



# The City of New Westminster

## Procurement Policy

Approved By:

Council July 9, 2007

Effective Date:

July 9<sup>th</sup>, 2007 - Transition to full  
implementation January 1, 2008



**CORPORATION OF THE CITY OF NEW WESTMINSTER  
CORPORATE POLICY DOCUMENT**

**TABLE OF CONTENTS**

Objectives .....	3
Introduction .....	4
Purchasing Authorities and Responsibilities.....	5-10
Co-operative Ventures .....	11
Emergency Purchases .....	11
Special Category Expenditures .....	11 - 12
Contingency .....	12
Scope Changes.....	12
Contract Amendments Related to Capital Project Variances .....	13
Bonding.....	14
Procedures to Remember .....	15
Responsibilities .....	16 - 17
New Westminster Police Service Procurement.....	18
New Westminster Public Library Procurement.....	19

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## OBJECTIVES

Effective procurement is a critical support function for local governments as they responsibly manage the public funds placed in their trust. The procurement system must be responsive, cost effective, and as open as possible to public scrutiny.

The effectiveness of local government procurement is enhanced by:

- (a) Ensuring a range of goods and services are provided to the user in the appropriate quantity, quality, timeliness and value;
- (b) Establishing and maintaining simple, clear and well explained processes for users, vendors and the public;
- (c) Promoting a total value concept related to the purchase of a good or service which includes the full range of costs including acquisition, maintenance, replacement, disposal and training costs as they relate directly to the purchase of the good or service;
- (d) Promoting environmentally friendly goods and services that make lesser or negligible demands on non-sustainable resources and avoid goods and services that adversely affect air, water or terrestrial environments during their use or disposal;
- (e) Encouraging the most open bidding process practical ensuring availability to all qualified or pre-qualified bidders;
- (f) Providing full disclosure of criteria and considerations used for:
  - i) Qualifying vendors
  - ii) Determining equivalency
  - iii) Measuring quality
  - iv) Distributing potential cost savings between vendor and purchaser (value analysis).

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## INTRODUCTION

Procurement is the process by which a government acquires goods, services and capital works for its own use. The essential elements of the City's procurement policy are:

### Authority

All staff members undertaking procurement actions must have formal authorization to do so. The Community Charter grants the power to expend funds through Council to the Finance Officer. The Delegation of Authority bylaw grants powers to the City Administrator, the Purchasing Manager and delegates. Through this policy and the Delegation of Authority Bylaw, Council provides the authorization for staff to perform and oversee various steps of the procurement process as outlined on the Schedule of Purchasing Authorities and Responsibilities on page 5 of this policy.. All goods and services are to be acquired in accordance with this policy unless authorized on an exception basis by City Council or the City Administrator.

### Competition

The method of procuring goods and services will be competitive where possible to:

- Reduce costs to the public through marketplace competition;
- Encourage innovation and efficiencies;
- Demonstrate a fair and open selection criteria.

The level of external competition required for City purchases is based on the dollar value and nature of the specific purchase ensuring the cost associated with administering a competitive process is proportionate to the benefit received as a result of the competition. For example, the cost of advertising for vendor competition certain small product purchases would exceed the cost of the product. Conversely, the City would incur the expense of a formally advertised tender or RFP for very large purchases. For thresholds and competition requirements see the Schedule of Purchasing Authorities and Responsibilities on page 5 of this policy.

### Documentation

All steps in the procurement process will be documented in writing. The City is subject to the Freedom of Information and Protection of Privacy legislation. Therefore our procurement decisions will be subject to public scrutiny from time to time. It is critical that we not only follow our stated policies but are able to demonstrate our compliance.

### Compliance

Both the City and the City's suppliers are required to adhere to the legal commitments made. Commitments and contracts come in many forms, ranging from purchasing card transactions to purchase orders and formally executed contracts. All of these agreements are equally binding on the City. The appropriate form of commitment or contract is determined by the dollar value of the specific transaction and is set out on the Schedule of Purchasing Authorities and Responsibilities on page 5 of this policy.

This policy is designed to assist City staff in meeting the City's procurement objectives and to protect the City and its staff against potential litigation and perceived or actual conflicts of interest.

### Two Signatures

The purpose of dual signature requirement is to ensure that two parties that understand the purchase, application and budgetary constraints, have viewed the transaction.

## Purchasing Authorities and Responsibilities

TYPES	VALUES			
PURCHASES		0 ----->10,000	\$10,000.00-----> \$100,000.00	\$100,000.00 ----->
<b>ALL GOODS AND SERVICES INCLUDING CONSULTING AND CONSTRUCTION</b>	AUTHORITY	Departmental Staff as authorized by the Department Director	Budget Authority – Department Director Commitment Authority - Purchasing Manager.  The Authority to commit City funds up to and including 50,000 outside of the budgeted amount is the Purchasing Manager by way of direction from the Director or Assistant Director of Finance and Information Technology. If the amount is over 50,000 the authority to commit will be by the direction of Council or City Administrator by delegation of authority	Budget Authority – Department Director Commitment Authority – Purchasing Manager  The Authority to commit City funds up to and including 50,000 outside of the budgeted amount is the Purchasing Manager by way of direction from the Director or Assistant Director of Finance and Information Technology. If the amount is over 50,000 the authority to commit will be by the direction of Council or City Administrator by delegation of authority.  See Page 13 regarding Capital contract variances.
	COMPETITION	Purchase Card or Invoice Sign Off	3 - Written Quotes Plus Purchase Requisition. Must be Advertised	Formal Tender or RFP, Must be advertised
<b>Pg 5-12</b>	DOCUMENTATION	See page 6 for further details	Contract or Purchase Order	Contract or Purchase Order

<b>CO-OPERATIVE VENTURES</b>	See Page # 11
------------------------------	---------------

<b>EMERGENCY PURCHASES</b>	See Page # 11
----------------------------	---------------

<b>SPECIAL CATEGORY EXPENDITURES</b>	See Page # 11
--------------------------------------	---------------

Anyone with responsibility for initiating or approving a Purchase Requisition under this schedule, is accountable and responsible to ensure that proper and adequate budget authorities exist and the purchase does not violate any City Policy, legal or statutory requirements.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## **ALL GOODS AND SERVICES Under \$10,000**

This category represents a large number of orders that are small in value. Best value in this category is obtained through an expedient purchasing process to efficiently use staff time. Small value goods and services include consumables, small cleaning tasks and minor repairs.

### **Authority**

- a) Authorized cardholders will use Purchase Cards for departmental purchases within their established authorization limits. Cardholder authority is limited to the staff member whose name appears on the card. The card may only be used to make purchases within the parameters established by the City and the cardholder's department. Parameters include credit limit, transaction limit, and monthly limit.
- b) Authorized budget authorities may submit invoices for under \$10,000 when there is supported evidence that the vendor does not accept the City's Purchase Card.
- c) Purchasing Services will analyze interdepartmental small value purchases for volume buying opportunities. Cardholders must comply with use of volume buying agreements as established.

### **Competition**

While no written quotes or purchase requisitions are required for purchases made on Purchasing Cards, the cardholder has the responsibility of ensuring the City receives value.

### **Documentation**

Cardholders are responsible for maintaining a complete record of all purchases made with Purchase Cards. Cardholders are required to reconcile their monthly transactions prior to the 25<sup>th</sup> of the month. All purchases must be supported by receipts and allocated to the appropriate G/L account. Monthly reconciliations must be signed by the cardholder and their immediate supervisor, manager, or Department Head.

### **Points to Remember:**

- Submit all supporting documents for each purchase and submit to Financial Services as outlined in the Purchasing Card Procedures.
- Process monthly statements and return to Financial Services on a timely basis.
- Do not split purchases to avoid the single purchase transaction limit.
- The person whose name appears on the card is the only one who may use that card.
- When submitting an invoice under \$10,000 and, when Purchasing Card is not accepted, the G/L number and two signatures must be submitted with the invoice. One signature must have budget authority approval for this amount. This invoice will be accompanied by proof of non-acceptance of Purchase Card.
- Purchase Card expenditures for services require insurance and WorkSafe BC (where applicable).

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## **ALL GOODS AND SERVICES \$10,000 - \$100,000**

This category represents purchases that are midrange in value. Best value in this category is achieved through sound purchasing practices balanced with efficient use of staff time. A three-quote process is required to ensure the purchases are best value and competitive. The expenditures may be shorter term contracts for equipment and contracts.

### **Authority**

The authority to commit the City to a contract is by the Purchasing Manager or authorized purchasing staff. If the cost for a project is over the budget amount but the excess does not exceed \$50,000, the Department Head for that specific budget item may authorize the expenditure. If the additional amount exceeds \$50,000 the overage must be authorized by Council.

It is important to note that a purchase requisition is a request and not an authority to commit the City. Staff should not commit via a verbal, written, or implied agreement prior to the issuance of a purchase order.

### **Competition**

The requisitioner, or Purchasing Services upon request, must obtain a minimum of three written quotes to be attached to the purchase requisition. When the minimum of three written quotes are not available, there should be an explanation of "Non-Compliance". Examples of "Non-Compliance" are:

- Sole Source supplier;
- Vendor base insufficient to provide suitable number of quotes.
- Proof of sufficient effort to comply with minimum of three written quotes must be included.

### **Documentation**

Compliance with the City procurement policy is documented by way of:

- Properly approved purchase requisition;
- Minimum three written quotations attached to the purchase requisition;
- Purchase order signed by the Purchasing Manager or authorized purchasing staff.

The authorizing signature on the requisition verifies:

- The purchase is for City purposes;
- Approval of budget funds available within the Budget Manager authority;
- Compliance with Procurement Policy;
- Proper account coding of the expenditure or capital acquisition;
- Consulting – MMCD agreement or applicable standard agreement approved by the appointed City Solicitor;
- Construction requires MMCD Agreement or applicable standard agreement approved by the appointed City Solicitor;
- To provide transparency and meet the intent of legislative agreements the following advertising procedures should be followed where possible;
- All expenditures \$10,000 and over must be posted at a minimum requirement on the City's website. Additional options are BC Bid, Civic Info, association sites or newspapers;

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## **ALL GOODS AND SERVICES \$10,000 - \$100,000**

### **Points to Remember:**

- Purchase requisitions require “two” signatures. One from the actual requester and a second from an individual with higher budget authority sufficient to cover the purchase. A secondary signatory provides assurance that the expenditure is appropriate for City purposes and complies with policy.
- Formal revisions to a contract must be processed in accordance with the *Schedule of Purchasing Authorities and Responsibilities* on page 5 of this policy.
- All contract information requested from outside the City must be directed towards and reviewed by the City’s Freedom of Information and Protection of Privacy Coordinator.
- Commitment authority is the Purchasing Manager or authorized purchasing staff.
- Splitting purchases to avoid the single purchase transaction limit is not permitted.
- Dollar value of quote within the ceiling is inclusive of PST, not inclusive of GST.
- All expenditures \$10,000 and over must be advertised to a minimum requirement on the City’s website. Additional options are BC Bid, Civic Info, association sites or newspapers.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## **ALL GOODS AND SERVICES > \$100,000**

This category represents purchases that are large in value and have been approved by Council through the budget process. Further approval is only required when the expenditures will exceed the approved budget amount. If the amount exceeds the budget and the excess is up to and including \$50,000, the overage will be authorized by the Director or Assistant Director of Finance and Information Technology. If a particular purchase is greater than the expected budget and over \$50,000, it must be reported to Council with information to support the additional expenditure. These are purchases that are large in value and are higher risk. These require an extensive competitive process to ensure all aspects of risk are identified and managed through contractual obligation and management.

### **Authority**

The authority to commit the City to a budget approved contract is delegated to the Purchasing Manager or authorized purchasing staff by way of a purchase order.

The authority to commit City funds up to and including 50,000 outside of the budgeted amount is the Purchasing Manager by way of direction from the Director or Assistant Director of Finance and Information Technology. If the amount is over 50,000 the authority to commit will be by the direction of Council or City Administrator by delegation of authority.

Contracts typically fall into two very general categories:

- 1) Expenditure of City funds
- 2) Generation of revenue

The Purchasing Manager has the authority to award contracts that expend City funds. These expenditures must comply with documentation requirements of this policy and must have appropriate budget approval.

The Financial Services will summarize all such awards for Council on a tri-annual basis..

### **Competition**

The competitive process used by the City is either an Invitation to Tender or a Request for Proposal (RFP) depending on the nature of the goods and services to be provided. The City has developed standard documents for each of these competitive processes.

Purchasing Services will be responsible for issuing Request for Quotations (RFQ), RFP's and Tenders when requested by a department or where no one department assumes sole ownership. Departments may issue approved documents and Purchasing Services will retain responsibility for providing document numbering, process tracking and maintaining document files. When departments choose to issue their own documents they must ensure that Purchasing Services is involved. These documents must be approved by the Purchasing Manager.

### **Documentation**

Compliance with the City Procurement Policy is documented by:

- A City document for an Invitation to Tender or RFP amended to include the project specifications as outlined by the requesting department and stated evaluation criteria for successful bidders;
- A summary of the evaluation of bids or proposals against the stated evaluation criteria;

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

- A final signed contract (either with a formal contract or a Purchase Order) with the successful bidder or proponent;
- Evidence of insurance and Worksafe BC compliance;
- MMCD Contract or applicable agreement approved by the City appointed Solicitor for construction projects;
- MMCD Agreement or applicable agreement approved by the City appointed Solicitor for consulting purposes.

These documents are then to be forwarded to the Purchasing Department for either;

- 1) Awarding of Purchase Order including terms and conditions to cover the agreement; or
- 2) When the expenditure is outside the annual authorized budget or formal contract awarded by Council (duly executed by the Mayor and City Clerk) internal documentation including a purchase requisition and purchase order will be generated for Council or City Administrator approval.

**Points to Remember:**

- Purchase Requisitions require “two” signatures. One from the actual requester and a second from an individual with higher budget authority sufficient to cover the purchase.
- Formal revisions to a contract must be processed in accordance with the *Schedule of Purchasing Authorities and Responsibilities* on page 5 of this policy.
- Any contract information requested from outside the City must be directed towards and reviewed by the City’s Freedom of Information Coordinator.
- Commitment authority primarily by budget approval. The authority to commit City funds up to and including 50,000 outside of the budgeted amount is the Purchasing Manager by way of direction from the Director or Assistant Director of Finance and Information Technology. If the amount is over 50,000 the authority to commit will be by the direction of Council or City Administrator by delegation of authority.
- Splitting purchases to avoid the single purchase transaction limit is not permitted.
- Dollar value of quote within this ceiling is inclusive of PST and not inclusive of GST.
- All expenditures \$100,000 and over must be advertised to a minimum requirement of the City’s website. Other options are BC Bid, Civic Info, Association Sites or newspapers.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## COOPERATIVE VENTURES

This policy provides the authority to the Purchasing Manager or authorized purchasing staff to participate in co-operative purchasing.

The City will participate with other government agencies or public authorities in cooperative acquisition ventures where it is in the best interests of the City to do so and will follow the procedures set out by the agency responsible for the venture and not those detailed in the Purchasing Authorities and Responsibilities table.

## EMERGENCY PURCHASES

Emergency situations may occur which require immediate commitment of materials, equipment and or services. An emergency expenditure is any expenditure that is the result of an event caused by accident, fire, explosion or technical failure or by forces of nature that results in the need to expend City resources:

- To protect human life, safety and health
- To protect property
- To protect the environment
- To protect the economic interest of the community

In such situations, the authorized person in charge of the situation will approve any commitments made on behalf of the City and will process the appropriate documents during the first business day following the event. Where the expenditure can be accommodated within the Financial Plan, whether out of contingency funds or reallocations, the City Administrator or respective Department Head is authorized to approve the expenditure. Emergency purchases that cannot be accommodated within the Financial Plan will be authorized by the appropriate Department Head and reported to Council following the event to confirm the action taken.

## SPECIAL CATEGORY EXPENDITURES

Subject to all applicable City policies and procedures (including having budget funds available) a Purchase Order is not required for the following items:

1. Petty Cash (Reimbursement Form)
2. Training and Education (Cheque Requisition)
  - (1) Courses Payments/Reimbursements
  - (2) Conventions
  - (3) Memberships or Dues
  - (4) Seminars
  - (5) Periodicals/Magazines/Subscriptions
  - (6) Staff Training/Development/Workshops (Instructional Services not Supplies)
3. Refundable Employee Expenses
  - (1) Travel Expenses, Meals, Parking, Hotel, Airlines
  - (2) Mileage Allowance – Vehicle
4. Utilities
  - (1) Postage
  - (2) Charges to other Government bodies (Water & Sewer User Rates)

<b>SUBJECT:</b> Procurement Policy		
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1

- (3) Hydro
- (4) Gas
- (5) Telephone Service Charges
- (6) Courier Service Charges
- (7) Cellular Telephone Charges
- (8) GVRD and GVS & DD Charges
- (9) Bio-Diesel – Diesel & Gasoline & Propane. This product requires a competitive process but do not require a purchase order.

5. General Expenses

- (1) Payroll Remittances
- (2) Operating Grants and Approved Council Grants
- (3) Tax Remittances
- (4) Payments made to “partners” for co-sponsored programs.

6. Land Acquisitions

7. The following services require a competitive process but do not require a purchase order:

- (1) Legal Services
- (2) Insurance
- (3) Banking
- (4) Audit

8. Externally Managed Projects – require Council approval to delegate the Purchasing Authority to a construction management firm for construction projects.

## CONTINGENCY

Contingency allowances are intended to provide the Project Manager with discretion in meeting a requirement which is not perfectly defined.

In a unit price contract the contract is valued according to a process established in the contract documents. Quantities may be variable. As a result, the bid is not a fixed sum or ceiling but, rather, a common basis of comparison among bidders. These contracts may require a contingency as the final quantities may be more or less than the original estimate.

Contingency options must be outlined in the report to Council when the award is recommended if the project has not been approved through the budget approval process.

## SCOPE CHANGES

During the course of a project additional work may arise that could not be anticipated during the project planning process. A contractor currently working for the City may be able to better respond to this related work as they have already posted insurance and performance guarantees meeting the City’s requirements. Other potential bidders may not be able to obtain requisite insurance and bonding in a timely manner.

As a result:

- a) Existing contractor/contractors may be asked for quotation and;
- b) The lowest acceptable quotation may be used as a basis for a purchase requisition, which in turn may result in a new separate contract, purchase order or an adjustment to an existing contract or purchase order (Contract Amendments).

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## **CONTRACT AMENDMENTS RELATED TO CAPITAL PROJECT VARIANCES**

Contract Amendments are described as any contract adjustments over and above the approved budget plus any contingency amounts, yet within the original project scope.

Contract amendments for variances on capital projects of less than \$100,000 are subject to identification of budgetary funds and approved by the Project Manager together with the Purchasing Manager.

Contract amendments for variances which are the greater of \$100,000 or 10% of the original contract value including the contingency will be reported to and approved by Council, or City Administrator (by delegation of authority) provided that any overages are offset by other foregone projects elsewhere within the Council-approved Capital Budget.

This approval may be provided retroactively if the commitment is due to unforeseen circumstances and is necessary for project completion.

Adjustments with the appropriate purchasing authority will be made by purchase requisition and supported by documentation explaining the circumstances of the adjustment within the original project scope. Adjustments will be made in a timely manner to avoid delays with progress payments.

Adjustments requiring Council approval will follow the standard report to Council process.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## **BONDING**

In general, a bond is a three part contract, where a bonding company guarantees that the contractor will fulfill certain obligations to the City. The bonding company is without loss so long as the contractor fulfills his obligation to the City; however, if the contractor fails in his contractual commitments, the bonding company assumes this obligation.

The use of Bonding or Surety Bonds throughout the procurement process serves a number of functions:

- By requesting a bond the City is assured that the bidder has demonstrated some level of financial stability to the bonding company.
- By requesting a bond the City is obtaining a level of surety or assurance that the project will start and be completed in a timely manner and in accordance with the terms of the contract.

The use of bonding is critical to the City and must be used where project assurances are required. The City will adopt industry standard bonding practices for all construction projects. All other projects and contracts must be assessed on their own merit. Each type of bond provides coverage for its own area of risk as described below.

Bonds are generally considered to comprise of Bid Bonds, Performance Bonds and Labor and Material Bonds.

### **Bid Bonds**

The Bid Bond guarantees that if the contract is awarded to a specific bidder, that bidder will accept the contract. If the bidder refuses, the extra costs to the owner of awarding the contract to the next highest bidder are borne by the bonding company, not the City.

The current industry standard for a bid bond is 10% of the amount bid. However, this percentage can vary depending on the complexity of the project and will be determined by the Project Manager.

### **Performance Bonds**

The Performance Bond guarantees that the work will be completed on time and in accordance with contract specifications. If another supplier is required for rework or to complete the project, the Performance Bond will cover the City for these extra costs. The Performance Bond is 50% of the total contract price.

### **Labor and Material Bonds**

A Labor and Material Bond protects the City from liens against the project, liens which would arise in the event of a contractor defaulting on payment to its suppliers of either materials or labor. This bond is issued simultaneously with a Performance Bond for an amount equal to or less than the amount of the Performance Bond.

These bonding requirements on behalf of the Procurement Policy do not apply to any bonding requirements of the Development Services Department for Subdivision and Building Permits.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## PROCEDURES TO REMEMBER

All staff purchasing goods and services must comply with the Procurement Policy. Documentation supporting purchases must be in place prior to the delivery and/or invoice for the goods or services.

### Critical Procedures to Remember:

- (1) Purchase Requisitions require “two” signatures. One from the actual requester and a second from an individual with higher budget authority sufficient to cover the purchase.
- (2) Formal revisions to a contract must be processed in accordance with the *Schedule of Purchasing Authorities and Responsibilities* on page 5 of this policy..
- (3) Any contract information requested from outside the City must be directed toward and reviewed by the City’s Freedom of Information and Protection of Privacy Coordinator.

### The Following Activities are prohibited:

- (1) The division of contracts or purchases to avoid the requirements of this Policy.
- (2) Committing the City without the appropriate authority to do so. Refer to the schedule of *Purchasing Authorities and Responsibilities* on page 5 of this policy.
- (3) Purchase by the City of any goods or services for personal use by or on behalf of any member of Council, appointed officers, employees of the City or their immediate families.
- (4) Purchase by the City from any member of Council, appointed officers, employees of the City or their immediate families or from any other source that would result in a conflict of interest. Refer to the City’s *Code of Conduct Policy*.
- (5) The purchase of any City goods by a member of Council, appointed officer, employee of the City or their immediate families.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## RESPONSIBILITIES

### DEPARTMENTS

Department Heads are responsible for their staff's understanding and compliance with the Procurement Policy.

All managers and supervisors are responsible for:

1. Ensuring that all purchases are performed in accordance with this policy, unless the policy has been specifically waived by Council.
2. Delegating "Requisition Authority/Signing Authority" at appropriate levels to staff within their own Department. The Director of Finance and Information Technology will review the delegation of signing authority within each department for appropriateness in relation to budget responsibilities.
3. Ensuring that all paper & electronic Purchase Requisitions appropriately include:
  - Description of the materials and services requested
  - Budget availability
  - Appropriate general ledger account coding
  - Proper approval, including appropriate signatures
  - Proper competition in compliance with policy.

For electronic purchase requisitions, all relevant information and approvals must be forwarded to Purchasing Services.

4. Conducting all business transactions in an ethical and professional manner.
5. Ensuring the purchasing staff are informed of, and involved in, all quotation, tender and proposal contract selection meetings as required by this policy.
6. Supplying purchasing staff with definitive specifications as to the desired function and quality, and such details and information as may be required in calling for quotations, tenders and proposals.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## **RESPONSIBILITIES**

### **PURCHASING DEPARTMENT**

1. The purchasing staff as part of the Finance and Information Technology Department provides support to City staff and acts on behalf of the City as authorized by Council, and in accordance with the Procurement Policy.
2. Purchasing Services has the responsibility of determining the need for specific cooperative and inventory related requirements on behalf of the City. This responsibility in conjunction with user expertise extends to determining, the supplier, pricing, terms and conditions, issuing the contract or order and following up for proper delivery.
3. Purchasing Services will be responsible for issuing RFQ's, RFP's, and Tenders when requested by a department or where no one department assumes sole ownership. Departments can be responsible for issuing approved documents and purchasing will retain responsibility for providing document numbering, process tracking and maintaining document files. When departments choose to issue their own documents they must inform Purchasing Services.
4. Purchasing Services will be invited to all contract selection meetings.
5. Other Purchasing Services responsibilities will include:
  - Commitment authority between \$1.00 - \$10,000,000.
  - Monitoring compliance with this policy.
  - Checking authorized requisitions.
  - Maintaining Purchase Orders and Agreements.
  - Maintaining records of business transactions as required.
  - Disposing of all assets as required, including surplus and scrap.
  - Conducting all Purchasing Services business transactions in an ethical and professional manner in accordance with the Purchasing Management Association's Canada Code of Ethics.
  - Providing qualified vendors the opportunity to receive requests for information, quotations, tenders and proposals.
  - Analyzing bids with end users.
  - Writing and issuing the contractual agreement i.e. purchase order, blanket order, letter of award for contracts.
  - Review of - WCB clearances.
  - Review of - insurance requirements.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## Police Service

The New Westminster Police Service is regulated under the Police Act. As such, purchases out of the Police Service's operating budget, approved by the Police Board, will comply with the intent of this policy. However, where the Policy refers to "Local Government Act", "City", "Council", "Department Head" and "Department", the Police Service substitutes "Police Act", "New Westminster Police Service", "Police Board", "Chief Constable" and "Division", respectively. Except for purchases of operational police equipment (excluding vehicles), for capital purchases or purchases affecting the City's reserves and provisions, the Police Service will comply with the guidelines set out in this policy in every respect.

### **Special Investigations and Special Projects**

Special investigations and projects are those undertaken by the Police Service that have a high level of security due to the nature of the work (i.e. undercover operations, witness protection program). Goods and services required for special investigations and projects may be exempt from the provisions of the Procurement Policy on the authority of the Chief Constable. However, these purchases must be accountable under the Police Service's policies dealing with special investigations and projects.

<b>SUBJECT:</b> Procurement Policy			
<b>DEPARTMENT:</b> Finance & Information Technology	<b>DOC #:</b> 53686	<b>VERSION:</b> 1	

## New Westminster Public Library

The New Westminster Public Library is regulated under the Library Act. As such purchases out of the Library's operating budget and purchases of operational equipment out of the capital budget, approved by the Library Board, should comply with the intent of this Policy. However, where the Policy refers to "Local Government Act", "City", "Council", "Department Head", the Library substitutes "Library Act", "New Westminster Public Library", "Library Board", and "City Librarian".

For capital purchases (including vehicle purchases and capital vehicle leases, but excluding operational equipment) or for capital purchases or purchases affecting the City's reserves and provisions, the Library will comply with the guidelines set out in this policy.

### RELATED

None

### APPROVAL HISTORY

<b>APPROVED BY:</b>	<b>DATE:</b>
---------------------	--------------