



# Town of Creston COUNCIL POLICY

POLICY: FIN-003-005

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## General Procurement

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**PURPOSE** To establish responsibilities and accountability associated with the effective, efficient, sustainable and economical acquisition of goods, services, and construction.

**SCOPE** Town of Creston staff directly or indirectly involved in procurement.

**POLICY** Goods and services will be acquired through a public process whenever practical and efficient. The Town of Creston is committed to developing and maintaining a social procurement culture that supports procurement activities and the achievement of social and environmental objectives. Resulting award determinations will be focused on best value with consideration towards, price, lifecycle cost, quality, expertise, as well as environmental and social sustainability.

### 1.0 SEPARATION OF DUTIES

- 1.1 To ensure the need for a clear and transparent separation of political and administrative functions, the Council has established this policy and approved expenditures through the Financial Plan approval process.
- 1.2 To remove any potential or perceived appearance of political influence or bias, the Council recognizes the need to be removed from procurement processes from the time a procurement is issued to the market to the point where a contract has been awarded to the successful bidder, except where the Council is presented with a recommendation to approve the contract award in accordance with this policy.
- 1.3 The Council maintains the ability to identify specific procurements of interest that require additional Council approval for reasons such as those that are of high value, involve significant risk or are of significant interest to the community. Staff maintain the ability to identify contract awards or procurements in which they feel Council approval is in the best interest of the Town of Creston.

**2.0 THE POLICY DOES NOT APPLY TO THE FOLLOWING:**

- 2.1 Land and real property acquisitions;
- 2.2 Facility and land rentals or leases;
- 2.3 Utilities including hydro, gas and basic telecommunications;
- 2.4 Borrowing and investing of funds;
- 2.5 Policing Services;
- 2.6 Exclusive rights such as licenses, copyrights and patents;
- 2.7 Admissions and registration for conferences, conventions, training courses, workshops and seminars;
- 2.8 Memberships in professional and vocational associations;
- 2.9 Publications, magazines and newspapers;
- 2.10 Advertising mediums such as newspapers and websites;
- 2.11 Subject to CAO approval, employment agencies and/or contractors used to backfill vacant employment positions identified and approved in the Financial Plan.

**3.0 POLICY PRINCIPLES**

- 3.1 The following values shall guide procurement decisions towards the delivery of programs and services approved by Council in the Town of Creston's Financial Plan:
  - a) Integrity;
  - b) Best Value;
  - c) Open and Fair procurement processes; and
  - d) Ensure inclusive, equitable and social values.
- 3.2 Authorized Staff are required to ensure compliance with all Town policies, bylaws, all provincial and federal laws, regulations and the applicable Trade Agreements that apply to the procurement of goods, services and construction.
- 3.3 The Town will consider co-operative procurement agreements within the Town and with other public bodies to increase efficiencies and reduce administrative costs in the procurement process. All co-operative agreements shall comply with Town policies, bylaws and applicable Trade Agreements.
- 3.4 The Town will endeavor to increase the use of products and services that are more responsible to the environment in the way of being made, used, transported, stored, packaged and disposed of.
- 3.5 The Town is open to innovative ideas and financial opportunities and encourages the community to share their ideas with staff and Council; however, this will not constitute grounds for direct award of a contract and does not pre-empt policy requirements.
- 3.6 Ensure the Town is not unduly exposed to risk in all transactions.
- 3.7 All awards and contracts are free of any conflicts of interest.

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### **4.0 RESPONSIBILITY**

- 4.1 The Chief Administrative Officer (CAO) is responsible for ensuring that Staff adhere to policies and bylaws of Council.
- 4.2 The Director of Finance and Corporate Services (DFCS) is responsible for developing, maintaining, leading and overseeing the procurement policy and other policies and procedures for the Town procurement processes.
- 4.3 The Town's Appointed Signing Authorities will enter into and execute contracts on behalf of the Town
- 4.4 Council's role in procurement is to provide policy direction and approve the Financial Plan. All contracts that are longer than five years in length or over \$75,000 require Council approval.

### **5.0 PROHIBITIONS**

- 5.1 The following activities are prohibited under this Policy or excluded from the authority delegated to Authorized Staff:
  - a) The dividing of contracts or procurements to avoid the requirements or thresholds of this or any Policy and the applicable Trade Agreements.
  - b) Committing the Town to a contract without the appropriate level of authority to do so.
  - c) The award of a contract for an expenditure, which is not included in the Financial Plan without DFCS approval.
  - d) The award of a contract that exceeds five years without Council approval
  - e) The award of a contract that would give rise to a conflict of interest between the Authorized Staff and Supplier without CAO approval, or Council approval, where the CAO is the Authorized Staff person.
  - f) The award of a contract that binds the Town into a Financing Agreement or Non-Standard Credit Terms without the express approval of the DFCS and Council.

### **6.0 EXCEPTIONS TO THE POLICY**

- 6.1 In the event of an emergency, any two of the following may grant approval to enter a contract without undergoing a competitive bid process: CAO, DFCS and Mayor.
- 6.2 The CAO will provide a memorandum to Council at the next Council meeting describing the nature of the emergency and the amount and nature of procurement contracts issued.
- 6.3 All exemptions, exclusions, or exceptions that exist in applicable Trade Agreements.

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### 7.0 SOCIAL PROCUREMENT

- 7.1 In an effort to leverage procurement dollars to benefit the community and society, the Town may include the consideration of sustainability, environmental and ethical responsibility, and social value in best value procurements.
- 7.2 **Sustainability** when evaluating sustainability factors, consideration may be given where proponents have third party verification and certifications in addition to reference checks to verify claims made in response to a Town public solicitation.
- 7.3 **Environmental Responsibility** when evaluating environmental, consideration may be given where proponents:
- a) minimize environmental harm, including end of life impacts;
  - b) maximize resource efficiency (e.g. reduce energy and water consumption and minimize waste); and
  - c) minimize greenhouse gas emissions.
- 7.4 **Ethical Responsibility** when evaluating ethical responsibility, consideration may be given where proponents:
- a) maximize fair trade opportunities;
  - b) ensure sound working conditions throughout the supply chain that meet or exceed provincial, national or international employment standards.
- 7.5 **Social Value** when considering social value, consideration will be given where proponents:
- a) maximize inclusive employment, training and apprenticeship opportunities among, disadvantaged, equity deserving or marginalized individuals and populations;
  - b) maximize the diversification of the supply chain by including non-profit organizations, social enterprises and small-medium enterprises;
  - c) contribute to the strengthening of the community by supporting the social goals and objectives of the Town; and
  - d) include any social responsibility initiatives undertaken by the organization that contribute to social wellbeing.

### 8.0 BID SOLICITATION

- 8.1 The Town will utilize a competitive bidding process to procure goods, services and construction unless otherwise permitted under this Policy.

8.2 The bid solicitation process will meet the minimum following criteria:

Procurement Value	Bid Process	Evaluation Method
\$0-\$9,999	<p align="center"><b>Direct Award</b></p> <p>If competitive, prioritize purchases from local businesses, Indigenous businesses and social enterprises (<i>if applicable</i>).</p> <p>For purchases of unfamiliar items, quotes from different sources should be obtained to ensure an informed purchase.</p>	Authorized Staff
\$10,000-\$25,000	<p align="center"><b>Informal Quotation</b></p> <p>Solicit at least three quotes at least one quote from local businesses, Indigenous businesses and social enterprises (if applicable).</p>	Authorized Staff
\$25,000-\$74,999	<p align="center"><b>Informal Quotation</b></p> <p>Solicit at least three quotes at least one quote from local businesses, Indigenous businesses and social enterprises (if applicable).</p>	Panel review of two or more Authorized Staff
\$75,000 and higher for all contracts	<p align="center"><b>Formal Competitive Bid</b></p> <p>Incorporate social value criteria at 5-10% of the evaluation.</p>	<p>Panel review of two or more Authorized Staff.</p> <p align="center">Based on predetermined weighted criteria.</p> <p align="center">Council approval required.</p>
\$200,000 and higher for construction contracts	<p align="center"><b>Formal Competitive Bid</b></p> <p>Incorporate social value criteria at 5-10% of the evaluation and/or include a Community Benefit Agreement.</p>	<p>Panel review of two or more Authorized Staff.</p> <p align="center">Based on predetermined weighted criteria.</p> <p align="center">Council approval required.</p>

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- 8.3 Direct award is not suitable where a number of small contracts for the same or similar service will be contracted throughout the year and is reasonably expected to exceed \$25,000 of goods and services acquired within the year. Staff are still responsible for ensuring reasonable market price and good value.
- 8.4 For consulting services where specialized expertise and/or experience in local government or specifically with the Town will result in demonstrable cost savings; a Direct award may be considered with the approval of the DFCS up to a contract value of \$25,000.
- 8.5 Where co-operative procurement arrangements are in place with other agencies that have undergone a competitive bidding process that meets or exceed those in 8.2 no further Bid process is required.
- 8.6 All Suppliers must be provided equal access to all information and reasonable and equal time to submit bids.
- 8.7 Selection criteria must be established, assigned weights and specified in the bid solicitation. Criteria must consider supplier capability and experience, work method, total cost and incorporate principles of social value.
- 8.8 All records associated with a competitive bid process are subject to *Freedom of Information and Protection of Privacy Act* provisions and Authorized Staff are required to maintain those records in a manner consistent with the procedures established by the Town.

### 9.0 DIRECT AWARDS

- 9.1 In the absence of a competitive bid process, Authorized Staff must still endeavor to negotiate best price and favorable contract terms.

### 10.0 DEFINITIONS

**Authorized Staff** refers to specified Staff delegated the authority to enter into Agreements on behalf of the Town that bond the Town to the acquisition of goods and services, as amended from time to time. Staff are only authorized for contracts within their delegated purchasing authority.

**Award** refers to the business decision by Authorized Staff to enter into and execute contracts for goods, services and construction.

**Best Value** means the optimal combination of total cost of ownership, performance, economic, cultural, environmental and social value within the compliant responses to the Town's terms and conditions and contract documents.

**Bid** means a submission from a supplier in response to a solicitation or competition advertised by the TOWN for a contract to supply goods or perform services for the Town.

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**Chief Administrative Officer or “CAO”** means the person appointed by the charter to hold the position of chief administrative officer for the Town.

**Chief Financial Officer or “DFCS”** means the person appointed by the *Community Charter* to hold the position of finance officer for the Town.

**Community Benefit Agreements** means a legally enforced agreement on construction, infrastructure and development projects for specific social value outcomes like hiring, training, or procurement that ensures projects enhance social, cultural, environmental, and economic opportunities for community.

**Conflict of Interest** is where an employee of the Town has financial or other interest in goods or services which the Town desires to acquire or dispose of. The employee is disqualified from approving the transaction or being an evaluator on any procurements notwithstanding their written authority governed by applicable bylaws.

**Debriefing** refers to the process where after a competitive process has been concluded and a contract awarded to the successful proponent, unsuccessful proponents may contact the Town to gain an understanding of where their proposal might be improved for future bid opportunities.

**Direct Award** refers to entering a contract for service without undertaking a competitive bid solicitation.

**Emergency** will be defined as an unforeseen, present and/or imminent event or circumstance that is caused by accident, fire, explosion, technical failure or by forces of nature that pose an immediate threat to the safety of the Community (that would have irreversible impacts on the environment if not addressed immediately, and/or where an immediate action will mitigate further financial loss to the Town.

**Financial Plan** refers to the Town of Creston Five Year Financial Plan Bylaw (as amended annually) which sets out the proposed expenditures of the Town, proposed funding sources and transfers between funds.

**Financing Agreements** include leases, promissory notes and other financial instruments that bound the Town to a payment plan and financing rates. Execution of Financing Agreements is not delegated to “Authorized Staff” as defined under this Policy.

**Formal Competitive Bid** means a Bid solicitation which must be advertised on BC Bid and the Town’s website.

**Informal Quotation** means that three quotes are solicited through an informal communication process including email or phone. Documentation is required and must include particulars about time, date and nature of supply or goods solicited, whether a quote was received from each Supplier and details of each quote including total contract price.

**Integrity** refers to conducting procurement processes with honesty, and ethical standards.

**Living Wage** means the hourly wage necessary for a full-time employee to meet their basic needs. Needs are defined to include food, housing, and other essential needs such as clothing.

**Local Small Enterprise** means a business of any legal structure that operates with a Town business licence, with 1-99 employees.

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Mayor includes a Council appointed Acting Mayor.

**Open Fair and Transparent** means ensuring that the public is aware of and permitted to compete for supply opportunities in their demonstrated field of expertise.

**Proponent** refer to suppliers, contractors or consultants that may receive or may be responding to particular bid requests from the Town.

**Social Benefit** describes the positive social impact of the Town’s procurement activities. It can include but not be limited to diversifying the supplier base, and engaging Indigenous Peoples, companies, social enterprises and not for profits.

**Social Enterprises** are businesses that sell goods and services; they embed a social, cultural or environmental purpose into the business, and they reinvest the majority of profits (51%+) into their mission.

**Social Procurement** is a procurement practice that seeks to leverage existing procurement activities to achieve positive social outcomes such as environmental, social and economic benefits that align with community values and strategic objectives.

**Supplier** means any person or business that supplies goods or services to the Town, also referred to as a Vendor.

**Supplier diversity** means creating opportunities for diverse suppliers such as Indigenous Peoples and employment equity deserving groups which could include people facing systemic barriers to employment and other underrepresented groups.

**Trade Agreements** mean any Government of Canada, or Province of British Columbia or International trade agreement that apply to the procurement practices of municipalities in British Columbia.

### POLICY RECORD

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Date Approved by Council:	Resolution No.
Next Review Date:	Policy No:
Last Review Date:	Replaces: N/A
Administrative Review:	

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