

COMOX VALLEY REGIONAL DISTRICT

BYLAW NO. 75

A bylaw to delegate the purchasing authority for the Comox Valley Regional District

WHEREAS under sections 176(1)(e) and 192(1) of the *Local Government Act* the board may, by bylaw, adopted by at least two thirds of the votes cast, delegate its powers, duties and functions, including those specifically established by an enactment, to its officers and employees;

AND WHEREAS the board of the Comox Valley Regional District wishes to delegate to its officers and employees certain powers, duties and functions;

NOW THEREFORE the board of the Comox Valley Regional District in open meeting assembled hereby enacts as follows:

Citation

1. This Bylaw No. 75 may be cited for all purposes as “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 75, 2009.”

Repeal

2. Bylaw No. 3069 cited as “Comox Strathcona Regional District Delegation of Purchasing Authority Bylaw No. 3069, 2007” is hereby repealed.

Definitions

3. In this bylaw:
 - a) **“Board”** means the board of the Comox Valley Regional District
 - b) **“Purchasing Policy”** means the purchasing management services policy attached to this bylaw as schedule ‘B’
 - c) **“CVRD”** means the Comox Valley Regional District

Delegation

4. A delegation of a power, duty or function under this bylaw includes a delegation to a person who is, from time to time, acting on behalf of the delegate or is appointed by the board to act in the capacity of the delegate in the delegate’s absence.

Purchasing authority for goods and services

- 5.1 The board hereby delegates to the persons holding the positions referred to in column 1 of schedule “A” of this bylaw the power, duty and function of the CVRD to purchase or acquire goods or services on behalf of and for the benefit of the CVRD to the amounts listed in column 2 of schedule “A” in accordance with the purchasing management services policy attached to this bylaw as schedule “B”.

- 5.2 In the absence of the delegate, the powers delegated under subsection 4 may be exercised by a person who has been appointed to act in the capacity of the delegate, or the general manager of that person's branch. In the absence of a general manager, the powers delegated under section 4 of this bylaw may be exercised by the chief administrative officer or the person designated as the acting chief administrative officer.

Land Use Agreements

- 6.1 The board hereby delegates to the persons holding the positions referred to in column 1 of schedule "A" of this bylaw the following powers, duties and functions to be exercised in accordance with the Purchasing Policy:
- (a) The power to acquire, amend or discharge a statutory right of way or easement on behalf of the CVRD in connection with the operation and maintenance of any works or service of the CVRD; and
 - (b) The power to enter into a lease or license of real property necessary or convenient for the operation and maintenance of any works or service of the CVRD where the value of the rent, licence fee or other consideration for the term is within the amounts listed in column 2 of schedule "A".
- 6.2 In the absence of a general manager, the powers delegated under section 6.1 of this bylaw may be exercised by the chief administrative officer or person designated as the acting chief administrative officer.

Limits on Expenditures

7. Despite section 4, an officer or employee of the CVRD must not enter into an agreement of a capital nature under which the CVRD would incur a liability payable after the end of the then current year for a term that is for more than 5 years, including all rights of renewal and extension.
8. An expenditure made by a person to whom the board has delegated authority under this bylaw must be within the CVRD's approved financial plan.

Read a first and second time this 27th day of **October** **2009.**

Read a third time this 27th day of **October** **2009.**

Adopted by
two-thirds of the votes cast this 27th day of **October** **2009.**

F. Bates

J. Warren

Chair

Corporate Legislative Officer

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 75 being "Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 75, 2009" as adopted by the board of the Comox Valley Regional District on the 27th day of October 2009.

J. Warren

Corporate Legislative Officer

Schedule 'A'

	COLUMN 1 Position	COLUMN 2 Commitment/spending authority
1.	<u>Purchase cardholders</u>	Cardholders and cardholder limits authorized by the chief administrative officer
2.	<ul style="list-style-type: none"> • Network manager • Assistant manager of recreation operations • Assistant manager of building services • Assistant manager of planning services • Marketing specialist • Manager of administration • Executive assistant 	Purchases less than \$5,000
3.	<ul style="list-style-type: none"> • Senior manager of information systems & GIS • Senior manager of recreation facilities • Senior manager of engineering services • Corporate legislative officer • Corporate financial officer • Executive manager of human resources • Executive manager of strategic and long range planning • Manager of bylaw compliance and special investigations • Manager of transit and sustainability • Manager of financial planning • Manager of payroll and benefits • Manager of fire services • Manager of emergency programs • Manager of communications • Manager of solid waste services • Manager of water services • Manager of wastewater services • Manager of planning services • Manager of building services • Manager of community parks • Manager of recreation operations • Manager of recreation administration • Manager of recreation programs • Supervisor, Comox Valley Waste Management Centre 	Purchases less than \$10,000

4.	<ul style="list-style-type: none">• Chief administrative officer• General manager of community services• General manager of property services• General manager of public affairs and information systems	Purchases less than \$50,000
5.	General manager and one of the following: <ul style="list-style-type: none">• Chief administrative officer• Corporate financial officer	Purchases less than \$100,000
6.	<ul style="list-style-type: none">• Chief administrative officer, or• General manager of property services, or• General manager of community services	Land use agreements less than \$50,000

All amounts in column 2 are exclusive of taxes for an item or service or combination of items or services purchased or acquired for a single purpose.

Schedule 'B'

PURCHASING MANAGEMENT SERVICES POLICY

<i>Subject:</i>	Purchasing management services policy
<i>Date of revision:</i>	<i>Approved by:</i> Board
<i>Revisions:</i>	<i>Effective date:</i>

PURPOSE:

1.0 Purpose and scope of the purchasing management services policy

The purpose of the purchasing management services policy is to set out the responsibilities and accountability associated with the efficient and economical acquisition of goods and services. This policy applies to all CVRD services (functions) and includes all purchases, leases and rentals using operating, capital and restricted funds of the CVRD. This policy also applies to affiliated entities as per section 1.7.

1.1 Guiding principle

The purchasing management services policy is guided by the principle of probity, which means that all activities are undertaken in a visibly fair, ethical, environmentally sustainable, and prudent manner.

1.2 Policy statement

It is the policy of the CVRD to acquire goods and services through a competitive process whenever practical that results in supply arrangements at the most effective net cost, in the correct quantities, of the appropriate quality, including recycled content, lowest possible toxicity, recyclability wherever possible and from the most responsive and responsible source.

1.3 Roles and responsibilities

- 1.3.1 Purchasing and supply management activities at the CVRD are decentralized by branch (service), which are delegated the responsibility and authority for acquiring goods, equipment, services and construction for all operational and capital requirements, as per appendix A (Spending and Commitment Authority Matrix).
- 1.3.2 The officer responsible for financial administration for the CVRD is responsible and accountable for the management of the acquisition of goods, protection and disposal of assets.
- 1.3.3 The purchasing officer for the CVRD is the corporate financial officer, who is responsible for the implementation of the day-to-day administration of the purchasing management services policy, and will establish and employ such practices, processes, procedures or methods as are determined appropriate to the efficient and effective operation of purchasing management services.

- 1.3.4 It is the intention of the policy to provide internal control measures through the separation of duties and responsibilities (i.e. commitment authority; confirmation of goods/services received; invoice approval) relating to the acquisition of goods and/or services.
- 1.3.5 Contracts, agreements and purchase requisitions are to be executed in accordance with:
Appendix A – Spending, commitment and signing authorities matrix.
- 1.3.6 Disposal of surplus assets: The senior accounting technician - financial planning and analysis is responsible for the administration (i.e. recording the sale, asset write-down; co-ordination of annual sale or assisting branches with appropriate disposal method). The administration relates to the disposal of all surplus materials and assets through re-allocation within the CVRD, to organizations delivering services on behalf of the CVRD, public offer for sale, auction, trade, donation or landfill. A branch may choose to dispose of an asset any time during the year. The senior accounting technician is to receive full details of the asset disposal whenever an asset is disposed of.
- 1.3.7 Commitment, spending and signing authority
- (i) All acquisitions must comply with appendix A (Spending, commitment and signing authority matrix).
 - (ii) Where two signatures are required, they shall be from different branches unless otherwise specified by policy.
 - (iii) Persons with commitment, spending and signing authority have the following responsibilities:
 - Ensure that the CVRD is able meet its obligations within the terms of the contract and that it is likely the other party can meet their obligation.
 - Ensure that the contract complies with Workers Compensation Board (WCB) legislation, labour legislation, employee collective agreements, tax legislation, and other legislative and regulatory requirements.
 - Ensure that the appropriate level of approval has been obtained for the contract.
 - Be aware of any financial and other benefits that are expected to flow to the CVRD as a result of the contract.
 - Any administrative (support services) or staff overhead rate must be consistent with CVRD guidelines or amended by the corporate financial officer or the chief administrative officer.
 - Review intellectual property requirements and physical, bodily injury and personal injury indemnities.
- 1.3.8 Contract management:
The executive management branch shall maintain a register of contractual documents as follows:
- a list of the contractual documents;
 - the name of the other party or parties signing the documents;
 - the contact name, address and phone number of the other parties representative;
 - CVRD function code and staff responsibility for administering the contract;
 - a brief description of the subject matter contained in the documents;

- the date of execution;
- the insurance requirements pursuant to the contract and confirmation note to indicate that they have been met;
- the critical dates such as performance related requirements, if any;
- total contract commitment;
- available budget;
- the payment terms;
- effective start and termination date and the actual or estimated amount of each contractual obligation;
- change order terms;

The executive management branch shall notify the purchasing officer on a quarterly basis of pending expiry dates, including insurance, performance bonds and contract term dates and forward a copy of the contract to accounts payable.

1.3.9 Legal Services:

The chief administrative officer will manage corporately, all legal matters through an organizational process. The process involves ongoing monitoring of legal costs, monitoring of legal service quality, and regular reporting to the board. Legal services will be evaluated based on ability to meet the following key service elements:

- a) **Timeliness:** all legal matters must be dealt with within appropriate and agreed upon timelines. Phone calls must be returned in a timely manner and correspondence completed on agreed schedules.
- b) **Communication:** the firm must designate a partner who will communicate with the designated client in a manner and frequency agreed upon by both parties.
- c) **Coordination of client matters:** the firm must designate one partner (with a back up) to manage all client legal work, be able to brief the client on any legal matter directed to their firm and develop monthly status reports. The firm must coordinate administrative matters proactively with a minimum of client resources.
- d) **Cost management:** the firm must monitor legal costs, compare them to the firm's quote provided, if applicable, and advise the client immediately regarding any variances.
- e) **Legal education:** the firm must be committed to providing and delivering educational opportunities and issuing papers on current, emerging legal matters.
- f) **Meeting attendance:** the firm must be committed to attending, on short notice, board meetings or staff meetings if the firm or client believes the importance of the legal matter warrants attendance.
- g) **Cost of legal services** is to reflect quality of service provided.

1.4 Policy provisions

- 1.4.1 All CVRD staff and directors shall comply with the letter and spirit of laws and regulations governing the public procurement function.
- 1.4.2 Branches responsible for the acquisition of goods or services must ensure that processes used to purchase goods or services are conducted in a manner that best serves the interests of the CVRD and are consistent with the purchasing management services policy. The purchasing officer shall periodically review practices to evaluate whether effectiveness and value added procurement practices are being followed.
- 1.4.3 CVRD staff with direct or indirect interest in a vendor or potential vendor must disclose such interest to the purchasing officer in order to ensure there are no adverse consequences from such conflict. Soliciting or accepting money, loans, credits, or prejudicial discounts, or the acceptance of gifts, entertainment, favours, or services is prohibited where it might influence, or appear to influence, purchasing decisions.
- 1.4.4 Gifts or prizes received while on CVRD business shall be the property of the CVRD, except:
 - (i) items included with registration package, and
 - (ii) items valued at < \$1,000.00.
- 1.4.5 Commitments or indications of preference to a supplier are not to be made by branches without written request and approval from the purchasing officer, corporate financial officer or chief administrative officer.
- 1.4.6 Strategic alliances provide additional value to the regional district by reducing point of purchase prices, reducing administration costs through longer term agreements, and/or resulting in increased revenue that supports regional district objectives. Additional value may take various forms such as cash, in-kind products and/or services, promotional items and others, in exchange for marketing value back to the external organization. Since this often results in a preferential agreement offering exclusivity, preferred supplier status or other benefits for a longer specific period of time, contractual arrangements of this nature require CVRD board approval.
- 1.4.7 In respect to public process purchasing, the CVRD may, in its absolute discretion, reject a tender, proposal or bid submitted by a tenderer, if the tenderer, or any officer or director of the tenderer is or has been engaged either directly or indirectly through another corporation in a legal action against the CVRD, its elected or appointed officers and employees in relation to:
 - (i) any other contract for works or services, or
 - (ii) any matter arising from the CVRD's exercise of its powers, duties, or functions under the Local Government Act or another enactment,within five years of the date of the public process.
- 1.4.8 In determining whether to reject a tender, proposal, or bid under this article, the CVRD will consider whether the litigation is likely to affect the tenderer's ability to work with the CVRD, its consultants and representatives and whether the CVRD's experience with the tenderer indicates that the CVRD is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the tenderer.

- 1.4.9 All CVRD staff will make purchases in compliance with legislation and statutory regulations including WCB safety standards, customs duties, excise taxes, goods and services tax and provincial sales tax.
- 1.4.10 Rental/leases: Commitments to other parties may not be made, nor items acquired through a capital lease, which extend beyond:
- (i) Funding availability.
 - (ii) Local Government Act or Community Charter legislation for agreements requiring the consent of the public.
 - (iii) Month-to-month rentals are permitted subject to funding availability and at the expiration of an agreement there is no funding shortfall to the respective budget. Such agreements must be in compliance with the statutory limitation for agreements not requiring the consent of the public.
 - (iv) Adjudication regarding leases is the responsibility of the purchasing officer, with exceptions requiring the approval of the general manager.
- 1.4.11 The purchase of goods and/or services shall be initiated by properly completed and approved documentation in accordance with appendix A - Spending, commitment and signing authority matrix. A purchase order or formal agreement except for petty cash and purchasing card transactions shall contract goods and/or services.
- 1.4.12 The chief administrative officer may authorize staff to use a purchasing card, or initiate other e-commerce purchase and payment mechanisms to facilitate acquisition of low-dollar value goods and/or services consistent with and in accordance with purchasing operating guidelines and the purchasing card program. Staff is required to complete and sign a purchasing cardholder agreement approved by their manager which is to be retained on file by the finance department.
- 1.4.13 Circumstances for direct award procurement
- Specific details, in writing, must be provided justifying the requirement for direct award procurement according to the following exceptions:
- 1.4.13.1 To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
 - 1.4.13.2 Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
 - 1.4.13.3 For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
 - 1.4.13.4 For the purchase of goods on a commodity market;
 - 1.4.13.5 For the acquisition of services from non-profit organizations;
 - 1.4.13.6 For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor or the lessor's pre-approved suppliers;
 - 1.4.13.7 For work to be performed by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;

- 1.4.13.8 For a contract to be awarded to the winner of a design contest;
- 1.4.13.9 For the procurement of a prototype of a first good or service to be developed in the course of and of a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
- 1.4.13.10 For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy, auction or receivership, but not for routine purchases;
- 1.4.13.11 For the procurement of subscriptions to newspapers, magazines or other periodicals;
- 1.4.13.12 For the procurement of real property;
- 1.4.13.13 Where the competitive process is impractical because of the need to obtain unique third party skills, there is a requirement for contractor continuity, or there is a strong case for the cost effectiveness of maintaining a current contractor for a specific task;
- 1.4.13.14 Where the chief administrative officer in conjunction with another general manager approves the direct award purchase as requested.

1.5 Service delivery

All agreements between organizations or other local governments for the management of service delivery for a CVRD function, must obtain board approval.

1.6 Emergency acquisitions

In an unforeseen circumstance that requires immediate action, such that inaction would result in harm to a person or to real or personal property of any type, then an acquisition by way of direct award or through a public process as deemed necessary to rectify the situation by a person authorized in appendix A (Spending, commitment and signing authority matrix) shall be made in accordance with the authority in appendix A.

**Comox Valley Regional District
Purchasing Management Services Policy
Spending Commitment and Signing Authority Matrix**

GOODS AND SERVICES - INCLUDING CONSTRUCTION AND FACILITIES MAINTENANCE							All Prices Exclusive of Taxes
COMMITMENT/ SPENDING \$ LEVEL	COMMITMENT TYPE	NUMBER OF QUOTES	METHOD OF PURCHASE QUOTE TYPE	LEAD TIME (WORKING DAYS)	COMMITMENT/ SPENDING AUTHORITY	SIGNING AUTHORITY	SPECIAL CONDITIONS
<\$100	Petty cash	Single	Verbal, in person	Delegated to departments	Delegated to staff	Petty cash reconciliation - general manager or branch manager	Receipts req'd with payment claim (record GL acct no., purpose of purchase on receipt)
< \$5,000 per item or aggregate	Purchase order; purchasing card; cheque requisition; corporate supply arrangement	Single	Verbal; in person; telephone; fax; e-mail; or written	Delegated to departments	Purchase card - as delegated to staff; purchase order or cheque requisition - branch supervisor	Invoice (or purchasing card stmt) - branch supervisor (note: card holder must not approve their own stmt)	Purchase order and packing slip/receipts req'd with payment claim (record GL acct no., purpose of purchase on receipt) and monthly reconciliation log.
>\$5,000 to \$10,000 per item or aggregate	Contract/agreement; purchase order	Request at least three (provide reason if direct award)	Written quotes; tender; or request for proposal, request for quotation (min 1 page specs)	Min 4 weeks	Contract/agreement - general manager; purchase order - branch manager	Invoice - branch manager	Rotate suppliers invited to quote (where more than 3 in business) or advertise; packing slip acknowledging receipt of goods
>\$10,000 to \$50,000 per item or aggregate	Contract/agreement; purchase order	Public process or request at least 3 quotes	Written quotes, tender, request for proposal (min 1 page specs)	Min 4 weeks	Contract/agreement or purchase order - general manager	Invoice - branch manager	<p>Advertise or invite submissions appropriately for the type of goods/services required. Post on RD Bid.</p> <p>If purchase of goods or services is greater than \$75,000 (\$200,000 for construction) must post on BC Bid. For direct award greater than \$75,000, a Notice of Intent must be posted on RD Bid for five working days.</p>
>\$50,000 to \$100,000 per item or aggregate	Contract/agreement; purchase order with attached specs or scope of work	Public process or request at least 3 quotes	Tender, request for proposal (full specs) or written quotes	Min 4 weeks	Contract/agreement or purchase order - CAO plus one general manager or corporate financial officer	Invoice - branch manager	
> \$100,000 per item or aggregate	Contract/agreement	Public process	Tender, request for proposal (full specs)	Min 8 weeks	Contract/agreement - requires regional board approval	Invoice - branch manager	
Special - volume purchasing	Master standing offer, purchase order, contract/agreement, corporate supply arrangements (CSA)	Public process	Tender, request for proposal	Min 8 weeks	MSO/CSA , purchase order or contract / agreement - purchasing officer; general manager; CAO	Invoice - branch manager	
Change orders <20% of original project cost	Change order	Direct award, on-site contractor	Written	Min 1 week	Change order - general manager	Invoice - branch manager	First right of refusal from on-site contractor
Change orders >20% of original project cost and within financial plan	Change order	Direct award, on-site contractor	Written	Min 1 week	Change order - general manager	Invoice - branch manager	Obtain second quotes for comparative analysis where practical.

**Comox Valley Regional District
Purchasing Management Services Policy**

Spending Commitment and Signing Authority Matrix

Change orders >20% of original project cost and exceeds financial plan	Change order	Direct award, on-site contractor	Written	Min 4 weeks	Change order - requires regional board approval	Invoice - branch manager	Obtain second quotes for comparative analysis where practical.
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CONSULTING, TRAINING AND PROFESSIONAL SERVICES

All Prices Exclusive of Taxes

COMMITMENT/ SPENDING \$ LEVEL	COMMITMENT TYPE	NUMBER OF PROPOSALS	METHOD OF PURCHASE PROPOSAL TYPE	LEAD TIME (WORKING DAYS)	COMMITMENT/ SPENDING AUTHORITY	SIGNING AUTHORITY	SPECIAL CONDITIONS
<\$25,000 per item or aggregate	Contract/agreement; purchase order with scope of work or proposal attached	Single quote	Written	Min 1 week	Purchase order - branch manager; contract/agreement - general manager	Invoice - branch manager	Provide written summary of scope of work
> \$25,000 to \$50,000 per item or aggregate	Contract/agreement; purchase order with scope of work or proposal attached	Request at least three quotes (provide justification if direct award)	Expression of interest; request for quotation; request for proposal; invitation to tender	Min 4 weeks	Contract/agreement or purchase order - general manager	Invoice - branch manager	Min. 1 page scope of work. Rotate suppliers invited to quote (where more than 3 in business) or advertise
>\$50,000 to \$100,000	Contract/agreement; purchase order with scope of work or proposal attached	Public process	Request for proposal; request for quotation; invitation to tender	Min 8 weeks	Contract/agreement - CAO plus one general manager or corporate financial officer	Invoice - branch manager	Advertise or invite submissions appropriately for the services required. Post on RD Bid. If services are greater than \$75,000, must post on BC Bid.
>\$100,000	Contract/agreement	Public process	Request for proposal; invitation to tender	Min 8 weeks	Contract/agreement - requires regional board approval	Invoice - branch manager	For direct award greater than \$75,000, a Notice of Intent must be posted on RD Bid for five working days.
Change orders/contract amendments	The commitment authority for change orders/contract amendments for consulting training or professional services will be determined by the aggregate of the original agreement commitment and the dollar value of the change order/contract amendment.						

EMERGENCY PURCHASES

Emergency purchases	Purchase order; purchasing card, contract/agreement	Direct award	Verbal, written	Immediate	Purchase order, contract/agreement - CAO, general manager	Invoice - branch manager	Written description of circumstances to be forwarded to finance
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Exception: All agreements between organizations or other local governments for the management of direct service delivery for a regional district service must obtain board approval