

Purchasing Policy Amendments

Regional District of Central Okanagan Board Meeting

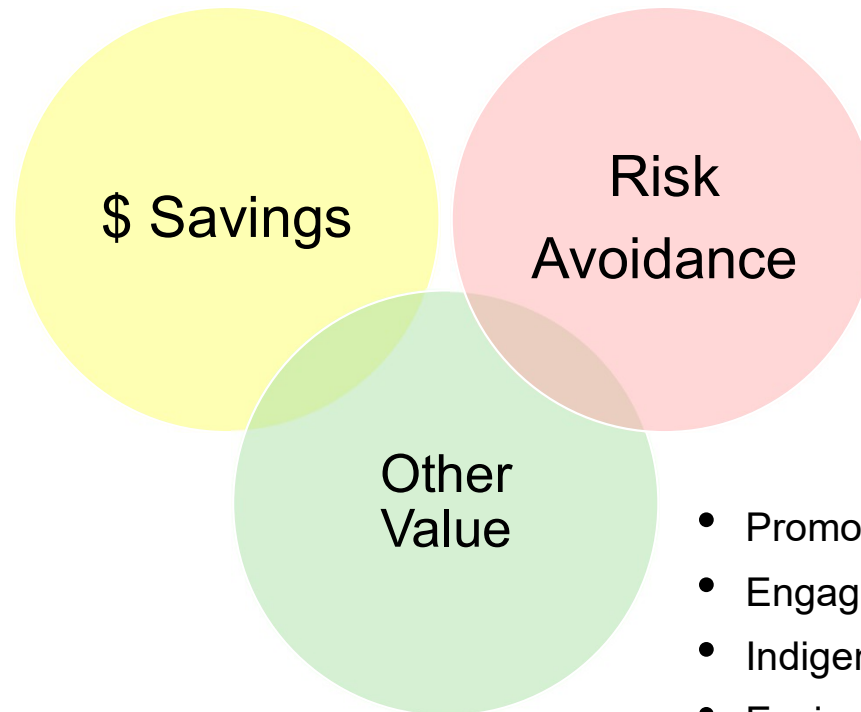
May 15, 2025

1450 K.L.O. Road
Kelowna, BC, V1W 3Z4
rdco.com



How Good Procurement Adds Value:

- Competitive bid processes - lowest bid vs average bid
- Cost Avoidance
 - Post-bid negotiations to optimize costs
 - Contract terms to limit 'extras'
 - Index-linked pricing to limit inflation impact
- Procurement saves organization more than it costs (hundreds of thousands of dollars each year)



- Procurement Litigation Risk
- Trade Agreement Bid Protests
- Strong Contracts – liability, insurance, bonding, intellectual property
- Appropriate allocation of risk
- Promote Innovation – collaborative RFPs
- Engaging & Supporting local vendors
- Indigenous procurement initiatives
- Environmental procurement

Legislation & Policy Hierarchy:

- New West Partnership Trade Agreement (NWPTA)
- Canadian Free Trade Agreement (CFTA)
- Canada - EU Comprehensive Economic Trade Agreement (CETA)



Statutory Law:

- Community Charter & Local Government Act
- Freedom of Information and Protection of Privacy Act
- Workers Compensation Act

Case Law:

- SCC: MJB Enterprises v Defence Construction (1999)
- West-Can Seal Coating v Province of Saskatchewan (2022)

Administrative Law:

- Duty of fairness

Detailed Procedures:

- WorksafeBC Requirements
- Insurance requirements
- Bonding
- Bid Protest Mechanism

Summary of the New Purchasing Policy

3 key features from Old Policy to New Policy:

1. Edits
2. New items
3. Removed items

Purchasing Policy – Edits

- Amendments to Delegated Purchasing Authority Limits: (who can sign a contract)

Staff Position	Authority to Commit:	
Chief Administrative Officer (CAO) or Deputy CAO	Unlimited	
Chief Financial Officer (CFO)	Unlimited	NEW
Department Directors	Up to \$75,000	
Department Managers	Up to \$50,000	NEW
Department /Supervisors	Up to \$15,000	NEW
All Other RDCO Staff	As delegated by Department Director (not to exceed \$5,000).	

Purchasing Policy – Edits

▪ Updated Thresholds & Process Requirements

- Adjustments to recognize inflation and align to our member municipalities, while also recognizing ‘risk’ in procurements:

Procurement Process Requirement	<u>Old</u> Policy Value Threshold	<u>New</u> Policy Value Threshold
Direct Award	<\$5,000*	<\$15,000
Written Quotations (minimum 3)	\$5,000 to \$75,000	\$15,000 - \$75,000 - Goods/Services \$15,000 - \$200,000 - Construction
Public Competition	>\$75,000	> \$75,000 - Goods/Services > \$200,000 - Construction

*Required verbal quotes \$1k to \$5k

- Risk classification guidance added to ensure oversight of high risk, low-value contracts

Purchasing Policy – New

- Conflict of Interest & Ethical Conduct (1.4)
- Social Procurement (1.6)
 - Support for local vendors
 - Buy Canadian
 - Indigenous-owned businesses
 - Non-profit societies
- Environmental & Sustainable Procurement (1.7)
 - Where viable
- Confidentiality & FOIPPA (1.9)
 - Guidelines for release of information

Purchasing Policy – New

- Vendors in Legal Action (1.10)
 - Reduce future risk
- Buying Groups (1.11)
 - Access to volume discounts and preferred pricing
- Emergency Expenditures (2.5)
 - Preservation of life, health, property outside of Emergency Management Program authority
- Disposal of Surplus Assets (3.0)
 - Process formalized

Purchasing Policy – Removed

- Requirement for Board approval of Direct Awards >\$75k
 - Requested by Board in 2014
 - Specific to WWTP Oversight
 - Staff have an exemplary record of Purchasing Policy compliance
 - Zero complaints or 'bid challenges'
- Requirement for Quarterly Board report on commitments >\$100k
 - Redundant control
 - Auditors review financial statements

Recommendation

All Directors – Unweighted Corporate Vote – Simple Majority (LGA s.208)

THAT the Regional Board amends Board Policy BP7.20 – Purchasing Policy as outlined in the report from the Director of Financial Services, dated May 15, 2025;

AND THAT the Regional Board approve the renaming of policy BP7.20 Purchasing Policy to BP23-2025 Purchasing Policy.