



Regional Board Policy

BP 7.20-2014

PURCHASING POLICY

Category: FIN	Authority: Regional Board	Date Adopted: Feb 9, 2012	Date of last Amendment: Feb 24, 2014
Office of Primary Responsibility: Financial Services			
Related Policy: <ul style="list-style-type: none">• RDCO Administrative Policy – Purchasing Procedures• RDCO Board Policy - BP9 – Financial Signing Authorities and Authorizations• RDCO Administrative Policy – AP7.17 – Procurement & Payment Card Policies & Procedures			

PURPOSE

The purpose of this Purchasing Policy is to provide a process for the expenditure of Regional District funds with Third Party contractors and suppliers, and to delegate certain authority with regard to the approval and execution of certain contracts and agreements.

APPLICATION

Definitions:

“ITT” means Invitation to Tender “RFP” means Request for Proposal

“Professional Consulting Services” means services provided by a person or persons who are licensed and regulated by the Province of British Columbia, Alberta or Saskatchewan in their professional capacity, and which services are provided pursuant to those regulations. Such services include, but are not necessarily limited to, engineering, landscape architecture and architecture.

“Public ITT or RFP Process” means the process whereby tenders or proposals are solicited by the Regional District by means of advertising publicly, which may be opened and read at a fixed time and place.

“Purchase Commitment” means a legally binding commitment by the Regional District to purchase Third Party goods or services. This may take the form of a written Contract or Purchase Order.

“Regional District” means the Regional District of Central Okanagan

“Sole Sourced” means the good or service is purchased from one supplier or contractor with no competitive process held.

“The Board” means the Board of the Regional District

“Third Party” means third party suppliers and contractors who provide goods and services to the Regional District. This does not include land acquisitions or goods and services provided by public bodies.

POLICY STATEMENT(S):

1. ROLE OF PURCHASING

1.1 The Purchasing Manager, located within the Finance & Administration Department shall be a centralised purchasing function at the Regional District, being responsible for the acquisition process covering all Third Party goods and services in accordance with this Purchasing Policy.

1.2 Department Heads are responsible to ensure that staff follow this Purchasing Policy.

1.3 Only the Chief Administrative Officer of the Regional District has the ability to authorise purchases outside of this Purchasing Policy.

2. COMPETITIVE PROCESS REQUIREMENTS

2.1 The competitive process outlined in sections 3.2 to 3.4 of this Purchasing Policy, and all awards made pursuant to it, shall be conducted under the direction of the Purchasing Manager.

2.2 Where Third-Party goods or services to be purchased are authorized in a current budget approved by the Board, the general practice with regard to competitive process and to the greatest extent possible as determined by the Purchasing Manager shall be:

- a) purchases not expected to exceed \$5,000 shall be decided by obtaining written or verbal competitive quotations. Note: Only one written or verbal quotation needed for purchases not exceeding \$1,000.
- b) purchases expected to exceed \$5,000 but not \$75,000 shall be decided by obtaining written competitive quotations; and
- c) purchases expected to exceed \$75,000 shall be decided by Public ITT or RFP Process.

2.3 Preference shall be given to the supplier offering the best value to the Regional District or as per the evaluation criteria established during the competitive process.

2.4 Notwithstanding sections 3.2 to 3.3 above, a Third-Party purchase may be Sole Sourced when:

- a) Goods or services are urgently required and delay would be injurious to the public interest; or
- b) Only one party is available and capable of performing the service or supply; or
- c) In the absence of any qualifying bids to a public competitive process; or
- d) Legislation exempts the good or service from the competitive process; or
- e) Where the services sought are Professional Consulting Services, and the purchase is not expected to exceed \$75,000, and there is a clear benefit to the Regional District of sole sourcing due to the knowledge or experience of the Consultant.

The Regional District purchasing practice for sole sourced purchases shall employ such value analysis and negotiation methods as deemed appropriate for the occasion by the Purchasing Manager.

2.5 Notwithstanding section 3.4, staff shall seek Board approval to sole source any purchase exceeding \$75,000, except where the CAO deems the purchase is urgently required and delay would be injurious to the public interest. Should this be required, the CAO will subsequently provide a report informing the Board of the sole source contract."

3. PURCHASE COMMITMENT APPROVAL LIMITS

3.1 Approvals of Purchase Commitments must relate only to the authorized employee's own area of responsibility.

3.2 No Purchase Commitment shall be made by any employee of the Regional District, unless it falls within the current budget approved by The Board.

3.3 Purchase Commitments must not be made where budget over-expenditure will result and it is the responsibility of each Department Head to ensure that this requirement is complied with.

3.4 Approvals for a Purchase Commitment shall be in the form of either a contract signature or written instruction to issue a Purchase Order. Approvals shall be made in accordance with the following Approval Limits:

3.4.1 For commitments not exceeding \$75,000 Department Heads shall approve. Note: the Department Head may delegate Purchase Commitment approval authority of up to \$5,000 for purchases of a "one- time nature" to specific Regional District staff, through the Finance Department Purchasing Approval Levels Document.

3.4.2 For commitments exceeding \$75,000 the Chief Administrative Officer or Director of Finance & Administration shall approve.

3.5 Requisitions shall also be approved, in accordance with the approval limits set out in this 4.4, and provided to the Purchasing Manager prior to the Purchasing Manager conducting any competitive process outlined in section 3.

3.6 A written information report of all Purchase Commitments exceeding \$100,000 shall be provided to the Board every quarter.

Attachments: Appendix I – Competitive Process

Appendix II – Purchasing Process

***** END OF POLICY *****

REVISION HISTORY				
Version	Date	Revision description/ Summary of Changes	Responsible Department	Approved by
V1.0				Regional Board

APPENDIX I

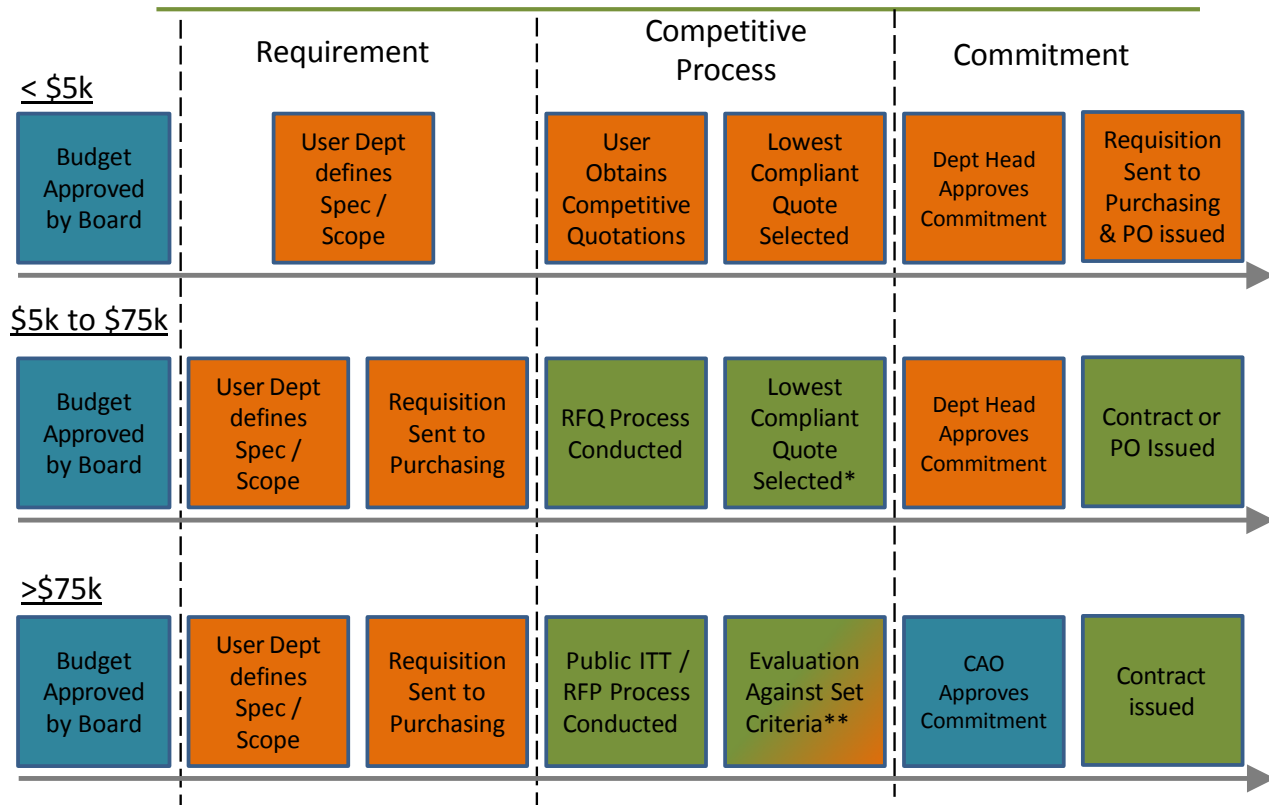
Purchasing Policy – Competitive Process

Purchase Value	Process	Managed By
< \$5,000	<ul style="list-style-type: none">Obtain verbal or written quotes*	End User
\$5,000 to \$75,000	<ul style="list-style-type: none">Obtain written competitive quotes	Purchasing
> \$75,000	<ul style="list-style-type: none">Public ITT or RFP ProcessBoard approval required if not in budgetQuarterly report to Board of Commitments >\$100,000	Purchasing

* More than 1 quote needed for purchases >\$1000

APPENDIX II

Purchasing Policy – Purchasing Process



* Focus will be on Total Life Cycle Cost, not just initial acquisition cost.

**Evaluation will be against evaluation criteria set prior to ITT/RFP posting. Evaluation team shall comprise end-user(s) and Purchasing Manager.

Key: User Dept Purchasing