

	POLICY	No.	2.7
	PURCHASE & TENDER	Effective Date	December 10, 2024
		Revision Letter	C
		Council Approval	2024-22-09

1.0. PURPOSE

- 1.1. The District of Fort St. James is committed to purchasing practices that provide the best value to taxpayers. This policy has been established to ensure the District's purchasing processes are fair, transparent, competitive, in compliance with competition laws and acts, and meet public expectations in matters of good judgment and honesty.

2.0. SCOPE

- 2.1. This policy applies to all employees involved in the procurement of goods, services, and construction on behalf of the District.

4.0. DEFINITIONS

- 4.1. **BC Bid** means the online procurement marketplace operated by the Government of British Columbia and located at the following URL www.bcbid.gov.bc.ca.
- 4.2. **Competitive Procurement Process** means the acquisition of goods, services, or construction through an open and transparent competitive bidding process that allows for suppliers to compete based on defined criteria.
- 4.3. **Council** means the Council of the District.
- 4.4. **Direct Purchase** means procurement of goods or services without Competitive Procurement Process.
- 4.5. **District** means the District of Fort St. James.
- 4.6. **District Website** means the District's website which is accessible at the following URL www.fortstjames.ca.

5.0. POLICY

5.1. Overview

- 5.1.1. The procedure used to select vendors for the delivery of goods and services, construction or provision of consulting/professional services can vary depending on a variety of factors such as:
- a) the type, quantity, or value of the goods or services;
 - b) the availability or competitiveness in the marketplace; or
 - c) the urgency with which such goods or services are required.

- 5.1.2. The competitive procurement thresholds outlined in section 5.3 reflect the District's commitment and effective stewardship of funds as well as compliance with applicable legislation and regulations such as the Canadian Free Trade Agreement and the New West Partnership Trade Agreement.

5.2. Procedure

- 5.2.1. The District does not have a dedicated purchasing department, as such each District department is responsible for carrying out its purchasing in compliance with this Policy.
- 5.2.2. Purchases may commence with a properly completed Purchase Order.
- 5.2.3. The approving of Purchase Orders must relate only to the authorizing personnel's own area of responsibility within the District's departmental structure or to carry out a work assignment or project from another department. The Chief Financial Officer and the Chief Administrative Officer have the authority to approve purchases across departments.

5.3. Procurement Processes and Approvals

- 5.3.1. All procurements shall be made by Authorized Employees within their purchasing authority, as prescribed in Appendix A.

Purchases Less than \$5,000

- 5.3.2. Purchases valued at less than \$5,000 may be made by **Direct Purchase** by selecting the best valued supplier using any reasonable procurement process at the purchaser's discretion. Such purchases may only be made by Authorized Employees or approved by the Department Manager, Chief Financial Officer, or Chief Administrative Officer.

Purchases Between \$5,000 and \$25,000

- 5.3.3. Purchases valued at between \$5,000 and \$25,000 may be made by **Direct Purchase** after soliciting a minimum of 3 quotes. Such purchases may only be made by Authorized Employees or approved by the Department Manager, Chief Financial Officer, or Chief Administrative Officer.

Purchases Between \$25,000 and \$75,000

- 5.3.4. Purchases valued at between \$25,000 and \$75,000 shall be made by **Direct Purchase** after soliciting a minimum of 3 quotes, or by a **Competitive Procurement Process** to select the supplier that offers the best value to the District. Such purchases may only be made by Authorized Employees or must be approved by the Chief Financial Officer or Chief Administrative Officer, provided that:
- a) goods or services are included in the approved annual budget;
 - b) purchase price is within the approved budget amount; and
 - c) supplier is the lowest priced or the highest ranked compliant vendor.

Purchases Over \$75,000

- 5.3.5. Purchases valued at over \$75,000 shall be made through a **Competitive Procurement Process** to select the supplier that offers the best value to the District. All purchases made in excess of \$75,000 and construction valued at over \$200,000 shall be advertised on the

District Website and **BC Bid**. Such purchases must be approved by the Chief Financial Officer or Chief Administrative Officer, provided that:

- a) goods or services are included in the approved annual budget;
- b) purchase price is within the approved budget amount; and
- c) supplier is the lowest priced or highest ranked compliant vendor, determined on a case-by-case basis.

Council Approval

5.3.6. Council approval must be given at a meeting open to the public, except otherwise permitted by the *Community Charter*. Notwithstanding sections 5.3.4 and 5.3.5, Council approval is required where:

- a) purchase price is not within the approved budget amount;
- b) supplier is not the lowest priced or highest ranked compliant vendor; or
- c) with respect to construction, the District intends to award work under a Master Services Agreement, as prescribed in Appendix C.

Reporting to Council

5.3.7. Purchases over \$100,000 will be reported to Council on a regular basis by the department manager through their quarterly reports to Council, or on an as needed basis, unless the project has been awarded through a Master Services Agreement, then Appendix C reporting requirements apply.

5.4. Purchase Orders

5.4.1. Purchase Orders shall be used in accordance with Appendix B and the approval thresholds in section 5.3.

5.4.2. Notwithstanding section 5.4.1., but subject to all applicable approval requirements within this policy, a Purchase Order is not required to document the purchase of the following goods and services:

- a) Recurring monthly utility charges such as postage, telephone, gas, hydro, and telecommunications;
- b) Recurring annual charges such as subscriptions, association and membership dues, payment to other government authorities, and investments;
- c) Refundable employee expenses such as travel expenses, meals, parking, hotel, airline charges, and mileage allowances;
- d) General expenses such as payroll remittances, tax remittances, and grants;
- e) Land acquisitions; or
- f) Professional consulting services, legal services, insurance, banking, financial, or audit services.

5.4.3. Purchase Orders may be used to communicate the authorization for the purchase to the vendor.

6.0. EXCEPTIONS

- 6.1. Notwithstanding Section 5.3., a **Direct Purchase** may be used where the opportunity to obtain quotes or undergo a **Competitive Procurement Process** does not exist or is not justified, a **Direct Purchase** may be considered and approved by the Chief Administrative Officer in the following circumstances:
- a) where there is an absence of competition for technical reasons and the goods and services can only be supplied by a particular provider and no reasonable alternative or substitute exists;
 - b) where only one service provider has the unique qualifications or skills required for the work;
 - c) where the time frame for delivery is urgent and there is not the time required for a **Competitive Procurement Process**;
 - d) where the project is highly sensitive or confidential and broadcasting it via open competition is not appropriate;
 - e) where the planned expenditure is small and the savings of competitive contracting would not justify the increased costs involved with more competitive procurement methods;
 - f) where work is a continuation project most appropriately completed by the original provider;
 - g) where there has been no submission in response to requests for quotes or a **Competitive Procurement Process**; or
 - h) to ensure compatibility with existing products or to maintain specialized products that must be maintained by the manufacturer or representative of the product.

7.0. ETHICAL STANDARDS

7.1. Gifts and Gratuities

- 7.1.1. District employees are expressly prohibited from soliciting or accepting any rebate, money, entertainment, gifts, or other gratuities (except for souvenirs, mementos, novelties of nominal value) from any person, company or organization to which any purchase, contract or other agreement is, or may be, awarded.
- 7.1.2. The District, at its discretion, may take disciplinary action, including dismissal, against a District employee who solicits or accepts any financial benefits prohibited under section 7.1.1.

7.2. Vendor Relations

- 7.2.1. The District encourages Department Managers to promote a purchasing program of fairness and friendship with all vendors. Department Managers should receive vendor representatives as promptly and courteously as time allows, provided however, that:
- a) no District employee is required to place their time at the disposal or discretion of a vendor's representative;
 - b) during negotiations with a potential vendor, prices received from one supplier must not be shared with other supplier; and

- c) an unsuccessful participant of a competitive procurement process that has requested feedback from the District should be provided a minimal debriefing.
- 7.2.2. Authorized Employees who are purchasing on behalf of the District shall have no relationship or interest in the vendor.
- 7.2.3. The Vendor shall not be an employee of the District.
- 7.2.4. Notwithstanding Section 7.2.3. if the vendor is an employee of the District, then the Chief Administrative Officer or Council must approve of the purchase.

8.0. RESPONSIBILITIES

- 8.1. It is the responsibility of all District employees to purchase in accordance with this policy.
- 8.2. It is the responsibility the Chief Financial Officer to:
 - a) review this policy annually; and
 - b) ensure that District employees are adhering to this policy.
- 8.3. It is the responsibility of the Chief Administrative Officer to:
 - a) review this policy annually;
 - b) ensure that District employees are adhering to this policy; and
 - c) approve administrative updates to this policy.
- 8.4. It is the responsibility of Council to approve this policy.

9.0. DOCUMENT APPROVALS

Role	Position	Name of Approver	Date Approved
Owner	Corporate Officer	Alexander Bihori	December 4, 2024
Reviewer	Chief Administrative Officer	Rachelle Willick	December 5, 2024
Final Approver	Mayor and Council	Martin Elphee	December 10, 2024

10.0. REVISION HISTORY

Effective Date	Rev Letter	Document Author	Description of Change
June 24, 2009	A		Initial Release.
August 24, 2021	B		
December 10, 2024	C	Alexander Bihori	Represents an entire re-write of the previous policy.

APPENDIX A

Authorized Employees

Purchase Value	Employees
Up to \$10,000	Mechanic Public Works Foreman
Up to \$25,000	Public Works Foreman – in the event of Emergencies
Up to \$50,000	Corporate Officer Economic Development Officer Fire Chief
Up to \$75,000	Director of Operations
Over \$75,000	Chief Administrative Officer + Requestor * Chief Financial Officer + Requestor *

* For purchases over \$75,000, two signatures are required.

APPENDIX B

Purchase Orders

Purchase Orders are essential tools for ensuring accountability, tracking, and proper authorization of purchases on behalf of the District. The following outlines the process for using Purchase Orders:

1.0. PURCHASE ORDER PROCEDURES

1.1. Purchase Orders shall be used for all purchases unless:

- a) a Department Manager signs the invoice and writes the general ledger code to charge it to instead of writing a Purchase Order; or
- b) the District has a standing agreement with a business dictating how purchases will be approved.

1.2. Purchase Orders must contain the following information:

- a) name of the supplier;
- b) date of purchase;
- c) item description and quantity;
- d) general ledger code or purpose of item(s) purchased;
- e) dollar amount;
- f) name of person purchasing; and
- g) Authorized Employee's signature.

1.3. Purchase Order books shall be in the prescribed form approved by the Chief Financial Officer.

1.4. All Purchase Order books distributed shall be recorded by the Finance Department, and will only be distributed with the approval of the Chief Administrative Officer or the Chief Financial Officer.

APPENDIX C

Master Services Agreements

This appendix outlines the approval and reporting requirements for projects awarded under a Master Services Agreement as described in Section 5.3.6.

1.0. Projects Valued at \$100,000 or Less

- 1.1. If the project to be awarded under a Master Services Agreement is valued at \$100,000 or less and is within the approved annual budget, then:
- a) Council approval is **not** required; and
 - b) regular reporting on the project is **not** required.

2.0. Projects Valued over \$100,000 and less than \$500,000

- 2.1. If the project to be awarded under a Master Services Agreement is valued more than \$100,000 but less than \$500,000 and is within the approved annual budget, then:
- a) Council approval is **not** required; and
 - b) regular reporting on the project is required.

3.0. Projects Valued at over \$500,000

- 3.1. If the project to be awarded under a Master Services Agreement is valued at \$500,000 or more and is within the approved annual budget, then:
- a) Council approval is required; and
 - b) regular reporting on the project is required.