



# Regional Board Policy

## BP23-2025

### PURCHASING POLICY

<b>Category:</b> FIN	<b>Authority:</b> Regional Board	<b>Date Adopted:</b> 2025-05-15	<b>Date of last Amendment:</b> 2014-02-24
<b>Office of Primary Responsibility:</b> Financial Services			
<b>Related Policy:</b> <ul style="list-style-type: none"><li>• RDCO Administrative Policy – Purchasing Procedures (2022)</li><li>• RDCO Board Policy - BP9-2017 – Financial Signing Authorities and Authorizations</li><li>• RDCO Administrative Policy - AP20-2023 Corporate Credit Card Policy &amp; Procedures</li><li>• RDCO Board Policy - BP10-2020 - Green Vehicle and Equipment Policy</li><li>• RDCO Emergency Management Program Bylaw No. 1444 (2019)</li></ul>			

#### **GUIDING PRINCIPLE**

The Regional District of Central Okanagan (RDCO) will procure goods and services fairly and transparently, following all legislative and Trade Agreement requirements. Procurement practices will aim for the 'best overall value' return on expenditures, by considering both price and non-price factors.

#### **PURPOSE**

This Purchasing Policy has the following purpose:

- To establish direction, principles, and values to be followed in the procurement of goods and services;
- To confirm authorizations, approval limits and processes to be followed in the procurement of goods and services; and
- To set the process to be followed for the disposal of surplus equipment, materials and other goods.

#### **APPLICATION**

The Director of Financial Services is responsible for the administration and interpretation of this policy, implementing additional purchasing procedures as required.

This Purchasing Policy applies to all RDCO employees, Board Members, consultants and agents (collectively "RDCO Representatives") involved in the procurement of goods and services for use by the RDCO.

This Purchasing Policy governs the procurement (purchase, rental, lease) of all goods and services (including construction) purchased by the RDCO, except for the following:

- Any form of government assistance issued by the RDCO such as grants, loans, equity infusion; guarantees or fiscal incentives;
- Land acquisitions, real estate transactions and associated fees;
- RDCO employee payroll, associated benefits and refundable expenses incurred by employees;
- Purchases made with an RDCO-issued Credit Card where the purchases are made in compliance with the Credit Card Policy;
- Tax remittances or customer refunds; or
- Payments to public-sector organizations, or non-profit societies included in the approved financial plan.

## Definitions:

Definitions used in this Purchasing Policy will have the following meanings:

**“Buying Group”** means a non-profit organization representing two or more public sector entities and/or non-profit organizations, that combines the purchasing requirements and activities of group members, into combined procurement processes, with the objective of leveraging benefits for all members.

**“Conflict of Interest”** means, in relation to a procurement process; a situation where a RDCO Representative has a direct or indirect relationship with a supplier/contractor (or vice versa depending on the context); through past or current commitments, financial interests, or relationships; and where such relationship could reasonably be perceived by the public to:

- In the case of RDCO Representatives - exercise improper influence over the objectivity, independence and impartiality of the individual's involvement in the procurement process.
- In the case of a supplier/contractor - compromise, impair or be incompatible with the effective performance of the intended contractual obligations.

**“Direct Award”** means a good or service procured directly from one supplier/contractor with no competitive process conducted. Also referred to as a ‘sole source’.

**“FOIPPA”** means British Columbia's Freedom of Information and Protection of Privacy Act.

**“Limited Bidding”** means a procurement process whereby the RDCO invites the supplier(s)/contractor(s) of its choice, without a Public Competitive Process.

**“Professional Consulting Services”** means those persons that are licensed or certified in their professional occupation by a professional body registered in Canada. This includes, but is not limited to; professional engineers, surveyors, architects, registered planners, landscape architects, and professionally certified business consultants.

**“Public Competitive Process”** means a procurement process whereby the competition is advertised publicly, and any interested supplier/contractor may submit a proposal/tender/quote.

**“RDCO”** means the Regional District of Central Okanagan.

**“RDCO Representative(s)”** means any RDCO employee/staff, Board Member, consultant or agents that has any direct or indirect involvement in a procurement process to which this policy applies.

**“Trade Agreements”** means the Trade Agreements listed in section 1.3 of this policy.

**“Procurement Value”** means the dollar value of the proposed procurement, whether awarded to one or more suppliers/contractors. Based on a reasonable estimate of the maximum total value of commitment(s) resulting from the procurement, including all contract years and optional extensions. Includes all forms of remuneration but excludes taxes.

## **POLICY STATEMENTS:**

The statements of this Purchasing Policy are organized into 3 sections:

1. General Purchasing Policy Statements
2. Purchasing Authorities and Processes
3. Policy for Disposal of Surplus Equipment & Material

### **1. General Purchasing Policy Statements:**

The following general statements and principles apply to how the RDCO will conduct its procurement activities:

#### **1.1. Overall RDCO Conduct:**

The RDCO commits to creating and maintaining a high level of confidence in the procurement of goods and services by ensuring integrity, transparency, accountability, efficiency and consistency in how it conducts its procurement processes.

#### **1.2. Fair Competition:**

The RDCO will acquire goods and services through fair and transparent processes in accordance with all applicable legislative and Trade Agreement requirements. Competitive processes will balance the interests of RDCO residents, with the fair and equitable treatment of suppliers and contractors.

#### **1.3. Legislation & Trade Agreement Requirements:**

The RDCO's procurement processes and conduct will comply with the authorities and obligations of the following legislation and Trade Agreements:

- The Local Government Act
- The Community Charter
- The Freedom of Information and Protection of Privacy Act (FOIPPA)
- The New West Partnership Trade Agreement (NWPTA)
- The Canadian Free Trade Agreement (CFTA)
- The Canada – EU Comprehensive Economic Trade Agreement (CETA)
- The Canada-UK Trade Continuity Agreement (Canada-UK TCA)

When legislative or Trade Agreement requirements change or are superseded by new legislation or Trade Agreements that are applicable to Regional Districts of the Province of British Columbia, the RDCO will comply with the new requirements.

#### **1.4. Ethical Conduct & Conflicts of Interest in Procurement:**

- a) In conducting all procurements, the RDCO will:
  - i. act honestly and with integrity, avoiding even the appearance of impropriety, in all procurement and related practices;
  - ii. maintain consistency in all processes and actions; and
  - iii. adhere to good ethical standards in all its procurement and related practices.
- b) RDCO Representatives will exercise caution when there is a possibility of a perception of a Conflict of Interest regarding a procurement process and will notify the Director of Financial Services of any potential Conflict of Interest at the earliest opportunity.
- c) RDCO Representatives will not have direct involvement, or influence over, a procurement process or contract for goods or services, where the process could reasonably involve a

supplier/contractor with which the RDCO Representative has a Conflict of Interest. In such cases, the RDCO Representative will notify the Director of Financial Services at the earliest opportunity.

- d) No Direct Award will occur with any supplier/contractor when the RDCO Representative authorizing the commitment has a direct or indirect Conflict of Interest.
- e) All suppliers/contractors that participate in a Public Competitive Process will be required to confirm that they do not have a Conflict of Interest at the time of submitting a proposal/bid.

### **1.5. 'Best Overall Value' Considerations:**

The RDCO will seek to select the supplier/contractor that offers the 'best overall value', as opposed to the supplier/contractor that offers only the lowest initial acquisition price. The definition of 'best overall value' will be defined by RDCO staff for each procurement, based on the requirements of that procurement. In general, the 'best overall value' approach will consider the following:

- a) Price Evaluation: Where practical, evaluation of total life-cycle cost (TLC) or total acquisition cost (TAC) of a good/service, as opposed to just the initial acquisition price alone. TLC/ TAC analysis will consider the costs of operating, delivery, disposal, training, resale value and other factors in addition to the acquisition price.
- b) Non-Price Factor Evaluation: Depending on the good/service being procured, evaluation of non-price factors may form part of the competitive process. Non-price factors may include: quality, timeliness of delivery, performance / technological advantages, past performance/experience, safety, social procurement factors, environmental and sustainability procurement factors.

### **1.6. Social Procurement:**

RDCO's procurement activities can be used as a tool for supporting social and economic development within our communities. Where viable, the RDCO will seek the following opportunities in its procurement activities:

- a) When a procurement is not subject to Trade Agreement requirements:
  - Seek quotes/proposals from suppliers/contractors that have a physical presence within the Regional District of Central Okanagan.
  - When all other evaluation criteria scores are equal, give first preference to suppliers/contractors with a physical presence in Canada, and second preference to non-Canadian suppliers/contractors.
  - For projects related to measures that benefit indigenous communities within our region; actively seek and encourage where reasonably possible, quotes from indigenous owned and operated suppliers/contractors.
  - Consider opportunities to direct contracts toward non-profit organizations or social enterprises, with a view to providing social benefit to equity-seeking groups or marginalized populations within our communities.
- b) When a procurement is subject to Trade Agreement requirements:
  - When all other evaluation criteria scores are equal and the CETA Trade Agreement does not apply, give first preference to suppliers/contractors with a physical presence in Canada, and second preference to non-Canadian suppliers/contractors.
  - Where the applicable Trade Agreements provide an exemption from Public Competitive Processes for procurements regarding 'measures related to indigenous peoples'; actively seek and encourage where reasonably possible, quotes from indigenous owned and operated suppliers/contractors.
  - Where the applicable Trade Agreements provide an exemption from Public Competitive Processes for such procurements; consider opportunities to direct contracts toward non-profit organizations and social enterprises, with a view to providing social benefit to equity-seeking groups or marginalized populations within our communities.

### **1.7. Environmental & Sustainable Procurement:**

The RDCO will consider goods and services that are environmentally friendly and cause less harm to the environment.

Procurement processes will consider prioritizing the following:

- a) Goods and services that are a non-carbon or carbon neutral alternative that minimize greenhouse gas emissions contributing to a reduction of the carbon footprint of the RDCO.
- b) Goods and services that consider climate adaptation and resilience.
- c) Reusable, recycled, or zero-waste products.
- d) Recyclable, durable, and long-lasting products.
- e) Products with increased energy and resource efficiency.

### **1.8. Record Keeping:**

The RDCO will maintain written records of its procurement processes and decisions, in accordance with FOIPPA, to support the following:

- a) audits of procurement practices,
- b) any required release of information under FOIPPA,
- c) timely and useful debriefs to participants of competitive processes, as required under Trade Agreements.

### **1.9. Confidentiality & Disclosure of Information:**

The RDCO commits to the following disclosure provisions for its procurement of goods and services:

- a) Information will be kept confidential or released in accordance with the RDCO's obligations under FOIPPA;
- b) Any RDCO-provided information made available to a potential supplier or contractor during a competitive process, which may influence a response to that process, will be made available to all interested suppliers or contractors;
- c) Information provided as part of a commercial quote or proposal for the provision of third-party goods or services to RDCO, including unit-price detail and company-specific approaches or commercial knowledge, will generally be considered commercially sensitive information because the release of it may cause commercial harm to the organization that provided the quote or proposal.
- d) Pursuant to Community Charter Section 90 (1)(j); a part of a Regional Board meeting may be closed to the public ('in-camera') if the subject matter being considered relates to information that is prohibited from disclosure under section 21 of the FOIPPA.

### **1.10. Suppliers/Contractors in Legal Action with the RDCO:**

The RDCO may, in its absolute discretion, reject any proposal or quote to a competitive procurement process if the supplier/contractor, or any officer or director of the supplier/contractor, is or has engaged directly or indirectly in a legal action against the RDCO, its elected or appointed officers, representatives or employees in relation to any matter.

In determining whether or not to reject a quote/proposal, RDCO staff will consider whether the litigation is likely to affect the supplier/contractor's ability to work with the RDCO or representatives, and whether the RDCO's experience with the supplier/contractor indicates that there is a risk the RDCO will incur increased staff and legal costs in the administration of the contract if it is awarded to the supplier/contractor.

### **1.11. Buying Groups & Co-operative Purchasing:**

The RDCO may participate-in and execute procurements through Buying Groups to reduce procurement costs/time, and/or leverage group volume for preferred pricing or terms, while maintaining fair competition principles.

When participating in a Buying Group, the RDCO will ensure that Trade Agreement obligations are met, including posting of public notices on BC Bid, where required.

### **1.12. Construction Project Delivery Methods:**

For construction projects, the RDCO will utilize project delivery methods and contract models which are selected by the Purchasing Unit and RDCO staff to optimize project outcomes and achieve best overall value. This will include, but is not limited to, the following project delivery methods as endorsed by the Canadian Construction Documents Committee (CCDC), and the Master Municipal Construction Documents Committee (MMCD):

- Design-Bid-Build
- Design-Build
- Progressive Design-Build
- Construction Management
- Integrated Project Delivery

## **2. Purchasing Authorities and Processes:**

### **2.1 Role of Regional Board:**

The Regional Board authorizes RDCO staff to commit to contracts for the procurement of goods and services in accordance with the delegations and thresholds set out in section 2.2, provided that:

- (a) The contract commitment is within a current RDCO budget that has been approved by Board resolution; and
- (b) The procurement has been conducted in strict accordance with this policy.

Any procurement that does not meet the requirements of this section 2.1 must be approved by the RDCO Board.

### **2.2 Delegated Purchasing Authority:**

RDCO staff are authorized to commit the RDCO to a contract/purchase, either by signing a contract document, issuing a Purchase Order (PO), or using a RDCO Credit Card, in accordance with the authority limits set out in Schedule A.

### **2.3 Purchasing Thresholds & Process Requirements:**

The RDCO will offer potential suppliers and contractors fair opportunities to provide goods and services, by conducting competitive procurement processes in accordance with the 'Procurement Value' thresholds set out in Schedule B.

## 2.4 Exceptions to Purchasing Process Requirements:

The procurement of goods and services identified in Schedule C, while covered by this Purchasing Policy, are exempt from the Purchasing Threshold and Process Requirements detailed in section 2.3. These procurements may be contracted through Direct Award or Limited Bidding at the discretion of the authorized individual (as defined in section 2.2).

## 2.5 Emergency Expenditures:

The CAO is authorized to make expenditures on behalf of the RDCO that are not included in an approved budget or financial plan of the RDCO, where such expenditures are required for the preservation of life, health and the protection of property in the Electoral Areas or affecting RDCO assets, but don't fall under the authority of the Emergency Management Program, on the following basis:

- (a) Up to and including two hundred and fifty thousand dollars (\$250,000), after consultation with the Chair; and
- (b) All amounts exceeding two hundred and fifty thousand dollars (\$250,000), with the prior written approval of the Chair.

Any expenditure made under this section must be presented to the Board in a report under the signature of the Chair.

## 3. Disposal of Surplus Goods:

The RDCO will dispose of surplus assets, goods, materials or equipment, through one of the following methods, as approved by the Director of Financial Services:

- a) Re-use: by another RDCO department.
- b) Direct Scrap/Recycle: when the Department Director deems the item is of no value, department staff will arrange for disposal at the nearest landfill or appropriate recycling facility.
- c) Public Auction: items deemed to have value will be advertised publicly for sale through an auction site, and sold to the highest-bidder if the reserve price is met. An appropriate reserve price will be approved by the Department Director.
- d) Trade-in: where a surplus equipment item is included in a competitive process for the procurement of new replacement equipment, as part of a trade-in arrangement.

RDCO staff, Board members, or their direct family members cannot purchase surplus assets unless they are the successful bidder at a Public Auction conducted by the Purchasing Unit.

To avoid a conflict of interest, RDCO's Purchasing Unit staff cannot purchase or receive surplus assets, goods, materials, or equipment.

\*\*\* END OF POLICY \*\*\*

### REVISION HISTORY

Version	Date	Revision description/ Summary of Changes	Responsible Department	Approved by
V1.0				Regional Board

## **SCHEDULE A – DELEGATED PURCHASING AUTHORITY LIMITS**

Pursuant to Section 2.2 of this Purchasing Policy; RDCO staff are authorized to commit the RDCO to a contract/purchase; either by signing a contract document, issuing a Purchase Order (PO), or using a RDCO Credit Card; where the expenditure is within the current approved financial plan and in accordance with the following authority limits:

<b>Staff Position</b>	<b>Authority to Commit:</b>
Chief Administrative Officer (CAO) or Deputy CAO	Unlimited
Chief Financial Officer (CFO)	Unlimited
Department Directors	Up to \$75,000
Department Managers	Up to \$50,000
Department /Supervisors	Up to \$15,000
All Other RDCO Staff	As delegated by Department Director (not to exceed \$5,000).

### **Notes:**

- “Authority to Commit” shall include the total value of all commitments made in the contract, including any future years or options committed to (if applicable), plus delivery charges. Values shall exclude GST/PST and other taxes.
- The above delegations are for the commitment to contract only, and do not apply to approval of invoice/cheque payments. Limits and roles for the approval of invoice/cheque payments may be different and will be determined in accordance with the Finance Department’s Payment Approval Authority list.
- The RDCO’s general practice shall be that the individual who signs the contract commitment will be different to the individual who signs and approves invoice payments against that contract commitment. Where it is the same individual, the invoice must also be approved by their supervisor. Where the approval is by the CAO or CFO, the additional approval will be by the other.
- Any amendments to a contract/commitment (including ‘Change Orders’ on contracts) must be approved in writing by the same Staff Position that authorized the original contract/commitment. The original contract signatory may pre-approve in writing a total ‘not to exceed’ value limit for Change Orders, which may then be executed by RDCO staff if, as, and when required.
- To enable departments to operate efficiently and effectively, Department Directors have authority to reallocate funds within their operating budget for which they are responsible. In doing this, Directors must manage and ensure that the gross and net expenditures remain within the Board approved budget.
- If the individual of the Staff Position is away and cannot perform the commitment, the Authority to Commit will move up to that person’s immediate Supervisor/Manager/Director, or the CFO/CAO, as applicable. The authority to commit will not be delegated to persons performing a Staff Position on an interim basis.



## **SCHEDULE B – PURCHASING THRESHOLDS & PROCESS REQUIREMENTS**

Pursuant to section 2.3 of this Purchasing Policy; the RDCO will offer potential suppliers and contractors fair opportunities to provide goods and services, by conducting competitive procurement processes in accordance with the following 'Procurement Value' thresholds:

<b>Procurement Value &amp; Procurement Type:</b>		<b>Procurement Process to Be Followed:</b>	<b>Commitment Methods Allowed:</b>
Goods or Services	Construction Projects		
Less than \$15,000	Less than \$15,000	<b>Direct Award:</b> <ul style="list-style-type: none"> <li>No competitive quotes required.</li> <li>Direct Award to single supplier, employing lowest price or 'best overall value' analysis, as appropriate.</li> <li>Where contract risk is considered <i>High</i><sup>1</sup>, seek advice from Purchasing Unit prior to any commitment.</li> </ul>	<ul style="list-style-type: none"> <li>Direct payment of invoice</li> <li>Purchase Order</li> <li>Purchasing Card</li> </ul>
\$15,000 to \$75,000	\$15,000 to \$200,000	<b>Limited Bidding: Written Quotes/Bids Required:</b> <ul style="list-style-type: none"> <li>Solicitation of quotes/bids shall be under direction of the Purchasing Unit.</li> <li>Request minimum of 3 written quotes/proposals/bids using: email quotes; Request for Quotation (RFQ); Request for Proposal (RFP); Invitation to Tender (ITT); or Notice of Intent (NOI)<sup>3</sup>. Process is by Limited Bidding.</li> <li>Award based on lowest quote received, or any evaluation criteria set in RFQ/RFP/ITT.</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Order (<i>Low</i><sup>1</sup> risk)</li> <li>Written Contract (<i>Medium</i><sup>1</sup> to <i>High</i><sup>1</sup> risk)</li> </ul>
Greater than \$75,000	Greater than \$200,000	<b>Public Competitive Process:</b> <ul style="list-style-type: none"> <li>Solicitation of proposals/bids conducted by the Purchasing Unit.</li> <li>Proposals/bids invited through Public Competitive Process using: Request for Proposals (RFP); Negotiated RFPs (NRFP); Invitation to Tender (ITT); Pre-Qualification (Pre-Qual)<sup>2</sup>; or Notice of Intent (NOI)<sup>3</sup>.</li> <li>Award based on evaluation criteria set in process.</li> <li>Advertise publicly, including on BC Bid.</li> </ul>	Written Contract

Notes:

<sup>1</sup> Contractual risk shall be ranked as '*Low*', '*Medium*', or '*High*' in accordance with the Risk Matrix of the RDCO's Purchasing Procedures Administrative Policy. Risk classification shall consider factors including; liability incurred by RDCO, ownership/intellectual property rights, safety risks, and collection of personal data (as defined by FOIPPA).

<sup>2</sup> A Pre-Qualification Process, which is open to all, may also be used to meet the Public Competitive Process requirement. A Pre-Qual can then be followed by a 2<sup>nd</sup> stage Limited Bidding process with pre-qualified organizations only.

<sup>3</sup> A Notice of Intent (NOI) may be used where RDCO Staff believe, but cannot strictly prove, that the procurement is excluded from the Purchasing Process requirements due to an exception noted under section 2.4.

Procurements will not be split to avoid process requirements existing because of the Procurement Value.

## **SCHEDULE C – EXCEPTIONS TO THE PURCHASING PROCESS REQUIREMENTS**

The procurement of goods and services identified in this Schedule C, while covered by this Purchasing Policy, are exempt from the Purchasing Threshold and Process Requirements detailed in section 2.3 and Schedule B. These procurements may be contracted through Direct Award or Limited Bidding at the discretion of the authorized individual (as defined in section 2.2).

- (a) Professional Consulting Services, where the Procurement Value is less than \$75,000. Note: Direct Award of Professional Consulting Services must be due to one of the following reasons:
  - (i) Time is of the essence and the consultant has knowledge or skills which are needed quickly;
  - (ii) The consultant has a specialized skill or knowledge which others do not have;
  - (iii) The consultant has been previously engaged by the RDCO at an earlier stage of the same project, and therefore will require less start-up time or cost to work a new stage in the project. (note: use of this exception (a) (iii) is limited to a maximum of three additional stages on the same project).
- (b) The following goods and services that are considered 'excluded' under the New West Partnership Trade Agreement (NWPTA), provided that Public Competitive Process is not required under any other Trade Agreement and the Procurement Value is less than \$120,000 for goods/services or \$300,000 for construction:
  - (i) of water, and services and investments pertaining to water.
  - (ii) for the management or conservation of forests, fish or wildlife.
  - (iii) to promote renewable and alternative energy.
  - (iv) for the management or conservation of energy or mineral resources.
  - (v) A procurement to achieve a 'legitimate objective' as defined by the NWPTA, including measures related to; public security and safety, public order, protection of human/animal/plant life or health, protection of the environment.
  - (vi) Any other procurement which is exempt from a Public Competitive Process under the NWPTA.
- (c) Procurements from philanthropic institutions, prison labour or persons with disabilities.
- (d) Procurements from a public body or non-profit organization.
- (e) Procurement of goods purchased for representational or promotional purposes.
- (f) Procurements of health services and social services.
- (g) Procurements by entities which operate sporting or convention facilities, in order to respect a commercial agreement containing provisions incompatible with the Trade Agreements (except where the Canada – EU Comprehensive Economic and Trade Agreement applies)
- (h) Where it can be demonstrated that only one supplier/contractor is able to meet the requirements of a procurement (e.g. absence of competition for technical reasons, or to ensure compatibility with existing goods) and no reasonable alternative or substitute exists.
- (i) Where an unforeseeable situation of urgency exists, and the goods or services cannot be procured in-time using the required procurement process. Note: any use of this exception requires prior approval by the CAO when the Procurement Value is to exceed \$75,000.
- (j) When the procurement is of a confidential or privileged nature and disclosure through an open procurement process could reasonably be expected to compromise government confidentiality, cause economic disruption or be contrary to the public interest.
- (k) Procurement of services provided by licensed lawyers and notaries (except where the Canada – EU Comprehensive Economic and Trade Agreement applies).
- (l) Procurement of goods intended for resale to the public.
- (m) Procurement in the absence of receipt of any proposals/bids which meet the minimum requirements of a Procurement Process that was conducted in accordance with the requirements of section 2.3.
- (n) Procurement of financial services respecting the management of government financial assets and liabilities (treasury services) including ancillary advisory services.
- (o) Procurements relating to any measure adopted or maintained with respect to aboriginal or indigenous peoples.