



**VILLAGE OF BELCARRA
FINANCE STANDING COMMITTEE MEETING
AGENDA
July 24, 2024
7:00 PM**



*This meeting is live streamed and recorded by the Village of Belcarra
To view the meeting click: [Village of Belcarra - YouTube](#)*

Committee Members

Mayor Jamie Ross
Councillor Carolina Clark
Councillor Joe Elworthy
Councillor Janet Ruzycki
Councillor Liisa Wilder

1. Call to Order

The Chair will call the meeting to order.

2. Approval of Agenda

2.1 Agenda for July 24, 2024

Recommendation:

That the Agenda for July 24, 2024 be approved as circulated.

3. Adoption of Minutes

4. New and Unfinished Business

4.1 Ken Bjorgaard, Financial Consultant, report dated July 24, 2024 regarding the 2025 Financial Planning Process and Schedule

Recommendation:

That the 2025 financial planning process and schedule presented in Appendix "A" be forwarded to a Regular Council Meeting for approval.

4.2 Ken Bjorgaard, Financial Consultant, staff report dated July 24, 2024 regarding the draft Procurement & Disposition of Assets Policy

Recommendation:

That the draft Procurement & Disposition of Assets Policy (Corporate Policy No. 230), as is, or as amended, be forwarded to a Regular Council Meeting for approval; and further That Corporate Policy No. 203 - Procurement Policy (including Disposal of Assets) be forwarded to a Regular Council Meeting for repeal.

5. Adjournment

Recommendation:

That the July 24, 2024 Finance Standing Committee Meeting be adjourned.



FINANCE STANDING COMMITTEE REPORT

Date: July 24, 2024
From: Ken Bjorgaard, Financial Consultant
Subject: 2025 Financial Planning Process and Schedule

Recommendation:

That the 2025 financial planning process and schedule presented in Appendix “A” be forwarded to a Regular Council Meeting for approval.

Purpose:

The purpose of this report is to present a proposed 2025 financial planning process and schedule for the Committee’s discussion and consideration.

Background:

The Village’s 5-year (2024 – 2028) Financial Plan included the following increases:

Property Taxes

- 10% increase in property taxes in 2024;
- 4% increase in property taxes in each year from 2025 to 2028 (all property tax increases in 5-year Financial Plan after 2024 are subject to review and change in the next budget cycle in 2025);

Water User Fees

- 20% increase in water user rates in 2024;
- 15% increase in water user rate in 2025 and 2026 and 5% increases in 2027 and 2028 (all water rate increases in 5-year Financial Plan after 2024 are subject to review and change in the next budget cycle in 2025);

Waste & Recycle Depot (WARD) User Fees

- 20% increase in WARD user rates in 2024;
- 10% increase in WARD user rate in 2025 and 2026 and 4% increases in 2027 and 2028 (all WARD rate increases in 5-year Financial Plan after 2024 are subject to review and change in the next budget cycle in 2025).

The Village now has a 15-year financial planning model which can be updated with different scenarios, to assess the longer-term impact of various property tax and utility rate increases. In addition, the Village's recently completed long-term asset management plan provides a list of capital replacements and/or renewals for each year over the long-term, which are confirmed or adjusted yearly based on annually scheduled condition assessments.

A Strategic Plan update session will be scheduled, including a review of resources needed to realize Council's objectives. This session has been included in the draft budget/financial planning schedule as specific resources have to be assigned within the Strategic Work Plan if Council's goals are going to be achieved.

Report:

Financial Planning Process

The following process steps are included in the attached draft Budget/Financial Plan schedule shown in Appendix "A".

1. Review and update of Strategic Plan and related Work Plan including the approval of applicable resources;
2. Presentation and review of operating spending packages and the approval of core operating budgets including any related core budget changes. *The Core or Base Budget is defined as the budget that is required to maintain existing services and programs at previously approved service levels;*
3. A review of long-term capital plan including any projects in the plan which result from asset management;
4. Presentation and review of different property tax and utility rate increase scenarios (by utilizing the long-term financial planning model) to assess the impact of the different scenarios over the long-term including the impact on reserve levels. Scenarios are based on funding approved core operating budgets and long-term capital and operating financial plans;
5. Finalization of proposed property tax and utility rate increases to be presented to the public for consultation purposes;
6. Public consultation and feedback on property tax and utility rate increase scenarios;
7. Review of public consultation feedback and decision on final property tax and utility rate increases to be included in the financial plan and user rate bylaws (for 2025 and 2026 – 2029);
8. Presentation of financial plan and user rate bylaws for first three readings;
9. Presentation of financial plan and user rate bylaws for adoption;
10. Presentation of 2025 tax rates bylaw for first three readings; and
11. Adoption of 2025 tax rates bylaw.

The above includes a separate approval of any core operating budget changes as per the approved recommendation from the Financial Sustainability Report, as follows:

That Operating Spending Packages be completed as a means of approving all new expenditures that are related to new or expanded services or increased service levels.

The capital financial plan/budget for the renewal or rehabilitation of existing infrastructure and assets is determined by the asset management results and the related asset condition assessments. Asset management does not address new assets or infrastructure that may be needed or approved.

Approved Recommendations from Financial Sustainability Report

The following approved recommendations from the Financial Sustainability Report are directed related to financial planning:

- That the Village continue to track its financial indicators annually based on year-end results with the results being reported to Council and the community;
- That a comprehensive review of the Village's fees & charges be undertaken with the goal of increasing non-property tax-based revenue, and that these fees be reviewed annually to keep up with the Village's increased cost of providing services which includes the impact of inflation;
- That the Village create additional operating reserves for the Water & WARD utilities to stabilize operations and to offset unanticipated expenditure increases and/or losses of revenue;
- That minimum & optimal reserve and surplus levels be established, based on the Asset Management Plan and Long-Term Financial Plan results, & that Corporate Policy No. 211 – Reserve Funds and Surpluses, be updated;
- That the estimated operating cost impacts of capital projects be integrated into the capital decision making and approval process;
- That Policy 195 (Financial Plan – Amendment, Monitoring and Control) be updated; and
- That the following new policies be brought forward for Council's consideration:
 - a) Financial Plan Amendments and
 - b) Investing Municipal Funds;

The above items will be brought forward for consideration, either as part of the financial planning process or as separate stand alone items.

Conclusion & Financial Plan Scenarios

If one has a robust and solid long-term financial planning process in place, which the Village has, there should be less need for discussion at a micro level of budgets, and the focus should be on the approval of core budget changes and the consideration of the long-term consequences of various financial plan scenarios.

The above process as noted in the schedule calls for the approval of the 2025 – 2029 Financial Plan bylaw before the beginning of the 2025 fiscal year. The benefits of long-term financial planning cannot be overstated, in terms gauging the long-term impacts of present-day decisions and in terms of a guide for annual budgets.

At this point in time it would be appropriate for the Committee to provide an indication of any property tax and utility rate (for water and WARD) increase scenarios that they would like to be analyzed and presented at a future financial planning/budget meeting.



Prepared by: Ken Bjorgaard
Financial Consultant



Concurrence: Paula Richardson,
Chief Administrative Officer

The following appendix is hereby attached:

- Appendix "A" - Village Of Belcarra 2025 – 2029 Financial Plan/Budget Schedule

Appendix “A” - VILLAGE OF BELCARRA 2025 – 2029 FINANCIAL PLAN/BUDGET SCHEDULE
 (2025 Budget Cycle)

DATE(S)	EVENT/TASK	PERSONS	COMMENTS
To be determined	Council Meeting Update of Strategic Plan and related Work Plan including the approval of applicable resources.	Council CAO & Staff Financial Consultant	
September 25, 2024	Finance Standing Committee Meeting Presentation and review of operating spending packages and the approval of core operating budgets including any related core budget changes. Review of long-term capital plan including any projects in the plan which result from asset management.	Council CAO & Staff Financial Consultant	
October 7, 2024	Special Council Meeting – Budget Review Presentation and review of different property tax and utility rate increase scenarios (by utilizing the long-term financial planning model) to assess the impact of the different scenarios over the long-term including the impact on reserve levels. Finalization of proposed property tax and utility rate increases to be presented to the public for consultation purposes.	Council CAO & Staff Financial Consultant	to be held prior to a Regular Council Meeting

DATE(S)	EVENT/TASK	PERSONS	COMMENTS
October 21, 2024	Public Budget Consultation Session Public consultation and feedback on property tax and utility rate increase scenarios.	Council CAO & Staff Financial Consultant	to be held prior to a Regular Council Meeting
November 4, 2024	Regular Council Meeting Review of public consultation feedback and decision on final property tax and utility rate increases to be included in the financial plan and user rate bylaws (for 2025 and 2026 – 2029).	Council	
November 18, 2024	Regular Council Meeting Presentation of financial plan and user rate bylaws for first three readings.	Council	
December 2, 2024	Regular Council Meeting Presentation of financial plan and user rate bylaws for adoption.	Council	
TBD	Regular Council Meeting Presentation of 2025 tax rates bylaw for first three readings.	Council	
TBD	Regular Council Meeting Adoption of 2025 tax rates bylaw.	Council	



FINANCE STANDING COMMITTEE REPORT

Date: July 24, 2024
From: Ken Bjorgaard, Financial Consultant
Subject: Draft Procurement & Disposition of Assets Policy

Recommendation:

That the draft Procurement & Disposition of Assets Policy (Corporate Policy No. 230), as is, or as amended, be forwarded to a Regular Council Meeting for approval; and further

That Corporate Policy No. 203 - Procurement Policy (including Disposal of Assets) be forwarded to a Regular Council Meeting for repeal.

Purpose & Background:

This report presents a new Draft Procurement & Disposition of Assets Policy (Policy) for the Committee's discussion and consideration. The Village of Belcarra has an existing Procurement & Disposition of Assets (Corporate Policy No. 203) that has been in place since 2015 (see attached).

Council's strategic priorities work plan includes the following task under the broad goal of "operating efficiently and effectively to provide value and service to our community and residents":

- Develop, adopt and implement updated procurement policy (revised targeted completion timeline of June 2024).

In addition, the following approved recommendation from the Road Map to Financial Sustainability Report was to be addressed in the new Policy:

- That lifecycle costing be integrated into procurement decisions when updating Corporate Policy No. 203 – Procurement (including Disposal of Assets).

Report:

The highlights of the attached new Draft Procurement & Disposition of Assets Policy are as follows:

- Emphasis on the broad and overall objectives of: Best Value, Best Practices and Total Cost of Ownership, including the benefits of competition in the marketplace;
- Clear responsibilities and authorities for Council, the Chief Administrative Officer, and Department Managers, depending on the type and dollar value of purchases;
- Different purchasing methods, namely: Direct Award Purchase, Discretionary, Informal, Competitive and Formal Competitive, to be used for different dollar levels within the Purchasing Authority Matrices;

- Purchasing Authority Matrices which provide for different and clear processes, authorities, responsibilities and documentation for the different types of purchases, those being: General Purchases, Construction Contracts, Consulting Services, Long-Term Agreements and Direct Award Purchases (includes Single Source and Sole Source). The Purchasing Authority Matrices provide an easy reference tool to assist staff in undertaking the different types of purchases within the dollar levels outlined;
- Clarification of the different methods of engaging vendors or potential vendors, namely: Direct Award Purchase (includes Single and Sole Source), Request for Quotation (RFQ), Invitation to Tender (ITT), Request for Proposal (RFP) Request for Standing Offer (RFSO) and/or Direct Negotiation;
- Clear processes and approvals for Single Source (more than 1 product/service exists in the marketplace) and Sole Source (only 1 product/service exists in the marketplace) purchases including rationalization and approval of such purchases;
- The use of purchase orders (not currently used by the Village) for purchases greater than \$5,000, in the absence of or in conjunction with signed agreements/contracts, in order to clarify, solidify and agree upon terms with vendors;
- Utilization of Coop purchasing arrangements when of benefit to the Village, with the understanding that when cooperating purchasing arrangements are utilized the purchasing methods and processes of the cooperative buying group will apply; and
- A Glossary of Terms to provide for greater understanding of purchasing terminology.

The way in which the Village undertakes procurement or purchasing and thus engages the marketplace has a major impact on its ability to get work done and projects completed, in a cost-effective, efficient and timely manner. A professional approach to purchasing also assists in obtaining Best Value for the Village and its residents, and in reducing legal risks. As such, the value of an up to date, clear and documented procurement Policy cannot be overstated.



Prepared by: Ken Bjorgaard
Financial Consultant



Concurrence: Paula Richardson,
Chief Administrative Officer

The following appendices are hereby attached:

- Draft Procurement & Disposition of Assets Policy (New Policy) (Corporate Policy No. 230)
- Procurement (including Disposal of Assets) (Current Policy) (Corporate Policy No. 203)



VILLAGE OF BELCARRA
CORPORATE POLICY NO. 230



DRAFT

TITLE: Procurement & Asset Disposition Policy

AUTHORITY:		
<input type="checkbox"/> Administrative/Legislative	<input type="checkbox"/> Operational	<input checked="" type="checkbox"/> Council
APPROVAL: Council	ISSUED BY: Finance	EFFECTIVE DATE:
		REVIEW DATE:

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1.0 POLICY STATEMENT AND OBJECTIVES

1.1 Policy Statement

This Policy serves as a guiding document for those that procure budgeted goods and/or services on behalf of the Village of Belcarra (Village). In order to operate efficiently and effectively and to provide quality public services, the Village needs to procure various goods and services at Best Value. This Policy outlines purchasing principles or Best Practices which will help Village staff achieve Best Value for goods and/or services purchased and at the same time maintain related fiscal controls.

1.2 Policy Objectives

The objectives of this Policy are to ensure that purchases are properly budgeted for, authorized, result in Best Value for the Village and that Best Practices are utilized to engage the marketplace and award contracts. Best Value is achieved when, in addition to the financial cost of goods and/or services, relevant Total Cost of Ownership factors are taken into account, such as:

- a) acquisition cost, including administration costs;
- b) quality of goods or services offered;
- c) residual value;
- d) disposal cost;
- e) maintenance, ease of operation, ergonomics;
- f) delivery, shipping and payment terms;
- g) warranties;
- h) performance and service considerations;
- i) environmental and sustainability considerations;
- j) adherence to specifications, laws, regulations; and
- k) costs/benefits of standardization.

2.0 PURCHASING PRINCIPLES AND BEST PRACTICES

This Policy is based on the following purchasing principles or Best Practices:

- a) goods and/or services should be procured in a competitive environment, where possible and practical;
- b) reasonable measures should be taken to obtain more than one quote, proposal or bid, whenever possible (three quotes, bids or proposals are preferred);
- c) directly awarding (Direct Award Purchase) a contract is considered an exception to these purchasing principles and Best Practices, and should be avoided where practically possible;
- d) competitive processes should be administered to the highest standard possible in order to promote fairness, consistency, and transparency;
- e) Bidders should be treated fairly and equally;
- f) goods and/or service requirements should be planned well enough in advance to allow Best Practices to take place, i.e. creation of the bid or request for proposal documents, advertising, engaging the bidding or vendor community, etc.;
- g) to achieve Best Value relevant Total Cost of Ownership factors should be considered; and
- h) purchases of goods and/or services should abide by other Village policies, procedures and bylaws.

3.0 ROLES AND RESPONSIBILITIES

3.1 Administration

Administration will act as a resource and support to departmental staff when they are acquiring goods and/or services. Administration will also enforce this Policy and undertake an oversight role in terms of purchasing practices at the Village of Belcarra.

Administration needs to be involved or consulted in purchasing activities where:

- required and noted in the Purchasing Authority Matrices (see Appendix A);
- a Bid or Bidder is deemed to be non-compliant thereby affecting the contract award;
- legal advice related to a procurement process is required;
- advertising is used to promote the chosen competitive process;
- they can add value or expertise to a competitive bidding process; and/or
- a recommendation, in regard to a process or award, is to be made to Council.

3.2 Departments

It is generally recognized that the Village's departments are responsible for providing the necessary resources to acquire the goods and/or services they require, in accordance with this Policy. It is also recognized, that for certain purchases (generally of higher dollar value and/or more complex in nature) the resources and expertise of Administration may be required. Managers and their departmental staff are responsible for:

- a) promoting and following this Policy including the Policy Objectives and Best Practices as stated herein;
- b) ensuring that budget funds are approved for the intended purchase(s) prior to commencing any procurement process;
- c) planning in advance their goods and/or service requirements, including advising Administration when their assistance and involvement is needed as early as possible, thereby allowing adequate time for the proper purchasing processes to take place; and
- d) ensuring that all purchasing payment requests are in accordance with this Policy and have complete information for processing including the applicable supporting documentation and authorization.

4.0 PROHIBITIONS

Employees authorized to purchase goods and/or services under this Policy shall not:

- a) divide contracts or purchases to avoid the dollar limits or guidelines specified within this Policy; and
- b) commit the Village to acquisitions or contracts without approved budget funding for the intended purchase(s) and/or without the appropriate authority to do so.

5.0 PROCESSES AND DOCUMENTATION

5.1 Dollar Value of Contracts

a) Annual or Short-Term Contracts

All annual or short-term contracts (less than one year) for products and services are to be authorized according their known or estimated maximum dollar value (including PST and contingency fees but excluding GST).

b) Multi-Year Contracts

For contracts with durations greater than one year, the authorized dollar value is calculated as the maximum financial obligation for the Village for the minimum duration of the contract (including PST and contingency fees but excluding GST). If the contract has options for extending beyond the minimum duration, the dollar value of the extension time frame will be subject to an additional, future approval process. In other words, extensions should not be entered into without obtaining the proper approvals and without following the applicable processes. No contract may exceed five years in duration.

5.2 Purchase Orders and Supporting Documentation

a) Purchases ≤ \$5,000.00

A Purchase Order is not required but may be used to solidify terms with the vendor. The necessary supporting documentation and authorization (detailed and authorized invoices, proof of goods received and account coding) are to be sent to accounts payable.

b) Purchases > \$5,000.00

A Purchase Order and/or a signed contract or agreement is required for all purchases exceeding \$5,000. The necessary supporting documentation and authorization (copy of purchase order or signed contract or agreement, detailed and authorized invoices, proof of goods received and account coding) are to be sent to accounts payable.

5.3 Disposal of Goods or Equipment

The Chief Administrative Officer is responsible for the sale/disposal of surplus/obsolete goods. The Chief Administrative Officer may delegate this responsibility, as long as the Chief Administrative Officer provides final approval of any sale or disposition.

Environmental impact considerations should be taken into account when disposing of surplus or obsolete goods.

Goods with a Reasonable Market Value will be disposed of by methods such as trade-in, offer for purchase, advertised sale, or public auction at the discretion of the Chief Administrative Officer.

Items having a Negligible Market Value may be sold or disposed of at the discretion of the Chief Administrative Officer or by departments directly (with the approval of the Chief Administrative Officer).

5.4 Legal Advice on Procurement Issues

The Chief Administrative Officer is the central contact for all departments requiring legal advice related to procurement issues. If a department feels a situation requires legal advice, they are to contact the Chief Administrative Officer who will liaise directly with the Village's legal counsel.

5.5 Advertising Bidding Opportunities

The Village supports the advertising of bidding opportunities to encourage competition and Best Value. Departments in consultation with the Chief Administrative Officer will determine the best advertising mediums for a particular competition.

5.6 Emergency Purchases

Emergency purchases are permitted in rare situations where the life or health of Village of Belcarra residents or their property is adversely impacted, or where Village property, services or the environment are in jeopardy. Emergency purchases are to be authorized by the Chief Administrative Officer. Where such a situation occurs, this Policy will be temporarily suspended, allowing the Village to purchase goods and/or services, as needed.

5.7 Environmentally Sustainable Goods and/or Services

The Village as a whole will endeavour to increase its use of products and services that are more responsible when it comes the environment, such as the way that they are made, used, transported, stored, packaged and managed to the end of their useful lives. The Village recognizes that there is a need to weigh the costs associated with purchasing environmentally sustainable goods and/or services with the associated benefits.

5.8 Hospitality/Gifts

To preserve the integrity and impartiality of Village staff, business gifts are actively discouraged. Gifts, other than those of a very small intrinsic value, should not be accepted.

6.0 PURCHASING METHODS AND AUTHORITIES

6.1 Purchasing Methods (see Appendix "A")

The Village recognizes the following purchasing methods that are used for different types and dollar values of purchases:

- Direct Award Purchase
- Discretionary
- Informal
- Competitive
- Formal Competitive

These purchasing methods are defined in Appendix "A".

6.2 Purchasing Authority Matrices (see Appendix “A”)

The Purchasing Authority Matrices recognize unique types or categories of purchases/contracts and specify appropriate rules, including specific authorities, for each.

The Purchasing Authority Matrices categorize Village purchases and contracts into: General Purchases, Construction Contracts, Consulting Services, Long-Term Agreements and Direct Award Purchases (includes Single Source and Sole Source). Within each category, specific purchasing methods, documentation and related monetary thresholds with levels of approval are outlined.

In the absence of competition or where competitive bids are not obtained the Directly Award categories or matrices apply, as either a Direct Award Purchase – Single Source or a Direct Award Purchase – Sole Source. The guidelines for Direct Award purchases apply (if utilized), even if the purchase or procurement would logically fall under another category.

6.3 Purchasing Processes Used to Engage Vendors

The following list describes the specific processes to be used to engage the vendor community. Some of the specific processes, as listed below, can be used in more than one of the purchasing categories.

- Direct Award Purchases (includes Single and Sole Source)
- Request for Quotation (RFQ)
- Invitation to Tender (ITT)
- Request for Proposal (RFP)
- Request for Standing Offer (RFSO)
- Direct Negotiation

These processes are described in detail below.

6.3.1 Direct Award Purchase (includes Single and Sole Source)

In the case of a Direct Award Purchase, it is difficult to know if Best Value has been achieved as no comparisons are obtained. For this reason, Direct Award Purchases are not normally considered Best Practice and should be avoided when practically possible.

A Direct Award Purchase may involve an oral agreement, direct negotiation, a written or oral quotation or even a written contract. The dollars involved, the complexity of the purchase and known risk factors will determine the award process, including the documentation required. This method is easy to initiate in that it is quickly implemented and it requires little analysis or comparison, however, this method foregoes all of the benefits associated with competition.

A duly completed and authorized Direct Award Purchase Form (see Appendix B) is required for all Direct Award Purchase requests.

Single Source Guidelines *(more than 1 product/service exists in the marketplace)*

In certain circumstances, justification to support a Direct Award Purchase – Single Source may exist. Single sourcing may be justified based on one or more of the following criteria:

- a) **Compatibility with Existing Equipment** - the product being purchased directly interfaces or attaches to equipment currently in service, and/or is a replacement or repair part for existing equipment where having identical vendor equipment or parts makes operational and fiscal sense and where the part is considered to be of superior quality.
- b) **Continuation of Services** - where a service agreement or contract requirement is in place and needs to be extended due to circumstances such as increased scope of a project and where bringing in a new service provider would be detrimental to project quality or would unduly extend the project completion date, etc. Every attempt should be made at the start of service agreements to properly identify the project scope and to include, where practical, a contingency to allow for completion of the project.
- c) **Specialized Products or Services** - the product or service is specialized or unique.
- d) **Urgent Timeline** - the time frame for the acquisition is urgent due to uncontrollable circumstances. Situations where lack of planning has caused the urgent timeline are not considered justification for single sourcing.
- e) **Highly Sensitive or Confidential Expenditures** - certain projects or purchases may be highly sensitive or confidential in nature.
- f) **Standardization** - certain circumstances may warrant buying the same product(s) or service(s) previously purchased. Justification may include ease of maintenance, minimizing replacement parts required, operator familiarization with equipment, ergonomics, etc.
- g) **Purchases From or For:**
 - testing or trial use;
 - exercising a purchase option on a lease or rental contract;
 - a non-profit organization;
 - an auction or bankruptcy situation;
 - real property; and
 - other circumstances as warranted. This recognizes that there may be other circumstances that warrant single source justification. The Village will consider departmental requests for single sourcing that have strong rationale. It is likely that a more detailed, justification will be required in this case.

Sole Source Guidelines *(only 1 product/service exists in the marketplace)*

Sole source purchases of products or services should meet at least one of the following criteria:

- a) **Unique Qualifications and Skills of Contractor** - only one contractor or service provider has the unique qualifications or skills needed for the project.
- b) **Unique Product or Service** - the product or service in question is unique and cannot be sourced elsewhere in the marketplace and is the only product or service that will satisfy the requirement. If there are similar products or services available that will generally satisfy the requirement, the Single Source guidelines will apply.

- c) **Monopoly Controlled Market Situations** - the supply of products or services is controlled by a monopoly supplier and cannot be sourced elsewhere, e.g. a public utility company such as BC Hydro.
- d) **Computer Software Renewal Licenses and Software Development or Maintenance** - this occurs when the license renewal and maintenance for software can only be obtained from a single source, normally the developer of the software. This includes conversions, modifications and/or maintenance of currently owned software.
- e) **Purchases From or For:**
 - subscriptions and publications;
 - travel, training, and conferences; and
 - professional dues, etc.
- f) **Other** - there may be other circumstances where there is no alternative but to sole source to a particular vendor.

6.3.2 Request for Quotation (RFQ)

Generally, an RFQ is utilized for lower dollar value and/or lower risk purchases in order to obtain pricing and delivery information from suppliers. A standard RFQ document is a one-to-three-page document that describes the goods and/or services required and that lists the terms/conditions applicable to the contract. It can be described as an informal tender. Generally, the award goes to the Bidder with lowest price that meets the specifications.

6.3.3 Invitation to Tender (ITT)

This method is used for higher dollar value purchases or contracts that are more complex in nature and/or may have identified risks associated with the acquisition or contract. These are normally widely advertised. An ITT can be used to contract for services when one knows what needs to be done and how it should be done, or to purchase products when the requirements can be clearly specified. Generally, the Bidder meeting the specifications and offering the lowest price will be awarded the contract. As acquisitions become more complex and/or of greater dollar value, the more formal and more detailed the process and documentation should become.

6.3.4 Request for Proposal (RFP)

RFPs are used when one knows what needs to be achieved and where there may be different solutions available to achieve the desired outcome. Proponents are invited to provide solutions which are evaluated using a weighted evaluation matrix. An RFP can be verbal or written, simple or complex, depending on the nature and value of the acquisition. RFPs differ substantially from Tenders, in terms of providing greater flexibility, and in terms of the evaluation and award criteria. An RFP seeks the creative input of the marketplace, and unlike the tendering process, the cost or monetary consideration is not usually the primary factor upon which the successful proponent is chosen. The proponent offering the best solution will achieve the highest evaluation score and will normally be awarded the contract.

6.3.5 Request for Standing Offer (RFSO)

RFSOs are often used when products or services are needed over a longer period of time, or repeatedly. This process allows one to engage a contractor(s) or supplier(s) quickly when a particular need arises. Circumstances may arise where more than one contractor or supplier is simultaneously engaged or where the Village wants or needs to change from one vendor or supplier to another in a timely fashion. In such cases, vendors and contractors would essentially be pre-qualified with the appropriate licenses and insurance in place and on file. An example of this may be for ad hoc electrical contractor requirements where it is important to engage contractors quickly when timely work or repairs are required.

6.3.6 Direct Negotiation

Direct Negotiation is recognized as a method of engaging vendors under particular circumstances and may be appropriate where more than one vendor is being considered, and where:

- there are a limited number of vendors to engage in the marketplace;
- a limited number of preferred vendors exist following an RFP, Request for Expression of Interest (RFEOI) or Pre-Qualification of Supplier process;
- administration costs of a formal ITT or RFP are prohibitive;
- time to engage the vendor community is limited due to unforeseen, unavoidable circumstances that prohibited advance planning; and/or
- there is a strategic advantage in engaging the vendor(s).

Where only one vendor is being negotiated with, and where the negotiation does not follow a selection process (i.e. Pre-Qualification of Supplier), then the Direct Award Purchase guidelines will apply.

The authorization required to utilize Direct Negotiations to engage vendors is as follows:

Contract Value	Approval Required to Directly Negotiate
≤ \$ 50,000	CAO/Designate
> \$50,000	Council Direction

7.0 COOPERATIVE PURCHASING ARRANGEMENTS

The Village of Belcarra will participate in cooperative purchasing groups or arrangements to utilize the expertise of these groups and to obtain economies of scale when purchasing certain goods and/or services. Staff will choose which group competitions or procurements to participate in based on projected cost savings and other benefits that may result. When cooperative purchasing arrangements are utilized, with the goal of entering into a contract for the supply of goods and/or services, the purchasing methods and processes of the cooperative buying group will apply.

8.0 PROCUREMENT TOOLS AND RESOURCES

There are many tools and resources that can be utilized to assist in the procurement process, e.g. Request for Information, RFEOI, Pre-Qualification of Suppliers, etc. Utilizing a particular tool can benefit the Village and assist in avoiding the pitfalls commonly associated with public procurement.

9.0 GLOSSARY

Best Practices – generally includes promoting competition, avoiding Direct Award Purchases where possible, abiding by the legal obligations of competitive Bidding and contract law, mitigating risk to the Village, strategic use of methods to engage the marketplace, treating all vendors fairly and equally and conducting fair, open and transparent processes.

Best Value - the process of considering all identifiable life cycle costs including disposal and environmental considerations, when purchasing goods and/or services, as opposed to simply considering the basic purchase price.

Bid – an offering received from a Bidder committing to provide goods and/or services for monetary consideration.

Bidder – a company, organization, person etc. that legally submits a Bid.

Competitive (purchase method) – written competitive Bid documents are issued with responses being received in writing. Typically, the competitive Bid documents used are not complex in nature, contain few pages with limited terms and conditions.

Construction Contracts – contracts for the construction or renovation of buildings or structures, municipal infrastructure, utilities, roadways, bridges, etc., where the contract term is estimated to be one year or less.

Consulting Services – engaging an expert in a particular field to assist with a project, acquisition, etc., and where the contract term is estimated to be one year or less.

Direct Award Purchase (purchase method) – involves awarding a contract to purchase goods and/or services without a competitive bidding or quoting process. There are two types, Direct Award Purchase - Single Source and Direct Award Purchase - Sole Source.

Direct Award Purchase - Single Source (purchase method) – awarding a contract where there is strong justification for a particular product, service or contractor and where there is at least one alternative source of supply that will largely satisfy the requirement.

Direct Award Purchase - Sole Source (purchase method) – awarding a contract where there is only one supplier for a product or service in the marketplace that will satisfy the requirement. The product or service must be substantially unique with no other like, or similar product or services available that will satisfy the requirement.

Direct Negotiations – directly engaging vendors to negotiate pricing for goods and/or services. May replace or complement conventional competitive bidding methods such as ITTs and RFPs. Contract terms and conditions are often captured in a contract document or Purchase Order once negotiations are concluded.

Discretionary (purchase method) – process by which authorized personnel have discretion, in terms of foregoing competitive bidding or quoting processes, when procuring low dollar value goods and/or services. This method is utilized in situations where:

- competitive processes may not benefit the acquisition;
- time limitations prohibit obtaining competitive quotes;
- known suppliers offer competitive products and services; or where,
- the cost of administering a competitive process is prohibitive.

Formal Competitive (purchase method) – formal and detailed competitive Bid documents such as RFPs or ITTs are issued containing comprehensive terms and conditions, and detailed project information or product specifications with formal responses are received in writing.

General Purchases – all purchases that do not fall under the categories of Construction Contracts, Consulting Services, Long-Term Agreements or Direct Award Purchases, where competitive bids have been solicited. The contract term is typically less than one year in duration.

Informal (purchase method) – requirements are normally communicated to vendors verbally with verbal or written quotes or proposals received.

Invitation to Tender (ITT) – a method of competitive bidding, which is typically formal, where the expenditure is of a considerable size, and the owner is able to define what is wanted, and where the price is the primary determining factor of contract award (normally advertised widely).

Long-Term Agreements – agreements generally lasting longer than one year, but not more than five years. For example, service, operating, revenue, rental and lease agreements. Does not include employment agreements or contracts.

Negligible Market Value – when costs associated with the sale or disposal of surplus/obsolete goods, including environmental considerations, are reasonably expected to exceed or outweigh the value obtained through the sale of those goods.

Non-Compliant Bid/Bidder – is a Bid/Bidder that has been disqualified from a competitive bidding process for failing to comply with the rules, terms, conditions, etc., of a competitive bidding process.

Pre-Qualification of Suppliers – a tool used to identify and evaluate capable suppliers which is often used as a tool to select a limited number of the best suppliers to be invited to a formal competition (i.e. ITT or RFP) or negotiation.

Purchase Order – a written document, usually containing terms and conditions that can either be an offering from the Village to purchase goods and services for stated prices (contract to be validated when the vendor accepts the offer), or acceptance by the Village to an offer received (validating the contract). Can be used to create a financial encumbrance in the financial system.

Reasonable Market Value – describes the net value of obsolete or surplus goods and takes into account the associated selling costs (administration, transportation, advertising etc.) and intangible factors such as environmental considerations.

Request for Expression of Interest (RFEOI) – a written request to find interested parties to supply goods and/or services.

Request for Information (RFI) – a research tool used to solicit information about products, services and/or vendors, which can be verbal or written, and which is sometimes advertised.

Request for Proposal (RFP) – a method of competitive bidding where the Owner of a process generally knows what needs to be achieved in a project and there are many ways to achieve the end result. Monetary consideration or offering is not normally the primary deciding factor in awarding the contract.

Request for Quotation (RFQ) – a method of obtaining competitive bids, generally a short (one or more pages) document that describes the goods and/or services requested and which may include some terms and conditions.

Request for Standing Offer (RFSO) – vendors are solicited to submit pricing for goods and/or services with the pricing normally being fixed for a period of time.

Total Cost of Ownership – in addition to the up front cost of a purchase, all future costs in the use and maintenance of the equipment, device, or system are considered, including, for example, sale/disposal at the end of its useful life, environmental/sustainability considerations, etc.

APPENDIX “A” - PURCHASING METHODS & AUTHORITY MATRICES

Recognized Purchasing Methods at the Village of Belcarra

Purchase Method	Corresponding Process
Direct Award	No process as one vendor directly awarded contract; form to be filled out and authorized.
Discretionary	Includes directly engaging vendors based on a verbal agreement or quotation. May or may not include receiving written quotation.
Informal	Quotations solicited from vendors without necessarily issuing a written RFQ, RFP or RFSO. Direct Negotiation may also be appropriate in certain circumstances and can be preceded by a Pre-Qualification of Supplier Process.
Competitive	Written RFQ, ITT, RFP, RFSO are issued with written responses received. Competitive Bid documents used are not complex in nature, contain few pages with limited terms and conditions. Direct Negotiation may also appropriate be used in certain circumstances and can be preceded by a Pre-Qualification of Supplier Process.
Formal Competitive	Formal written ITT or RFP is issued containing comprehensive terms and conditions, and detailed project information or product specifications with written responses received. Normally advertised. Direct Negotiation may also be appropriate in certain circumstances and can be preceded by a Pre-Qualification of Supplier Process.

Notes:

- For authorization required to bypass these purchase methods and Directly Negotiate refer to clause 6.3.6 in Policy.
- Direct Award guidelines (either single source/sole source) as outlined herein prevail and will be applied when there is an absence of competition, regardless of the nature of the purchase/contact (i.e. general purchases, construction contracts, consulting contracts or long-term agreements).
Example: A department wants to directly engage a consultant without engaging the marketplace and obtaining competitive quotes. Guidelines for Direct Award – Single Source will apply (*NOT the Consulting Contracts guidelines*). A Direct Request Form will need to be completed and duly authorized.
- When cooperating purchasing arrangements are utilized, with the goal of entering into a contract for the supply of goods and/or services, the purchasing methods and processes of the cooperative buying group will apply.

General Purchases

All purchases that do not fall under the categories of Construction Contracts, Consulting Services, Long-Term Agreements or Direct Award Purchases where the contract is less than one year in duration.

Values	\$0 to \$10,000	> \$10,000 to \$25,000	> \$25,000 to \$50,000	> \$50,000
Level of Authority Required	Department Manager or Delegated Authority	Department Manager	CAO	Council
	CAO approval if not low bid or best proposal	CAO approval if not low bid or best proposal.		
Purchasing Method	Discretionary or Utilize a Cooperative Buying Group Contract	Informal or Competitive or Utilize a Cooperative Buying Group Contract	Competitive or Formal Competitive or Utilize a Cooperative Buying Group Contract	Formal Competitive or Utilize a Cooperative Buying Group Contract
Documentation Required	<p>Purchase Order required if > \$5,000.</p> <p>Purchase Order may be used at Department's discretion <= \$5,000.</p> <p>Approved invoice(s) to be forwarded to Accounts Payable with copy of Purchase Order. Invoices need to reference Purchase Order.</p>	<p>Purchase Order required, except if formal signed agreement or contract entered into.</p> <p>Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.</p>	<p>Purchase Order required, except if formal signed agreement or contract entered into.</p> <p>Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.</p>	<p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p><u>Report to Council & Subsequent Council Motion.</u></p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>
Document Retention	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & affix copies to approved invoices</p> <p><u>Departments</u> - Retain original Purchase Orders, Quotations, Bids, etc.</p>	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order and copy of signed agreements/contracts</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order and copy of signed agreements/contracts</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of signed agreements/contracts & Purchase Order and affix copies to approved invoices</p> <p><u>Departments</u> – Retain copy of signed agreements/contracts and original Purchase Order</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>

Notes:

1. Awards resulting from a quotation or tender process are to the lowest compliant bidder; awards resulting from a proposal process are to the proponent with the highest scoring proposal.
2. All awards where a bid or bidder is deemed non-compliant for any reason, and would otherwise have been awarded the contract, require the approval of the CAO prior to contract award, regardless of the value.
3. Authorization is required to substitute **Direct Negotiation** as the purchase method, refer to clause 6.3.6 in Policy.
4. Value is calculated inclusive of PST and contingencies required but exclusive of GST.

<u>Construction Contracts</u>				
Includes contracts for the construction or renovation of buildings or structures, municipal infrastructure, utilities, roadways, bridges, etc., less than one year in duration.				
Values	\$0 to \$10,000	> \$10,000 to \$50,000	> \$50,000 to \$100,000	> \$100,000
Level of Authority Required	Department Manager or Delegated Authority	Department Manager	CAO	Council
	CAO approval if not low bid or best proposal.	CAO approval if not low bid or best proposal.		
Purchasing Method	Discretionary or Informal or Utilize a Cooperative Buying Group Contract	Competitive or Formal Competitive or Utilize a Cooperative Buying Group Contract	Formal Competitive or Utilize a Cooperative Buying Group Contract	Formal Competitive or Utilize a Cooperative Buying Group Contract
Documentation Required	Purchase Order required if > \$5,000. Purchase Order may be used at Department’s discretion <= \$5,000. Approved invoice(s) to be forwarded to Accounts Payable with copy of Purchase Order. Invoices need to reference Purchase Order.	Purchase Order required, except if formal signed agreement or contract entered into. Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.	Formal signed agreement or contract; may be supported by Purchase Order. Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.	Formal signed agreement or contract; may be supported by Purchase Order. <u>Report to Council & Subsequent Council Motion.</u> Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.
Document Retention	<u>Accounts Payable</u> – Retain copies of Purchase Orders & affix copies to approved invoices <u>Departments</u> - Retain original Purchase Orders, Quotations, Bids, etc.	<u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices <u>Departments</u> – Retain original Purchase Order and copy of signed agreements/contracts <u>Administration</u> – Retain original signed agreement/contracts	<u>Accounts Payable</u> – Retain copies of signed agreements/contracts & Purchase Order and affix copies to approved invoices <u>Departments</u> – Retain copy of signed agreements/contracts and original Purchase Order <u>Administration</u> – Retain original signed agreement/contracts	<u>Accounts Payable</u> – Retain copies of signed agreements/contracts & Purchase Order and affix copies to approved invoices <u>Departments</u> – Retain copy of signed agreements/contracts and original Purchase Order <u>Administration</u> – Retain original signed agreement/contracts

5. The Long-Term Agreements matrix applies for contracts exceeding one year in duration.

Notes:

1. Awards resulting from a quotation or tender process are to the lowest compliant bidder; awards resulting from a proposal process are to the proponent with the highest scoring proposal.
2. All awards where a bid or bidder is deemed non-compliant for any reason, and would otherwise have been awarded the contract, require the approval of the CAO prior to contract award, regardless of the value.
3. Authorization is required to substitute **Direct Negotiation** as the purchase method, refer to clause 6.3.6 in Policy.
4. Value is calculated inclusive of PST and contingencies required but exclusive of GST.
5. The Long-Term Agreements matrix applies for contracts exceeding one year in duration.

Consulting Services

Includes all consulting services contracts with a contract term of less than one year in duration.

Values	\$0 to \$10,000	> \$10,000 to \$50,000	> \$50,000 to \$100,000	> \$100,000
Authority Level	Department Manager or Delegated Authority	Department Manager	CAO	Council
	CAO approval if not low bid or best proposal.	CAO approval if not low bid or best proposal.		
Purchasing Method	Discretionary or Informal or Utilize a Cooperative Buying Group Contract	Competitive or Formal Competitive or Utilize a Cooperative Buying Group Contract	Formal Competitive or Utilize a Cooperative Buying Group Contract	Formal Competitive or Utilize a Cooperative Buying Group Contract
Documentation Required	<p>Purchase Order required if >\$5,000</p> <p>Purchase Order may be used at Department’s discretion <= \$5,000.</p> <p>Approved invoice(s) to be forwarded to Accounts Payable with copy of Purchase Order. Invoices need to reference Purchase Order.</p>	<p>Purchase Order required, except if formal signed agreement or contract entered into.</p> <p>Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.</p>	<p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>	<p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p><u>Report to Council & Subsequent Council Motion.</u></p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>
Document Retention	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & affix copies to approved invoices</p> <p><u>Departments</u> - Retain original Purchase Orders, Quotations, Bids, etc.</p>	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order and copy of signed agreements/contracts</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of signed agreements/contracts & Purchase Order and affix copies to approved invoices</p> <p><u>Departments</u> – Retain copy of signed agreements/contracts and original Purchase Order</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of signed agreements/contracts & Purchase Order and affix copies to approved invoices</p> <p><u>Departments</u> – Retain copy of signed agreements/contracts and original Purchase Order</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>

Notes:

1. Awards resulting from a quotation or tender process are to the lowest compliant bidder; awards resulting from a proposal process are to the proponent with the highest scoring proposal.
2. All awards where a bid or bidder is deemed non-compliant for any reason, and would otherwise have been awarded the contract, require the approval of the CAO prior to contract award, regardless of the value.
3. Authorization is required to substitute Direct Negotiation as the purchase method, refer to clause 6.3.6 in Policy.
4. Value is calculated inclusive of PST and contingencies required but exclusive of GST.
5. The Long-Term Agreements matrix applies for contracts exceeding one year in duration.

<u>Long-Term Agreements</u>			
Agreements generally lasting longer than one year in duration, to a maximum of five years in duration. For example, service, operating, revenue, rental and lease agreements (excluding Direct Awards). Includes Construction and Consultant contracts longer than one year.			
Values	\$0 to \$25,000	> \$25,000 to \$50,000	> \$50,000
Authority Level	Department Manager	CAO	Council
	CAO approval if not low bid or best proposal.		
Purchasing Method	Discretionary or Informal or Utilize a Cooperative Buying Group Contract	Competitive or Formal Competitive or Utilize a Cooperative Buying Group Contract	Formal Competitive or Utilize a Cooperative Buying Group Contract
Documentation Required	<p>Purchase Order required if > \$5,000, except if formal signed agreement or contract entered into.</p> <p>Purchase Order may be used at Department’s discretion <= \$5,000.</p> <p>Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.</p>	<p>Purchase Order required, except if formal signed agreement or contract entered into.</p> <p>Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.</p>	<p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p><u>Report to Council & Subsequent Council Motion.</u></p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>
Document Retention	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order and copy of signed agreements/contracts</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order and copy of signed agreements/contracts</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of signed agreements/contracts & Purchase Order and affix copies to approved invoices</p> <p><u>Departments</u> – Retain copy of signed agreements/contracts and original Purchase Order</p> <p><u>Administration</u> – Retain original signed agreement/contracts</p>

Notes:

1. Awards resulting from a quotation or tender process are to the lowest compliant bidder; awards resulting from a proposal process are to the proponent with the highest scoring proposal.
2. All awards where a bid or bidder is deemed non-compliant for any reason, and would otherwise have been awarded the contract, require the approval of the CAO prior to contract award, regardless of the value.
3. Authorization is required to substitute **Direct Negotiation** as the purchase method, refer to clause 6.3.6 in Policy.
4. Value is calculated as the total value of the contract (not annual), inclusive of PST and contingencies required but exclusive of GST.

<u>Direct Award Purchases - Single Source</u>				
Applies where there is a strong preference and justification for a product, service or vendor but other products, services or vendors exist in the marketplace that will largely satisfy the requirement(s).				
Values	\$0 to \$10,000	>\$10,000 to \$25,000	> \$25,000 to \$50,000	>\$50,000
Authority Level	Department Manager or Delegated Authority	Department Manager	CAO	Council
Purchasing Method	Direct Award	Direct Award	Direct Award	Direct Award
Documentation Required	<p>Purchase Order required if > \$5,000.</p> <p>Purchase Order may be used at Department’s discretion <= \$5,000.</p> <p>Approved invoice(s) to be forwarded to Accounts Payable with copy of Purchase Order. Invoices need to reference Purchase Order.</p>	<p>Direct Award Purchase Form filled out and approved.</p> <p>Purchase Order required, except if formal signed agreement or contract entered into.</p> <p>Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.</p>	<p>Direct Award Purchase Form filled out and approved.</p> <p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>	<p>Direct Award Purchase Form filled out, approved & forwarded to Council.</p> <p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p><u>Report to Council & Subsequent Council Motion.</u></p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>
Document Retention	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & affix copies to approved invoices</p> <p><u>Departments</u> - Retain original Purchase Orders, Quotations, Bids, etc.</p>	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order & copies of Direct Award Purchase Form and signed agreements/contracts</p> <p><u>Administration</u> – Retain original Direct Award Purchas Form & signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order & copies of Direct Award Purchase Form and signed agreements/contracts</p> <p><u>Administration</u> – Retain original Direct Award Purchas Form & signed agreement/contracts</p>	<p><u>Accounts Payable</u> – Retain copies of Purchase Orders & signed agreements/contracts and affix copies to approved invoices</p> <p><u>Departments</u> – Retain original Purchase Order & copies of Direct Award Purchase Form and signed agreements/contracts</p> <p><u>Administration</u> – Retain original Direct Award Purchas Form & signed agreement/contracts</p>

Notes:

1. All **Single Source purchases >\$10,000** require a Direct Award Purchase Form with supporting documentation.
2. Awarding of contracts with a duration longer than one year, and greater than \$25,000 in contract value, requires the authorization of the CAO.
3. Value is calculated inclusive of PST and contingencies required but exclusive of GST.

<u>Direct Award Purchases – Sole Source</u>				
Applies where there is only one product, service or vendor exists in the marketplace and there is no choice but to use that particular product, service or vendor.				
Values	\$0 to \$10,000	>\$10,000 to \$25,000	> \$25,000 to \$50,000	>\$50,000
Authority Level	Department Manager or Delegated Authority	Department Manager	CAO	Council
Purchasing Method	Direct Award	Direct Award	Direct Award	Direct Award
Documentation Required	<p>Purchase Order required if > \$5,000.</p> <p>Purchase Order may be used at Department’s discretion <= \$5,000.</p> <p>Approved invoice(s) to be forwarded to Accounts Payable with copy of Purchase Order. Invoices need to reference Purchase Order.</p>	<p>Direct Award Purchase Form filled out and approved.</p> <p>Purchase Order required, except if formal signed agreement or contract entered into.</p> <p>Approved copies of Purchase Order and/or signed agreement/contract & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference Purchase Order and/or applicable agreement/contract.</p>	<p>Direct Award Purchase Form filled out and approved.</p> <p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>	<p>Direct Award Purchase Form filled out, approved & forwarded to Council.</p> <p>Formal signed agreement or contract; may be supported by Purchase Order.</p> <p><u>Report to Council & Subsequent Council Motion.</u></p> <p>Approved copies of signed agreement/contract and Purchase Order & approved invoice(s) to be forwarded to Accounts Payable. Invoices need to reference applicable agreement/contract and/or Purchase Order.</p>
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Notes:

1. All **Sole Source purchases >\$10,000** require a Direct Award Purchase Form with supporting documentation.
2. Awarding of contracts with a duration longer than one year, and greater than \$25,000 in contract value, requires the authorization of the CAO.
3. Value is calculated inclusive of PST and contingencies required but exclusive of GST.

APPENDIX “B” - DIRECT AWARD PURCHASE FORM

1. Required for all Sole or Single Source purchases >\$10,000
2. Forward form with supporting documentation (quotation with delivery and taxes noted, vendor contact information etc.) to Department Manager or CAO.
3. Single Source purchases should be the exception rather than the rule.

Date:	Requested by:
Value of Expenditure (including PST/Contingency, excluding GST) \$	

Select one of the following two options:

<input type="checkbox"/> Sole Source Where there is only ONE product, service or vendor that exists in the marketplace that will satisfy the requirement.	Dollar Thresholds and Authorization Required	\$10,000 to \$25,000	Department Manager
		> \$25,000 to \$50,000	CAO
		> \$50,000	Council

Details (attach additional information if required):

or

<input type="checkbox"/> Single Source A justifiable preference exists for a product, service or vendor BUT there are other products, services or vendors that can largely satisfy the requirement(s).	Dollar Thresholds and Authorization Required	\$10,000 to \$25,000	Department Manager
		> \$25,000 to \$50,000	CAO
		>\$50,000	Council

Justification: check one or more (at least one must apply)

- | | |
|--|---|
| <input type="checkbox"/> Compatibility with Existing Equipment | <input type="checkbox"/> Urgent Timeline (unavoidable) |
| <input type="checkbox"/> Continuation of Services | <input type="checkbox"/> Highly Sensitive or Confidential |
| <input type="checkbox"/> Specialized Products or Services | <input type="checkbox"/> Standardization |

Details (attach additional information if required):

Completed by:

Name:	Date:
Signature:	

Authorized by:

Name:	Date:
Signature:	



VILLAGE OF BELCARRA
CORPORATE POLICY NO. 203



Title: Procurement (including Disposal of Assets)

ISSUED BY: CAO	APPROVED BY: Council	DATE: SEPTEMBER 28/15
REVISED BY:	APPROVED BY:	DATE:

Legislative Basis

The *Community Charter* authorizes that a municipality may establish policies and procedures relative to its financial operations.

Purpose

The purpose of this policy is to outline the requirements for the procurement of goods (including construction of) and services, with the intent to ensure practices are accountable, open and support achievement of best value.

Definitions

Best Value: Is the best overall value assessment based on factors determined to be relevant and important. Factors may include: purchase price (including freight, warranties etc.); anticipated life cycle costs; vendor proven capability, methodology and historical performance; provision of environmentally friendly and fair trade/ethically sourced goods or services; specifics of services provided and/or product features and quality etc.

Emergency: Means a situation, or an impending situation, that constitutes a danger that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act or omission whether intentional or otherwise.

Infrastructure: For the purposes of this policy: include works of a capital nature for roads, storm sewers/drainage/ditching, water system, sewer system or buildings; does not included expenditures on machinery and equipment, unless they are specific to a particular capital project.

Project Evaluation: Staff Report on a proposed capital project that identifies and considers alternatives, and includes such analysis as determined necessary to provide Council with sufficient information to assess that project benefits are sufficient to advance the Project to the Project Plan stage. Third party preliminary design work may be completed at this stage.

Project Plan: Staff report on a proposed capital project that details the proposed capital project.

The Plan may include all, or some of, the following components:

- Project scope
- Project timeline
- Project cost estimate (Class B)
- Project source of funds
- Identification of any risks
- Procurement approach
- Project management approach (usually by contract with qualified Engineering Firm)
Third party costs will likely be incurred to complete all, or components, of this Report.

Single Source: Refers to a procurement of goods and services from one supplier despite there being competitors in the market.

Sole Source: Refers to a procurement of goods and services from one supplier due to the lack of competitors in the market, or where only one supplier can provide that particular good or service.

Policy Statements:

1. **Financial Plan Requirement:** No purchase shall be made unless the expenditure is included within the Village's *Financial Plan Bylaw* or is an emergency expenditure. Expenditures are deemed to be included in the *Financial Plan Bylaw* provided that the requirements of Council Policy 195 *Financial Plan – Amendment, Monitoring & Control* are met.
2. **Employee Conduct:**
 - Employees are expected to conduct themselves in accordance with the Village's *Conflict of Interest Policy 190* and with the highest integrity, honesty and diligence when acquiring goods and services.
 - Employees may not authorize purchases from themselves or their relatives, nor participate in the evaluation of purchase decisions to which they or a relative is a bidding vendor. Evaluations of such purchasing decisions, and authorization and award of the related purchase, must be made by the Chief Administrative Officer (CAO), or in the case of the CAO, Village Municipal Council, in accordance with this policy and the terms and requirements of the purchase offer.

3. **Disposal of Assets:** The CAO and the Superintendent of Public Works have the authority to dispose of any Village assets or salvage/scrap no longer required by the Village but that may still have some economic value sufficient to warrant disposal as herein described vs. disposal by putting in the trash/garbage. Disposal of items may only be made by way of sale at a public auction, sale by public offer, trade in allowance, by donation to a non-profit organization, or by an alternate method at the discretion of the CAO. Village employees and/or elected officials will not be given any surplus items, nor be permitted to purchase such items unless the items are sold at public auction or by advertised public offer.

4. **Emergency Expenditures:** The City Employee responding to, or in charge of, the emergency event, may authorize expenditures, in the amount and manner, as determined necessary to respond to the emergency. Such employee will maintain all supporting expenditure documentation which shall be provided to the CAO or Superintendent of Public Works, who are authorized to approve the expenditures within the limits of their authority as detailed in this Policy. If Council approval and/or a *Financial Plan* amendment is required, it will be brought to Council for approval at a Regular Council Meeting, as soon as possible.

5. **Requirement for Competitive Process:** Purchases expected to exceed \$10,000 shall be decided based on a competitive process. The practice with regard to the competitive process shall be:
 - a. Purchases expected to exceed \$10,000, but not 25,000, shall be decided by obtaining written or verbal competitive quotations.
 - b. Purchases expected to exceed \$25,000, but not \$75,000, shall be decided by obtaining written competitive quotations.
 - c. Purchases expected to exceed \$75,000 shall be decided by a formal competitive bid process.

The competitive process for purchases under 5a and 5b is also satisfied if made by a formal competitive bid process.

The CAO may, if circumstances dictate, request that an alternate process be followed.

Obtained written and/or documented verbal quotes must be attached to the Purchase Order. Reasonable effort reflective of the value of the purchase should be made to obtain a minimum of three quotations. When the minimum of three quotes are not obtained, an explanation of “non-compliance” must be attached to the Purchase Order including documentation of the effort to comply with the minimum three quotes. Examples of “non-compliance” include: sole source vendor (written explanation to detail the reason for sole source) or vendor base insufficient to provide suitable number of quotes.

6. **Sole Source:** Sole source purchases for amounts in excess of \$15,000 must be approved by the CAO or Council.

7. **Single Source:** Single Source procurement is discouraged unless:

- It can be demonstrated that entering into a competitive bid process would be detrimental to Village operations, or
- Where the value of the goods or service are expected to be less than \$10,000.

Single source purchases for amounts in excess of \$15,000 must be approved by the CAO or Council.

8. **Purchase Preference:** Preference shall be given to the vendor that offers the Best Value to the Village. What constitutes Best Value shall be determined by the Employee authorized to approve the purchase. The Best Value criteria and/or considerations should be defined and communicated to all vendors where the purchase is expected to exceed \$50,000.

9. **Purchase Authorization Authority:**

In order to award the purchase contract:

- a. Council must authorize all purchase contracts expected to be greater than \$75,000, or in instances where a *Financial Plan* amendment is required as a result thereof, as per Council Policy 195.
- b. Council and/or the CAO must authorize all purchase contracts expected to be between \$25,000 and \$75,000.
- c. Council and/or the CAO and/or the Superintendent of Public Works must authorize all purchase contracts expected to be less than \$25,000.
- d. The CAO may delegate their purchase authority to other Village employees to a maximum of \$10,000 per purchase contract.

Where a purchase contract or commitment has been made in the name of the Village by someone who does not have purchase authority, the obligation will be with the person making the contract or commitment and not with the Village.

10. **Infrastructure Capital Works Procurement:**

This section only applies to capital infrastructure projects expected to exceed \$35,000.

Such Projects shall undergo a preliminary Project Evaluation sufficient for Council to assess that project benefits are sufficient to proceed with development of a detailed Project Plan.

Upon approval by Council of the Project Evaluation, a Project Plan will be completed for the Project. Ideally, the Project Plan will be completed prior to the start of the fiscal year in which the Project is planned to commence construction. Project Plans must be approved by Council prior to commencing the project procurement process.

Upon completion of an Infrastructure Capital Project with an actual total cost greater than \$50,000 a Final Project Report shall be made to Council detailing total cost in comparison to budget and an overall project evaluation.

11. Prohibited Activities:

The following activities are prohibited:

- The division of purchase contracts to avoid the requirements of this Policy.
- Committing the Village to a purchase without the appropriate authority to do so.
- Purchase by the Village of any goods or services for personal use by, or on behalf of, any member of Council, appointed officers, employees of the Village or their relatives.
- Purchase by the Village from any member of Council, appointed officer, employees of the Village or their relatives, or from any other source that would result in a conflict of interest, unless otherwise approved by Council. Refer to Council Policy 190.

Responsibilities:

1. The Finance Officer has overall authority and responsibility to establish controls, policy and procedures to ensure that Village funds are expended in the manner authorized in this Policy.
2. All employees with purchase approval authority under this policy, or as delegated, are accountable and responsible to ensure purchases meet the requirements of this policy, and comply with other Village bylaws, policies and procedures, as well as, Federal and Provincial legislation.
3. All employees are responsible to comply with all aspects of this policy and to provide supporting documentation, receipts and/or invoices for purchases they make.

Policy Review:

A review of this policy will be conducted annually as part of the budget process, with adjustments in the interim as appropriate.