
\$2,000.00-\$7,500.00	Written Quotes (3 if possible) From Vendor List and known Suppliers.	Budget Manager
\$7,500.00-\$15,000.00	Written quotes (when applicable). On supplier Letterhead invited. From Vendor List and known Suppliers	CAO (may require approval of Council)
Over \$15,000.00	Invitation to Tender forms sent to Vendors on List. Ads placed in Local and trade publications as deemed necessary.	CAO (requires approval of Council for Capital items)
over \$75,000.00 (goods & services)	Ads placed on District website, Ads placed in local, trade Publications and BC Bid as deemed necessary	Requires approval of Council
over \$200,000.00 (construction)	Ads placed on District website, Ads placed in local, trade Publications and BC Bid as deemed necessary	Requires approval of Council

3. The District of Barriere reserves the right to reject any or all tenders; the lowest will not necessarily be accepted. The District of Barriere reserves the right to waive informalities in or reject any or all tenders or accept the tender deemed most favorable to the interest of the District of Barriere.



The name of the successful bidder and the accepted price shall be available upon request.

4. A tender report will be given to the Council when applicable.
5. All bids and related documents shall be available for review for a one year period after the award is made.
6. All contractors and suppliers providing goods and services to the District are required to have all necessary licenses, insurance and WCB number.

Current



The District of Barriere

Policy – Finance

DISTRICT OF BARRIERE

QUOTATION EVALUATION

For purchases from \$2,001 to \$7,500

Purchases in this range must be done by recorded quotations. At least three quotes should be received and recorded with the lowest bid being accepted. If the lowest bid is not accepted, upon satisfactory justification, the Financial Officer must approve the purchase.

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

ADDRESS: _____

PHONE #: _____ AMOUNT: _____

CONTACT NAME: _____ DATE: _____

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

ADDRESS: _____

PHONE #: _____ AMOUNT: _____

CONTACT NAME: _____ DATE: _____

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

ADDRESS: _____

PHONE #: _____ AMOUNT: _____

CONTACT NAME: _____ DATE: _____

DNS Department: _____ Signature: _____

Financial Officer's Approval: _____



DISTRICT OF BARRIERE

COUNCIL POLICY MANUAL

Page 1 of 1
Approval Date: Jan. 23, 2012

NO: 15
DEPARTMENT: FINANCIAL ADMINISTRATION
SUBJECT: CREDIT CARD POLICY

1. It is a policy of the District of Barriere to hold the highest standards of honesty, ethics and integrity in all of its activities.
2. Credit Cards will be issued to the Mayor, CAO, Finance Officer and Executive Administrative Assistant with a cumulative limit of \$20,000.00.
3. District credit card transactions are only to be made by the designated cardholder.
4. District credit card transactions can only be made for the purpose of District business.
5. All credit card transaction receipts should be submitted to the Finance Department as soon as possible, with a description of the transaction if the receipt is unclear.
6. If a charge cannot be specifically justified or accounted for, the cardholder may be responsible for reimbursement of the charge at the discretion of the CAO or, Finance Officer or, Council.
7. Failure to comply with this Credit Card Policy could be cause for dismissal.