

	POLICY TITLE: City of Greenwood Procurement Policy	POLICY NO: 2024-10
	AUTHORITY: Council for the Corporation of the City of Greenwood	CLASSIFICATION: Administration
	EFFECTIVE DATE: September 23, 2024	MOTION:
	SUPERSEDES:	

1. Purpose

The City of Greenwood (the “City”), in the performance of its duties and responsibilities, must engage in the Procurement of Goods and Services (including Construction). The purpose of this Policy is to ensure understanding and adherence to the principles, procedures, roles and responsibilities for the City’s procurement activities.

The principles and procedures in this Policy outline the authorization and competition requirements for the procurement of Goods and Services, including but not limited to, Capital Consulting and Construction Services. The City is committed to creating and maintaining a high level of confidence in its procurement of goods and services by ensuring integrity, transparency, accountability, efficiency and consistency in its procurement activities.

All employees of the City are expected to adhere to *Procurement Policy* while maintaining a high standard of honest and open communication to ensure that all suppliers are given fair and equal access to do business with the City of Greenwood.

2. Scope and Authority to Implement

The City of Greenwood is a municipal public sector entity that through this Policy is acting within its authority under the *Community Charter* and *Local Government Act*. This Policy is in alignment with, and adheres to the following applicable legislation and agreements:

- Canadian Free Trade Agreement (CFTA).
- Comprehensive Economic and Trade Agreement (CETA).
- Freedom of Information and Protection of Privacy Act (FOIPPA).
- New West Partnership Trade Agreement (NWPTA).

The Corporate Officer (CO) and Chief Administrative Officer (CAO) are authorized by City Council to implement this Policy. This Policy applies to all employees involved in the procurement of goods and services for use by the City.

3. Policy

3.1 General Principles

The City is committed to consistent ethical management in all its procurement and contracting activities and will abide by all applicable legislation under the following principles:

a) Open and Fair Competition

The City will acquire goods and services through a fair, open, transparent and competitive process that balances the interests of the taxpayer with the fair and equitable treatment of suppliers. Competitive processes followed will be in accordance with legislative and trade agreement requirements.

The City promotes Bidding Opportunities on the City website and/or social media, at a minimum, to encourage competition, to give all businesses equal opportunity to compete for larger contracts, and to achieve best value. The City utilizes internal policy processes with audit capabilities to facilitate the bidding process. The City may also post Bidding Opportunities to external third-party sites, at the City’s discretion or where required by trade agreements.

The City does not discriminate or exercise preferential treatment and will ensure that procurement processes are objective and that all Bid Respondents are treated in the same manner and given equal consideration. The City will strive to ensure that Suppliers have fair and equal access to information. Any information made available to a potential Supplier that may influence a response to a Procurement process will be made available to all interested Suppliers.

b) Bidder/Respondent Complaints

Complaints (including disputes) by a bidder/respondent or any other member of the public regarding a procurement process, or the results of a procurement process conducted by the City shall, in the first instance, be directed to the Chief Administrative Officer (CAO).

The complaint must be submitted in writing to the Chief Administrative Officer (CAO) within ten (10) days after the day on which the Complainant first knew, or reasonably should have known, of the issue to which the complaint relates. The written request must identify the summary of the complaint. If the complaint is received after the ten (10) daytime period, the complaint may or may not be addressed, at the City's sole discretion.

If the complaint is received within the ten (10) daytime period, the City shall review the complaint and consult with the Complainant within twenty (20) days following receipt of the complaint. The City's decision at the conclusion of the consultation process will be final, with respect to any further actions required by the City under this procedure. All consultations between the parties shall be without prejudice to the rights of the parties in any further proceedings.

c) Supplier Dispute Resolution

Competitive bidding documents used in procurement processes under Public Competition shall state that when appropriate, disputes between the Supplier and the City will be decided by mediation or arbitration, should the parties agree to that method. Contracts shall propose that arbitration is conducted pursuant to the *Commercial Arbitration Act (British Columbia)*.

d) Best Value Considerations

The City encourages the consideration of overall cost in the procurement of goods and services, including, but not limited to acquisition cost, operating costs, life cycle costing, salvage value, availability, serviceability and delivery. The City will consider and evaluate the relevance of price and non-price factors before starting a competitive process. This may include:

- i. Accessibility and inclusion
- ii. Delivery, deliverables, and performance commitments
- iii. Economic sustainability
- iv. Encouragement of diverse suppliers
- v. Environmental sustainability
- vi. Public Policy benefits as elements in the proposal and evaluation process
- vii. Risk management, including safety practices and history
- viii. Social sustainability
- ix. Supplier experience, performance history and demonstrated ability to successfully perform, including service and support capacity
- x. Quality of the goods and / or services
- xi. Total cost of Ownership, which may consider factors such as:
 - Administration and contract management costs
 - Costs of delay or performance failures
 - Cost of additional features, enhancements and upgrade limitations associated with proprietary or patent rights or constraints
 - Disposal and remediation costs.
 - Extensions, change orders, total cost change and cost escalation
 - Legal or technical costs

- Licensing costs
- Lifecycle costing
- Purchase or contract total cost
- Regular and ongoing maintenance
- Shipping and packaging
- Transition and training costs
- Warranty, parts and / or repair

e) Sustainability Considerations

The City's procurement activities will be conducted with consideration of economic, environmental and social sustainability where appropriate. City should consider the inclusion of these evaluation criteria which reflect these factors where applicable. These factors shall be balanced with considerations such as cost and quality and may include:

- i. Prioritizing goods and services that represent a non-carbon alternative, are carbon neutral or that minimize greenhouse gas emissions contributing to reducing the carbon footprint of the City.
- ii. Prioritizing goods and services that consider climate adaptation and resilience.
- iii. Prioritizing reusable, recycled, or zero waste products, when possible.
- iv. Purchasing recyclable, durable, and long-lasting products.
- v. Purchasing products with increased energy and resource efficiency wherever possible, such as equipment that complies with energy efficiency guidelines and recommendations.
- vi. Purchasing products, including cleaning supplies and chemicals, that minimize exposure of building occupants and maintenance personnel to potentially hazardous chemical, biological and particle contaminants which may adversely impact air quality, health, building finishes and systems, and the environment.
- vii. Stating a preference for minimal and recyclable packaging.

f) Relationship to Suppliers and Conflict of Interest with Suppliers

Conflicts of interest may occur when a City employee or Council member has a direct or indirect relationship with a supplier or potential supplier through financial, family related, or other beneficial interest. In accordance with the City's general principles on ethical conduct, the *Personal and Confidential Information Policy 2024-05* and *Responsible Conduct Guiding Principles Policy 2024-02* the following shall apply to all procurement processes:

- i. City employees shall exercise caution when there is a real, perceived, or potential conflict of interest with a supplier or potential supplier;
- ii. City employees involved in a procurement process, either directly or indirectly, must notify the Chief Administrative Officer (CAO) of any real, perceived, or potential conflict of interest;
- iii. If a City employee or council member has a real, perceived or potential conflict of interest:
 - Measures shall be taken to ensure that the employee or council member with the conflict does not have any influence whatsoever over the procurement process and/or contract decision; and
 - Suppliers to which a City employee or council member has a conflict of interest will only be selected to provide goods or services if they are selected based on a transparent evaluation from a competitive procurement process, as per **Appendix B**.

g) Suppliers Acting in Good Faith

The City may choose to exclude or refuse doing business with Suppliers who do not possess the legal and financial capacities or commercial and technical abilities to undertake the relevant procurement. The City may disqualify Suppliers who have demonstrated poor past performance through significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts, or who have made false or misleading declarations.

The City may choose to exclude or refuse doing business with Suppliers who have entered litigation with the City. The City may reject Suppliers based on professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier or final judgments in respect of serious crimes or other serious offences.

h) Open Communication and Debriefing

The City will provide Respondents with feedback on bids and proposals including those that are unsuccessful upon request. Open procurement award results will be posted to the City website.

i) Confidential Information

Release of information is subject to FOIPPA legislation. City employees will not release any information made available as an employee that is not otherwise available to the public on request. Any information made available to a potential supplier which may influence other suppliers' responses must be made available to all potential suppliers.

Information about budget and cost estimates, pricing or costing of competing suppliers, names of suppliers prior to award and any other information which may create an unfair advantage will remain confidential and will not be released by City employees to the public or a potential supplier. All information provided by a potential supplier during the procurement process shall remain confidential pending bid analysis and award.

j) Gifts and Gratuities

City employees will not place themselves in a position of obligation or appearance of obligation by soliciting or accepting gifts, discounts, hospitality or tips from suppliers or potential suppliers.

3.2 Procurement Process Requirements

a) Authority to Spend

Procurement initiations, processes and award values must be within the Approved Budget and are to be requested by staff consistent with:

- i. **Appendix A1** – Standard Delegated Authority
- ii. **Appendix A2** – Non-Standard Delegated Authority

b) Cost Value

Procurement values should be based on maximum cost estimates, considering the entire potential value of the contract including all future years, options, and extensions.

City employees should base the value of the procurement on reasonable estimates and procurements should not be split or separated into parts with the intention of avoiding process requirements.

c) Methodology

Reasonable and adequate procedures ensure fairness for a level of competition, commensurate with the type of procurement considering price, requirements, available competition, risk and complexity of terms and conditions. The cost and time associated ideally should be proportionate to the benefit gained. The processes and methods of Procurement Services are based on the dollar value, context, nature, and risks associated with using a competitive process.

d) Specifications or Scope of Work

Requirements or processes that are developed for use in a procurement process should:

- i. Be clear and defined when subjects allow, to enable prospective bidders an informed basis on which to submit their bids.
- ii. Be sufficiently broad to allow for creative solutions by respondents when applicable.

- iii. Be realistic and consider long term right sizing for the intended use.
- iv. Include sufficient details on evaluation criteria, weightings and evaluators to be used in procurements to optimize 'best value' outcomes.
- v. Consider all other elements of this policy

Note: Contract terms and conditions will be determined by the Chief Administrative Officer (CAO) in consultation with the Corporate Officer (CO).

e) Contract Management and Monitoring

The City's Corporate Officer (CO) must be identified for all ongoing contracts and agreements. The City's CO should ensure that the Contracted Provider meets the requirements of the contract and that performance issues are documented and addressed in a timely manner. The CO is responsible to ensure that any remuneration invoiced meets the contract stated amounts. The Chief Administrative Officer (CAO) is to be notified of any performance or invoicing issues of note.

f) Bonding

Type and level of bonding is assessed as part of the procurement process or contract. The Chief Administrative Officer (CAO) shall make the final determination on bonding. Guidance to be provided by the most recent Municipal Insurance Agency of British Columbia (MIABC) Minimum Insurance Requirements for Contracts and / or external legal counsel. Bonding equivalent may be accepted as a Legal Bond, Cash, Certified Cheque or Irrevocable Letter of Credit, as determined by the Chief Administrative Officer (CAO).

g) Insurance

Liability, indemnity and insurance terms in contracts should be considered carefully based on the value, nature and risk of the goods/services being procured. All contractors working on City property must have valid insurance with the City of Greenwood (or other relevant parties) as additional insured and cross liability coverage on file with the City. Advice on insurance can be obtained from MIABC or the City's Insurance provider.

h) Occupational Safety Consideration

City employees must ensure that all directions and instructions given to suppliers are compliant with the requirements of the *Workers Compensation Act* and *Occupational Health & Safety Regulations*. It is advisable that City staff obtain documentation attesting that the supplier's WorkSafe BC account is in "active and in good standing" status.

i) Business Documentation

Suppliers may be required to provide various forms of business documentation and/ or certifications as part of the procurement or contractual process. These requirements and timeline for provision will typically be listed in bidding documents.

j) Procurement Process Types

The following procurement types are collectively referred to as RFX's.

- i. Expression of Interest (EOI)
- ii. Invitation to Tender (ITT)
- iii. Notice of Intent (NOI)
- iv. Pre-Qualifications
- v. Request for Quote (RFQ - Low Bid)
- vi. Request for Quote (REQ - High Score - Best Value)
- vii. Request for Proposal (RFP)
- viii. Request for Information (RFI)
- ix. Request for Suppliers Qualifications (RFSQ)

k) Construction Project Delivery Methods

- i. Construction Manager at Risk (CMAR)
- ii. Design Bid Build (DBB)

- iii. Design Build
- iv. Integrated Project Delivery (IPD)
- v. Progressive Design Build (PDB)

l) Posting of Opportunities

For public sector procurement processes for RFx's, the bidding opportunity should be open for responses for durations as follows:

- i. Under \$25,000 – minimum 7 days
- ii. Between \$25,001 and \$75,000 – 10 to 25 days (depending on complexity)
- iii. Over \$75,000 for goods – minimum 25 days as required by CETA
- iv. Over \$200,000 for construction – minimum 25 days as required by CETA

“Days” are considered to be calendar.

- Under \$75,000 bidding opportunity duration is determined by this policy.
- Above \$75,000 bidding opportunity duration is determined by Trade Treaties

m) Posting of Awards

- For open competition processes, at a minimum, the opportunity must be advertised on www.greenwoodcity.com
- For additional exposure, opportunities may also be posted to <https://www.civicinfo.bc.ca/bids> or other websites deemed relevant to the subject.
- Advertising in local newspapers or websites is at the discretion of the Chief Administrative Officer (CAO).

3.3 Delegated Purchasing Authority

All goods and services are to be acquired in accordance with this policy and shall be within Council approved budget unless authorized on an exception basis by the CAO.

Designated Employees undertaking purchasing activities must have formal authorization to do so from the City exempt staff member they report to. Employees may delegate their authorities to an individual that is temporarily performing their role in an acting capacity.

a) Standard Procurements and Invoice Approvals

Appendix A1 identifies the authority approval thresholds that also apply for staff approvals for Purchase Requisitions, Purchase Orders, Contract Amendments, and Invoice Authorizations.

b) Purchase Card Authority

The considerations, application and management of Purchase Cards shall be completed under the authority of the Chief Administrative Officer (CAO).

i. Alcohol Purchases

Designated employee(s) have authorization to purchase alcohol directly from Brewers Distributor Ltd. (BDL) and / or licensed liquor or wine stores. These purchases are specifically for City organized special occasion liquor permits. Payment will be processed through a controlled automatic debit from the City account managed by Finance or designated employee's Purchase Card.

c) Direct Purchase Authority

Appendix A1 identifies that any Delegated Authority may authorize a Direct Purchase up to a value of \$500.00 (inclusive of applicable taxes, surcharges and freight). Unless the benefit is derived from Purchase Order issuance, these purchases will be paid via Direct Pay method or Purchase Card.

d) Non-Standard Procurements and Direct Awards

In some circumstances and subject to appropriate approvals, the requirement for an open competition may be waived.

Direct Awards approved by the Chief Administrative Officer (CAO) must document the rationale on a Direct Award Form informed by the below:

- i. **Appendix A2 – Non-Standard Delegated Authority Approval Limits**

ii. **Appendix C – Exemptions**

Direct Awards valued above \$75,000 that are not Construction related must be covered by an allowable exception, exemption, or non-application clause in a governing trade agreement and the applicability of the clause must be formally established.

Employees are encouraged to review **Appendix C** of this policy in advance, then contact the Chief Administrative Officer (CAO) to examine and approve the application of any allowable exceptions prior to initiating the Direct Award approval process.

The CAO or their Designated Employee has the authority to waive the Procurement Policy where public safety, property and/or infrastructure are at risk. The financial plan is to then be updated as soon as possible to include the expenditure.

e) Notice of Intent

Direct Award procurements valued at \$75,000 or more will require a Notice of Intent (NOI) to be posted electronically on the City's website for a period of fourteen (14) calendar days. The Notice of Intent is not required if the procurement is for an emergency, is trade treaty exempt, or allowable via a compliant Buying Group procurement.

f) Buying Groups

Broader Public Sector organizations like the City of Greenwood can sometimes access and participate in trade treaty compliant Buying Groups. This can provide advantages in reducing procurement process costs, lever preferred pricing or access professionally vetted expertise. A 'Buying Group' is generally understood as a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process.

The City of Greenwood participates in Buying Groups whose members are municipalities, public sector entities or registered non-profits. City of Greenwood participation in some or all these groups is posted annually to the City's website.

3.4 Bid Solicitation Process

The Chief Administrative Officer (CAO) or Designated Employee will decide which procurement bid type is appropriate for each request. Corporate Officer (CO) will manage the formal solicitation process through to award and contract execution where applicable.

Standard City template bid documents for the process types as described in *Section 3.2 j)* will be used for solicitations. These documents have been developed to mitigate risk exposure and navigate competitive bidding law requirements. The procurement process provides consistency and will cause consideration and / or contemplation for the following:

- i. Conflict of Interest Declaration
- ii. Contract Term and Extensions
- iii. Cost Considerations
- iv. Deliverables
- v. Evaluation Criteria
- vi. Insurance and Bond Requirements
- vii. Market Conditions
- viii. Material Disclosure
- ix. Prime Contractor Assignment
- x. Supplier Availability
- xi. Terms and Conditions

Refer to the most recent MIABC matrix for Insurance, Bonding and Risk considerations, available through the Procurement.

3.5 Pre-Qualification Process

- a) Pre-Qualifications as listed on City website

For establishing a pre-qualified list of Contractors and Trades to create an active call list for City departments to use if, as and when required. Pre-Qualification assists in establishing eligibility for small civil projects and hired services. Procurement Services will accept Pre-qualification registration forms throughout the year.

The Corporate Officer (CO) will maintain a list of information including rates, equipment, experience and other required documents.

b) Capital Consulting Services

For establishing a pre-qualified list of Professional Consultants to create an active call list for City departments to use if, as and when required. Consultants can apply and be added to the shortlist in January of each year, provided the submission meets all the requirements and scores appropriately relative to other submissions.

The City reserves the right to alter the shortlist should any change of ownership, significant staff changes, unacceptable level of service, lack of subsequent submissions, as determined by the City through performance evaluations, or for any other reason which might alter a consultant's qualifications. Consultants on the shortlist will be selected for specific assignments through one of three ways.

- i. Direct Award based primarily on suitability, capacity and timelines.
- ii. Request for Quote inviting usually two to three shortlisted consultants.
- iii. Request for Proposal inviting three or more consultants.

The selection process will depend on the scope, complexity, and estimated value of the assignment. Top ranked respondents may be short-listed to participate in a potential direct award and / or invitational second stage competitive process for the procurement of the deliverables.

3.6 Bid Evaluation Process

The evaluation team will consist of *the Chief Administrative Officer, Corporate Officer, PW Foreman or Fire Chief (if applicable) and (1) one Council member (as appointed annually, in January of each year, at a Regular Meeting)*. Procurement Services will be the main point of contact between the City and the bidders and will manage the process including safeguarding confidential bids, confirming bid compliance, ensuring evaluation was performed with due diligence and in a timely manner, identifying potential gaps that need to be rectified, confirming accuracy of score, conducting consensus scoring sessions and providing bidder debrief upon bidder request.

3.7 Award and Contracting Process

a) Annual Contract Terms & Extensions

Contract terms will vary in length dependent of the service requirements and capital outlay required of the Contractor. The Chief Administrative Officer (CAO), in consultation with the Corporate Officer (CO) shall determine the appropriate contract term and maximum number of extension options. The contract period will vary in length depending on factors, including the service requirements, seasonality, complexity, market conditions and cost of switching suppliers.

If the contract carries provisions for an extension the City may extend the contract or supplier agreement. The decision may be based on the supplier's performance, acceptability of new pricing, the need to revise terms and conditions, or any other factors that the City may consider relevant.

City Contract terms shall not exceed the term identified in the bid process and shall not exceed ten (10) years in total without advisement to Council. Advisement will occur before proceeding with the competitive bidding process and come from the Chief Administrative Officer (CAO).

b) On-Going Professional Services

Where professional services are to be retained on a long-term ongoing basis, a review will be undertaken every seven (7) to ten (10) years. These services will be considered and evaluated if appropriate to be bid on in an open procurement bid process. Other specialized professionals may be

engaged for specialized services approved by **Appendix A1**. Some of the services include, but are not limited to:

- i. Auditing Services
- ii. Banking Services
- iii. Employee Benefit Plan
- iv. Insurance Services
- v. Engineering Services

3.8 Asset Investment Recovery

All excess, surplus, obsolete or other salvageable goods or equipment shall only be disposed of through the Chief Administrative Officer (CAO). Working with the Corporate Officer (CO), surplus will be disposed of in accordance with the City's *Disposal of Surplus Assets Policy 2024-11* by one of the following methods:

- i. Re-use by the City
- ii. Trade-ins: where the surplus equipment is included in a competitive process for the procurement of new equipment, as part of a trade-in arrangement
- iii. Public auction, e.g.: BC Auction, City website, other websites or auctioneers
- iv. Sale to other municipalities, governments or agencies
- v. Scrap metal dealer
- vi. Donate to non-profit organizations
- vii. Landfill disposal for items deemed of no value / waste

3.9 Record Keeping

The City shall maintain records of its procurement processes, to support:

- i. Audits of procurement practices;
- ii. Any required release of information under FOIPPA; and
- iii. Debriefs to participants of bidding process as required under CFTA and CETA.

3.10 Roles & Responsibilities

The Chief Administrative Officer (CAO) or their Delegated Authority is responsible for the administration and interpretation of this City Policy.

a) Chief Administrative Officer

- i. Delegate authority to develop and implement applicable procedures with Corporate Officer;
- ii. Observe the overall delegated authority limits with respect to procurement;
- iii. Review and authorize Direct Award requests; and
- iv. Execute formal contracts.

b) Corporate Officer

- i. Approve the City's procurement procedures;
- ii. Support procurement and contracting activities throughout the organization to ensure they follow this policy and applicable procedures; and
- iii. Ensure the procurement procedures are reviewed by Chief Administrative Officer (CAO) as required;
- iv. Assist Direct Award requests; and
- v. Execute formal contracts.

c) Public Works Foreman & Fire Chief

- i. Ensure departmental procurement and contract activities are carried out under this policy and applicable procedures;

- ii. Ensure budget funds are available within the department for procurement requests;
- iii. Request Council's approval for all expenditures not included in a budget unless an emergency situation exists;
- iv. Ensure employees within their department who are involved in purchase activities are adequately trained to carry out the processes in accordance with this policy and procedures;
- v. Consider potential risks associated with procurement activities and consult with Procurement Services; and
- vi. Ensure that Contractor performance meets contract deliverables.

d) All Employees

- i. Adhere to and act in accordance with this policy and relevant procedures;
- ii. Ensure funding is available and approved in the budget;
- iii. Secure appropriate approval prior to committing to any expenditure; and
- iv. Consult and work with Corporate Officer (CO) with providing specifications, terms of reference or deliverables to develop bid documents or purchase orders.