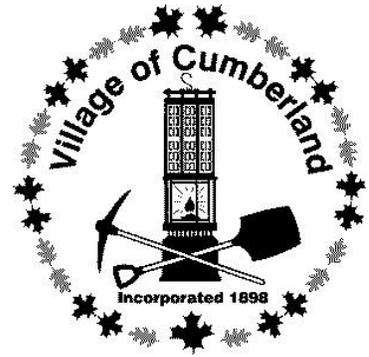


COUNCIL POLICY



<p>Title: Purchasing Management Services</p> <p>Authority: Council Adopted Date: November 28, 2016 Amended Date: August 14, 2017</p>	<p>No. 3.3</p> <p>Section: Administrative Policies, Equipment and Supplies Original Motion No: 16-594 Amendment Motion No: 17-469</p>
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PURPOSE:

1.0 PURPOSE AND SCOPE OF THE PURCHASING MANAGEMENT SERVICES POLICY:

- 1.1. The purpose of the Purchase of Goods & Services Policy is to establish the responsibilities and accountability associated with the efficient, economical, socially and environmentally responsible acquisition of goods and services.

The Policy applies to all purchases, leases and rentals using operating, capital and restricted funds of the Village as follows:

- To encourage competition in the market
- To obtain the best value for goods, services, equipment or construction-related projects
- To ensure fairness, integrity, accountability and transparency throughout the procurement process
- To leverage limited public resources to achieve strategic community outcomes

2.0 GUIDING PRINCIPLE:

- 2.1. The Purchase of Goods & Services Policy is guided by the principle of probity, meaning all activities are undertaken in a fair, ethical and prudent manner. The Village of Cumberland will align its purchasing decisions with the attached *Village of Cumberland Social Procurement Framework* and support the principles of social procurement as follows:

- Wherever possible opportunities to achieve positive social outcomes and community benefits will be embedded into procurement processes

- Procurement practices will align to support strategic economic, social and environmental goals of the Village
- Wherever possible procurement decisions will be made to achieve broad societal goals, increasing equality and diversity, while contributing to the improved well-being of the community
- Procurement will consider the total cost of ownership in all procurement activities

3.0 POLICY STATEMENT:

- 3.1. The Village seeks an alignment of its Procurement Policy and Principles with its commitment to social, environmental and economic sustainability as defined in its Social Procurement Framework. The expectation is that all organizations doing business with the Village will meet or exceed environmental standards, laws and regulations and ensure safe and healthy places of work where human and civil rights are respected.

4.0 ROLES AND RESPONSIBILITIES:

- 4.1. Purchasing and supply management activities at the Village of Cumberland are decentralized to department managers and key staff, who are delegated the responsibility and authority for acquiring goods, equipment, services and construction for all operational and capital requirements as per appendix A – Spending, commitment and signing authority matrix and in compliance with this policy.
- 4.2. The Financial Officer holds the statutory responsibility and accountability for the acquisition of goods as well as protection and disposal of assets. This officer of the Village is responsible for the day-to-day administration of the Purchase of Goods & Services Policy and to employ such practices, processes, procedures or methods as are determined appropriate to the efficient and effective operation of purchasing management services.
- 4.3. Commitment, Spending and Signing Authority
 - 4.3.1. All acquisitions must comply with appendix A – Spending, commitment and signing authority matrix unless the provisions of 5.9 fully apply.
 - 4.3.2. Persons with commitment, spending and signing authority as outlined in appendix A have the following responsibilities:
 - Ensure that funds have been provided in the approved budget for the proposed expenditures and that the purchase will not result in a budgetary overage
 - Ensure that the Village 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 any contract complies with WorkSafe BC legislation, labour legislation, employee collective agreements, tax legislation, all trade agreements and other legislative and regulatory requirements
 - Ensure that the appropriate level of approval has been obtained for the contract
 - Be aware of and follow up on any financial and other benefits that are expected to flow to the Village as a result of the contract

4.4. Legal Advice:

- (i) If the contractual obligation is considered straightforward and the language contains no bias, then legal advice is unnecessary.
- (ii) If the contractual obligation is greater than \$50,000, it should be referred to the Financial Officer or Chief Administrative Officer for an opinion as to whether external legal advice should be sought.

4.5. Corporate Seal:

The following officer is authorized to affix the corporate name and seal of the Village on all deeds, transfers, mortgages, instruments or documents required to be in writing and to which the Village is a party: Chief Administrative Officer (or delegate).

5.0 POLICY PROVISIONS:

- 5.1. All Village staff and elected officials shall comply with the letter and spirit of this policy which governs the purchasing of goods and services. Staff 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 Village and are consistent with this policy.
- 5.2. Village staff with direct or indirect interest in a vendor or potential vendor must disclose such interest in writing 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.
- 5.3. Partnerships in the form of contractual arrangements between the Village and external organizations that set out an agreed-upon exchange of cash, goods and /or services that have a direct measurable value; and where public funds are used to acquire the respective items, shall be approved by Village Council.
- 5.4. In respect to public process purchasing, the Village 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 Village, its elected or appointed officers and employees in relation to:
 - any other contract for works or services, or
 - any matter arising from the Villages 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.

In determining whether to reject a tender, proposal, or bid under this article, the Village will consider whether the litigation is likely to affect the Tenderer's ability to work with the Village, its consultants and representatives and whether the Villages' experience with the Tenderer indicates that the Village is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the Tenderer.

- 5.5. All Village staff will make purchases in compliance with legislation and statutory regulations including WCB safety standards, customs duties, excise taxes, Goods & Services Tax and provincial sales tax.
- 5.6. Rental / Leases: Commitments to other parties may not be made, nor items acquired through an agreement, which extend beyond:
- Funding availability, i.e. 5-year financial plan; and is within the Statutory limitation period not requiring the consent of the public;
 - Statutory compliance for agreements requiring the consent of the public.
 - Month-to-month rentals are permitted subject to funding.
- 5.7. The purchase of goods and/or services shall be initiated by properly completed and approved purchase orders or contracts as outlined in appendix A.
- 5.8. Commitments or indications of preference to a supplier are not to be made by staff without written request and approval from the Chief Administrative Officer (or delegate) and the provisions of 5.9 must fully apply.
- 5.9. Exceptions - Circumstances for Sole Supplier Procurement:
- (i) 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;
 - (ii) 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;
 - (iii) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
 - (iv) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
 - (v) For a contract to be awarded to the winner of a design contest;
 - (vi) 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;
 - (vii) For the purchase of goods under exceptionally advantageous circumstances;
 - (viii) For the procurement of subscriptions to newspapers, magazines or other periodicals;
 - (ix) For the procurement of real property; and
 - (x) Where previous work of a supplier or contractor has resulted in that supplier or contractor having a unique understanding and knowledge of local systems and circumstances; and where the awarding of a contract to another supplier or contractor would cause the Village to incur additional expense because of their lack of this understanding and knowledge; the locally experienced and knowledgeable supplier or contractor may be used as the sole supplier of related goods and services upon the approval of Council.

6.0 SUSTAINABLE PROCUREMENT PRACTICES:

The Village considers the environmental, social and economic value of the goods and services being purchased with the intent to shift spending away from goods and services that negatively impact the environment and society towards products and services that are more environmentally sound and socially beneficial.

Recognizing its role as a major purchaser of goods and services, the Village will seek opportunities to encourage and influence markets for environmentally and socially preferable products through employee education; supporting pilot testing of potential new products; and adopting innovative product standards, specifications, and contracts where possible. It is the Village's practice to include sustainability guidelines as value added evaluation criteria in RFPs where practical. The evaluation criteria used will be tailored to the specific competition; however, more points may be awarded for higher impact activities.

The Village does not support the purchase of genetically modified (GMO) apples and salmon; and for all other products, the Village prefers to purchase non-genetically modified products where reasonable.

7.0 EMERGENCY ACQUISITIONS:

In an unforeseen circumstance that requires immediate action, such that inaction would result in harm to a person or harm or damage to real or personal property of any type, the methods and procedures set out within this policy may be waived as approved expressly by the CAO or, in the event of a state of emergency, by the Emergency Operations Centre Director or designate; whether that be a designate from the Village of Cumberland, or from a member municipality or Comox Valley Regional District.

Emergency purchases that cannot be accommodated within the Financial Plan will be reported to Council at a regular meeting following the event to confirm the action taken.

8.0 EMPLOYEE CREDIT CARD PURCHASES:

Village employees who have been issued an authorized employee credit card are authorized to purchase goods and services in accordance with appendix A - spending, commitment and signing authority matrix, provided all purchases are made in strict accordance with the Village's policy on the use of such credit cards. See the Corporate Purchasing Cards Policy.

9.0 ASSET DISPOSAL:

The following outlines the responsibilities and accountabilities associated with the sale, gifting or discarding of capital assets purchased by or gifted to the Village of Cumberland:

9.1. Asset Policy Statement:

It is the policy of the Village of Cumberland to dispose of surplus items through a competitive process whenever practical that results in the Village receiving a fair market value in cash, goods or services for the disposal of items.

9.2. Roles and Responsibilities:

- a) The Financial Officer holds the statutory responsibility and accountability for the disposal of assets.
- b) The Financial Officer or designate is responsible for the administration (i.e. recording the sale, asset write-down; coordination of annual sale or assisting departments with appropriate disposal method of surplus assets disposal. The administration relates to the disposal of all surplus materials and assets through reallocation, public offer for sale, auction, trade, donation or landfill.
- c) A department may choose to dispose of an asset any time during the year, the Financial Officer or designate is to receive written notification from the appropriate department every time an asset is disposed of.

9.3. Asset Disposal Process:

- a) A department may choose to declare capital or operational assets as surplus at any time during the calendar year.
- b) Once an item or items have been determined to be surplus the department must provide to the Financial Officer or designate a list of the items that have been declared surplus, which includes an estimate of the value of each item.
- c) The following process must be followed for surplus assets:
 - i. If it can be determined that costs to sell the surplus asset is greater than the expected sale price, with the authorization of the Chief Administration Officer, the items may be donated to charitable organizations.
 - ii. If it can be determined to provide the Village with advantageous procurement prices, assets can be traded-in during the purchase of the replacement asset
 - iii. Offer the items on the list to other Village departments for a 15 day period.
 - iv. Offer the items to other local governments in the Region where applicable.
 - v. Offer the items to the public for a 15 day period through any of the following:
 - Offer the items for sale through some form of advertisement
 - Public tender/auction process
 - Any other form of offer for sale deemed applicable
 - If no bids or offers are made for the surplus items the department may dispose of the items as it sees fit.
 - vi. A written report detailing the disposal process(es) that each department undertakes during a calendar year shall be submitted to the Financial Officer or designate by 31 January of the following year.

COUNCIL POLICY



Appendix A

Commitment Authority Thresholds

Column 1 Position	Column 2 Commitment/spending authority
Petty Cash	Employees requesting a reimbursement through petty cash must provide an authorized receipt. Reimbursement through petty cash is up to a maximum of \$100 (inclusive of taxes). Staff who have delegated spending authority can authorize their own petty cash receipts. **
Credit Cardholders	Cardholders and cardholder limits up to \$25,000 authorized by the Chief Administrative Officer. Cardholders must sign user agreement and abide by internal purchasing cards policy.
Other Staff delegated authority by Manager	Commitments/spending to a maximum \$500
Public Works Chargehand, Mechanic and Parks & Outdoor Recreation Coordinator	Commitments/spending to a maximum \$1,000
Corporate/Deputy Corporate Officer and Public Works Foreman	Commitments/spending to a maximum \$5,000
Managers <ul style="list-style-type: none"> • Manager of Operations • Manager of Recreation • Manager of Protective Services • Deputy Financial Officer 	Commitments/spending to a maximum \$25,000
Financial Officer	Commitments/spending to a maximum \$75,000
Chief Administrative Officer	Commitments/spending to a maximum \$200,000
Council	Purchases over \$200,000

** Expense reimbursements that exceed the petty cash authorized limit must be authorized by manager or supervisor.

All amounts in column 2 are exclusive of taxes unless otherwise stated

A summary will be provided to Council for amounts between \$50,000 and \$200,000 quarterly

The Village of Cumberland
 Purchasing Management Services Policy
 Spending, Commitment and Signing Authority Matrix

GOODS AND SERVICES - INCLUDING CONSTRUCTION AND FACILITIES MAINTENANCE - see schedule on page one for commitment authority				
COMMITMENT/ SPENDING \$ LEVEL	COMMITMENT TYPE	MIN. NUMBER OF QUOTES	METHOD OF PURCHASE - QUOTE TYPE	SPECIAL CONDITIONS
To a maximum \$100	Petty cash	Single	Verbal, in person	Detailed receipts/invoices req'd with payment claim - delegated staff signature required
To a maximum \$1,000 per item or aggregate	Purchasing card; cheque requisition; corporate supply arrangements; verbal agreement	Single	fax; e-mail; or written	Detailed receipts/invoices req'd with payment claim
To a maximum \$5,000 per item or aggregate	Purchase order; Contract; supplier account; purchasing card; cheque requisition; corporate supply arrangement (CSA)	Single	fax; e-mail; or written	Detailed receipts/invoices req'd with payment claim
Greater than \$5,000 to \$25,000 per item or aggregate	Contract; purchase order; corporate supply arrangement	Request Three quotes from Vendors; or corporate supply arrangements (CSA) (unless a request for interest has provided manager with a qualified suppliers list)	Written quotes; tender; or request for proposal, request for quotation	Rotate suppliers invited to quote (where availability exists) or advertise; Detailed receipts/invoices req'd with payment claim
Greater than \$25,000 to \$50,000 per item or aggregate	Contract; purchase order with attached specs/details	Public process (RFQ, RFP etc.)	Written quotes, tender, request for proposal (min 1 page specs/details)	Advertise or invite submissions appropriately for the type of goods / services required. Post on the Village website. If purchase of goods or services are greater than \$75,000 (\$200,000 for construction) must post on electronic tendering system unless authorized for Sole Supplier Procurement as per the Purchasing Policy.
Greater than \$50,000 to \$100,000 per item or aggregate	Contract	Public process (RFQ, RFP etc.)	Tender, request for proposal or quote (full specs)	
Greater than \$100,000 per item or aggregate	Contract	Public process (RFQ, RFP etc.)	Tender, request for proposal (full specs)	
Special - volume purchasing	Purchase order, Contract, corporate supply arrangements (CSA)	Public process (RFQ, RFP etc.)	Tender, request for proposal	

**The Village of Cumberland
Purchasing Management Services Policy
Spending, Commitment and Signing Authority Matrix**

CONSULTING, TRAINING AND PROFESSIONAL SERVICES - see schedule on page one for commitment authority				
COMMITMENT/ SPENDING \$ LEVEL	COMMITMENT TYPE	NUMBER OF PROPOSALS	METHOD OF PURCHASE - PROPOSAL TYPE	SPECIAL CONDITIONS
To a maximum \$20,000 per item or aggregate	Contract; purchase order with scope of work or proposal attached	Single quote	Written	Provide written summary of scope of work
Greater than \$20,000 to \$50,000 per item or aggregate	Contract; purchase order with scope of work or proposal attached	Request at least three quotes (unless a request for interest has provided manager with a qualified suppliers list)	Expression of interest; request for quotation; request for proposal; invitation to tender	Min. 1 page scope of work. Rotate suppliers invited to quote (where availability exists) or advertise
Greater than \$50,000 to \$100,000	Contract	Public process (RFQ, RFP etc.)	Request for proposal; request for quotation; invitation to tender	Advertise or invite submissions appropriately for the services required. Post on Village website. If services are greater than \$75,000, must post on electronic tendering system unless authorized for Sole Supplier Procurement as per the Purchasing Policy.
Greater than \$100,000	Contract	Public process (RFQ, RFP etc.)	Request for proposal; invitation to tender	

EMERGENCY PURCHASES

Emergency purchases	Purchase order; Contract; supplier account; purchasing card; cheque requisition; corporate supply arrangement (CSA)	Direct award	Verbal, written	Written description of circumstances to be forwarded to finance & then to Council
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All amounts are exclusive of taxes



Corporation of the Village of Cumberland

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Appendix B

The Village of Cumberland - Social Procurement Framework¹

“Not all profit is equal. Profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity.”

Michael Porter, Harvard Business Review, February, 2011

What is Social Public Procurement?

Social Public Procurement leverages existing purchasing to achieve social value.

Moving from do no harm, to do some good.

Over the last thirty years the environmental movement has done an excellent job of educating and increasing awareness surrounding the importance of developing more sustainable practices. This has led to considerable changes in behaviours and societal norms. Environmental considerations in government procurement have now become normalized.

Social procurement seeks to further leverage tax dollars to achieve broad societal goals, increasing equality and diversity, while contributing to improved community wellbeing through the blending of social, environmental and economic considerations in the procurement process.

Social procurement leverages the public procurement process for goods and services, to advance positive economic, workforce, and social development outcomes². Social procurement blends financial and social considerations in public sector purchasing to deliver against two bottom lines:

1. A commitment to purchasing the best value services and products, in keeping with the MEAT criteria, the Most Economically Advantageous Tender; and
2. A commitment to leverage limited public resources to achieve strategic community outcomes³.

¹ The Cumberland Social Procurement framework was designed by Sandra Hamilton

² Adapted from Social Procurement: a Guide for Victorian Local Government. State Government of Victoria, October, 2010

³ Adapted from the [Toronto Social Procurement Framework](#), April 2013

Why is the Village of Cumberland creating a Social Procurement Framework?

- By expanding the traditional understanding of ‘best value’ in procurement, to include the generation of positive societal benefits, alongside high quality and competitive bids,² the Village of Cumberland is working to maximize community benefits and deliver improved socio-economic returns for local taxpayers, within the existing spend.
- To ensure a sustainable and ethical approach to procurement, that is values aligned with the community vision, as outlined in Council’s current Corporate Strategic Priorities document, and constructed to support the strategic priorities.
- To promote diversity and innovation through supply chain partnerships.
- To stimulate growth and build the capacity of social enterprises in the community.
- To align procurement with consideration for People, Planet and Profit.

What are the key pillars guiding Social Procurement in Cumberland?

1. The procurement process will continue to meet all the principles of fairness, integrity, accountability and transparency, while also screening for transformational opportunities to improve social outcomes.
2. The procurement framework continues to evaluate:
1) Quality 2) Price 3) Environmental, while adding the fourth component of 4) Social

Evaluation criteria and weightings will vary by contract; the criteria will be specific to the nature of the procurement and clearly stated in the procurement documents.

3. In advance of carrying out any procurement, the framework imposes a duty on the public sector buyer to consider how the purchase might be better leveraged, to improve the economic, social or environmental wellbeing of Cumberland; to improve access for micro, small businesses and/or social enterprises; or to promote innovation⁴. This duty includes an understanding that the Village will engage in reasonable outreach to engage equity-seeking businesses (those working to integrate the marginalized back into society) in procurement opportunities.
4. Village procurement will continue to be compliant with the obligations set out in both Domestic (New West Partnership Agreement (NWPTA), Agreement on Internal Trade (AIT) and International Trade Agreements (The Agreement between the Government of Canada and the Government of United States of America on Government Procurement (CUSPA), World Trade Organization Agreement on Government Procurement (GPA)).

⁴ Adapted from the Scottish Social Procurement Act

5. **Promotion of Contract Opportunities**

In addition to bid opportunities, at or above an applicable trade threshold being publicly posted on electronic bidding systems such as BC Bid, MERX, or Alberta Purchasing Connection (APC), The Village of Cumberland also encourages all sub-contracts to be posted to the Village website, where local contractors and business associations may choose to sign up for email alerts.

6. **Living Wage Evaluation** ⁵

Staff may choose to evaluate organisations against the percentage of the organisations' employees being paid a living wage for the community they live in.

Living Wage Canada, is a national living wage online resource, providing a searchable [database](#) of living wage calculations by community.

If the living wage for your community has not been determined, a national methodology for calculating the living wage will be available soon at [Living Wage Canada](#).

7. **Community Benefit Clauses (CBC's)** may be added to village contracts. CBC's are contractual obligations undertaken by proponents. Evaluation criteria, to determine how the value/points are to be assigned, will be clearly stated in each procurement process.

[The values and criteria assigned will typically vary between a low of 5% and a high of 15%, of the total contract evaluation, depending on the nature of the procurement opportunity.]

8. **Infrastructure planning and investment should promote community benefits** ⁶

Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities (including for apprentices), improvement of public space within the community, and any specific benefits identified by the community.

9. **Apprenticeship plan**

Staff may choose to consider apprenticeship opportunities, as part of the evaluation of competitive bids. Bidders entering into a procurement process for the construction or maintenance of Village infrastructure and assets, may be asked to provide the village, with a plan for the intended use of apprentices in the construction or maintenance, in the event of a successful bid. A plan will need to include the following information:

The method by which the bidder intends to create employment/training opportunities arising from the construction or maintenance for apprentices who are: residents of the Village; youth and at-risk youth; aboriginal persons; women; newcomers to Canada or retiring veterans, transitioning into new careers. ⁷

⁵ Strandberg (2014)

⁶ Adapted language from Ontario Provincial Government, Bill 6, Infrastructure for Jobs and Prosperity Act, 2015

⁷ Adapted language from Ontario Provincial Government, Bill 6, Infrastructure for Jobs and Prosperity Act, 2015

What are the key social, employment and economic goals that the Social Procurement framework and Community Benefit Clauses will work to address?

- Contribute to a stronger local economy;
- increase diversity among suppliers;
- promote the Living Wage and fair employment practices;
- improve access to contracts for micro, small business and social enterprises;
- increase the number of local jobs that support young working families;
- increase social inclusion, by improving contract access for equity-seeking groups, such as social enterprises;
- enhance community arts and culture infrastructure;
- improve and enhance public spaces;
- increase training and apprenticeship opportunities;
- help move people out of poverty, providing increased independence and sustainable employment for those in need;
- improve opportunities for meaningful independence and community inclusion for citizens living with disabilities; and
- to stimulate an entrepreneurial culture of social innovation ⁸.

⁸ Language drawn from BC Government Social Impact Purchasing Guidelines, November 2014