



Purchasing and Procurement

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1. Policy Statement

The City of Pitt Meadows Council directs the operation of the City through its approved programs and policies. As part of the process of providing these programs the Municipality must engage in the procurement of goods and services, and construction.

2. Purpose

The purpose of this Policy is to establish purchasing guidelines that ensure the City receives best value in the procurement of goods, services and construction as well as ensure that the processes followed are fair, transparent, consistent, efficient and effective.

This Policy provides direction for the expenditure of funds to complete the programs approved by Council through the annual Business Plan and Budget process.

3. Authority to Act

3.1) Pursuant to the City's Officers and Delegation of Authority Bylaw No. 2682, 2015 as amended from time to time, each officer and employee has been granted the authority to make or enter into any contracts or agreements on behalf of the City for which funding has been provided in the City's Annual Financial Plan within the purchasing authorities specified in this Policy.

3.2) Section 173 of the *Community Charter* limits the expenditure of resources to those within the approved financial plan except on an emergency basis.

3.3) Purchasing and payment approval authorities delegated under this Policy shall provide appropriate evidence that goods and services have been procured and properly received such that payment under the Chief Financial Officer's authority can be made.



4. Scope

This policy applies to the purchase of all goods, services and construction with the exception of those items identified in Appendix C.

5. Policy

5.1. Definitions

See Appendix A

5.2. Competition

- a) The City believes that the methods of procurement for goods and services should be competitive where possible, and practical to do so, in order to:
 - i) reduce costs to the public through marketplace competition;
 - ii) encourage innovation and efficiencies;
 - iii) demonstrate the application of fair and open selection criteria;
 - iv) obtain best value for the City.
- b) Competitive bids are encouraged to engage suppliers and obtain the best value for the City. It is important to remember that best value is related to more than just lowest cost. Best value can also include, but is not limited to: services included; freight costs; warranties; added value; suitability to the City's operations; life cycle costs; quality, lead time, experience, resources; etc. The cost associated with administering a competitive process should be proportionate to the benefit received as a result of the competition.

5.3. Purchasing Principles

The following principles shall guide the procurement practices of the City of Pitt Meadows:

- a) The City is organized with centralized purchasing for competitive procurement related to thresholds established in Appendix B. Procurement is decentralized and administered by individual Departments for procurement under \$10,000. Minimum competition requirements are stipulated in Appendix B.
- b) Purchases, expenditures, or commitments may only be made when they fall within the current budget approved by Council, approval is obtained through a budget amendment process or if third party funding is received.
- c) In determining a successful bidder, the City will consider factors such as, but not limited to: cost, energy use, disposal value, maintenance, warranty,



continuing support, staff training, bidder experience, references and bidder capacity and other relevant costs, not just the lowest price.

- d) The City shall use vendors, who provide satisfactory performance based on :
 - i. Previous contract performance;
 - ii. Availability of financial and other resources necessary to complete the contract that was bid upon; and
 - iii. Credential/experience on similar contracts.
- e) Pitt Meadows shall respect regional, national and international trade agreement obligations and other applicable legislation.
- f) The award of a sole or single source contract is considered an exception to these approved purchasing principles and should be minimized where possible.

5.4. Technology Services – Approval Required

To ensure compatibility with existing equipment and support capabilities, all purchases that include a technology component must be authorized in advance by the Information Technology Department. Technology components include, but are not limited to, software, desktop or server, computers, peripherals, telecommunication devices, networking devices, display devices (projectors and televisions) as well as related services (including cloud-based services), support and maintenance.

In addition, section 69(5) of the Freedom of Information and Protection of Privacy Act (FOIPPA) requires that a Privacy Impact Assessment (PIA) be completed.

If the proposed technology will store personal information as defined above, contact Legislative Services for assistance in completing a PIA.

5.5. Authority to Award Contracts

- a) The authority to award quotations, tenders, proposals and contracts for the provision of goods and services and construction, is outlined in Appendix B – Summary Schedule of Purchasing Authorities and Responsibilities.
- b) Any expenditure not provided for in the annual budget requires a resolution of Council and subsequent amendment of the annual budget.
- c) All contracts are to be authorized according to the known or estimated dollar value (inclusive of delivery, including PST and contingency fees but excluding GST).
- d) For contracts with durations of greater than one year, the approval level is calculated as the maximum financial obligation for the City for the minimum



duration of the contract (including PST and contingency fees but excluding GST). Such contracts may include clauses to allow for modifications to unit prices or lump sum prices based on inflation indices. Maximum term of contract shall be five (5) years, unless otherwise approved by Council or the Chief Administrative Officer, in order to maximize competitiveness. All such contracts must fall within the guidelines regulating the Authority to Award Contracts.

- e) Where the Department Director determines it to be of benefit to the City, and where a supplier agrees to generally maintain prices for goods or services at the same level as the previous term, and it falls within the terms of the Purchasing Policy, the Department Director may approve an extension of the contract for an additional term not to exceed a total of 5 years unless otherwise approved by Council or the Chief Administrative Officer.

5.6. General Guidelines

- a) No procurement shall be incurred or payment made by the City for goods and services except as otherwise authorized in accordance with this Policy or exceptions as approved by Council.
- b) Where a commitment has been made in the name of the City by someone who does not have proper authorization, the obligation will be with the person making the commitment and not with the City.
- c) The procurement of goods and services listed in Appendix C are exempt from the requirements of this Policy (but may be governed by other applicable Council policies, bylaws or agreements).
- d) In order to provide transparency and meet the intent of the Comprehensive Economic and Trade Agreement (CETA), Agreement on Internal Trade (AIT), New West Partnership Trade Agreement (NWPTA), etc. competitive bids will be advertised on BC Bid and the City's website where the anticipated costs are at or above the following thresholds as established by the NWPTA:
 - i. \$75,000 or greater for goods and services;
 - ii. \$200,000 or greater for construction projects.
- e) It is recommended that bid documents include the following clauses and that bidders be required to sign off that they have complied:

"The City expects that each supplier has and will comply with any applicable legislation pertaining to the environment. In Canada these include: *Canadian Environmental Protection Act, 1999 (Canada)*, *Fisheries Act (Canada)*, *Transportation of Dangerous Goods Act (Canada/BC)*, *Environmental Management Act (BC)*, and any local regulations and bylaws."



“The City expects that each Proponent has and will comply with internationally recognized labour conventions and recommendations of the International Labour Organization (ILO), of which Canada is a member, and any applicable legislation pertaining to the work place safety, employment and human rights. In Canada these include: *the Corruption of Foreign Public Officials Act (Canada), Human Rights Act (BC), the Employment Standards Act (BC) and the Workers’ Compensation Act (BC).*”

- f) The City of Pitt Meadows shall be under no obligation to accept the lowest bid or any bid received in response to a verbal or written request. The City also reserves the right to review, adjust and/or otherwise amend the scope of the project, construction, specifications, etc. if deemed in the best interests of the City to do so.
- g) Staff should collaborate with other governments, agencies, boards and commissions, public sector entities and associations such as the F.C.M. (Federation of Canadian Municipalities) and Metro Vancouver whenever possible to attain greater consistency and efficiencies in the procurement process.
- h) The contract award limits prescribed by this Policy shall be construed to be the sum of all costs less any rebates plus all applicable net taxes or all revenues.

5.7. Preference for Local Suppliers

- a) The City supports local merchants by encouraging the use of local suppliers and by purchasing locally, where all things are equal.
- b) The following priorities will be given where all things are equal, (i.e. after giving due consideration to determining overall BEST Value):
 - Firstly - Locally
 - Secondly – Within the Province
 - Thirdly – Within Canada
 - Fourthly – Outside Canada
- c) No percentage differences or dollar references will be given to purchasing locally as that would represent a direct grant to local suppliers, however, full consideration will be given to potential future costs or saving that may be experienced by using a local supplier.

5.8. Sustainable & Ethical Purchasing Practices

- a) The City is committed to sustainability and where possible will give preference to products and services that:



- 1) Reduce waste;
 - 2) Reduce air and water pollution;
 - 3) Reduce greenhouse gas emissions;
 - 4) Reduce the use of chemicals that are hazardous to the environment.
Employees and public health;
 - 5) Products that have a high postconsumer recycled materials content, are reusable, recyclable, or compostable;
 - 6) Minimize transportation impacts;
 - 7) Minimize packaging or offer collection/reuse of packaging;
 - 8) Are provided by suppliers who strive to improve their environmental performance and provide environmentally preferable products, and who can document the supply-chain impact of their efforts.
- b) The City shall:
- 1) Act honestly and with integrity, striving to avoid the appearance of impropriety, in all of its procurement and related practices;
 - 2) Maintain consistency in all processes and actions; and
 - 3) Adhere to good ethical standards in all its procurement and related practices.
- c) As a Certified Living Wage Employer, the City is committed to paying its employees and employees of externally contracted service providers a living wage as determined by the Living Wage for Families Campaign:
- (1) The City's Living Wage Policy C092 has established the following criteria to determine a service provider's or subcontractor's eligibility:
 - The total annual value of the service contract is greater than \$10,000;
 - The work lasts longer than one continuous hour per occasion;
 - An employee of a service provider or of its sub-contractor must perform services physically on City premises.

5.9. Prohibitions

The following activities are prohibited:

- a) The division of contracts to avoid the requirements of this Policy.
- b) Committing the City without appropriate authority to do so.
- c) 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 (direct or indirect) unless the conflict has been disclosed and approved by the Chief Administrative Officer.

- d) 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 unless permitted by another Council policy.
- e) Purchase of any city-owned goods by a member of Council, appointed officers, employees of the City or immediate families unless purchase through an authorized asset disposal process (ie. Auction).
- f) The use of a purchasing card by anyone other than the person to whom the card was issued.
- g) The release of a supplier's written or oral information. No employee or any appointed or elected official shall divulge proprietary information paid by the City for goods and services. The City shall not knowingly disclose the contents of a bid and the City shall take all reasonable measures required to safeguard the confidentiality of the contents of a bid, subject to the provisions of the *Freedom of Information and Protection of Privacy Act*.

5.10. Exemptions

See Appendix C.

5.11. Contract Amendments

- a) No amendment or revision to a contract shall be made unless the amendment is in the best interest of the City.
- b) No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- c) Amendments to contracts shall be subject to the identification and availability of sufficient funds in the approved operating or project budget.
- d) Contract amendments for construction projects shall be in accordance with the guidelines in Appendix D.

5.12. Sole Source Purchases

- a) Sole Source purchasing refers to a procurement of goods and services including construction from one supplier due to lack of competitors in the market or where only one supplier can provide that particular good or service. It is important to remember that a sole source can only be supported where alternatives cannot be considered, or where alternatives could present higher total cost to the City.



- b) The direct award of a sole source contract may be considered under one or more of the following situations:
 - i) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
 - ii) Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists, i.e. the contractor has the unique qualifications or skills.
 - iii) The project is a "follow-up" assignment that is most appropriately done by the original contractor.
 - iv) For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
 - v) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
 - vi) The time frame for delivery is very compressed and the tendering or RFP would put the project behind schedule.

- c) The terms and conditions of a sole source purchase shall be negotiated. Sole source purchasing authorities are as follows:
 - i) Sole source purchases up to \$50,000 shall be approved by the Department Manager.
 - ii) Sole source purchases over \$50,000 and not exceeding \$100,000 shall be approved by the Department Director.
 - iii) Sole source purchases over \$100,000 and not exceeding \$250,000 shall be approved by the Chief Administrative Officer.
 - iv) Sole source purchases over \$250,000 shall be approved by Council.

5.13. Single Source Purchases

Single Source purchasing refers to a procurement of goods and servicing including construction from one supplier despite there being competitors in the market. Single source procurement is discouraged unless a valid business case can be made such that entering into a competitive bid process would be detrimental to City operations or where the value of the goods is low and the administrative cost would exceed the benefit derived from a competitive bid process.



The terms and conditions of a single source purchase shall be negotiated. Single source purchasing authorities are as follows:

- i) Single source purchases up to \$50,000 shall be approved by the Department Manager.
- ii) Single source purchases over \$50,000 and not exceeding \$100,000 shall be approved by the Department Director.
- iii) Single source purchases over \$100,000 and not exceeding \$250,000 shall be approved by the Chief Administrative Officer.
- iv) Single source purchases over \$250,000 shall be approved by Council.

5.14. Emergency Purchases:

Emergency purchasing results when an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of open procurement procedures and includes without limitation:

- i) A condition where lack of supplies or services may adversely affect the functioning of local government, threaten public or private property or the environment, or jeopardize the health or safety of the public;
- ii) Interim contract arrangements following the expiration; or breach of a contract; or the receipt of unacceptable or uncompetitive bids.

Emergency purchases are completed using the most expedient method, but shall take economy into consideration. Limits for emergency purchases shall be as indicated in Section 3. Emergency purchases are permitted when authorized by the Chief Administrative Officer or authorization is delegated by the Chief Administrative Officer.

Emergency situations occasionally arise within City operations. In emergency situations it is up to the judgement of the highest authority personnel on hand to make a responsible decision regarding obtaining required goods and services. Any purchases made outside of normal purchasing procedures must be reported to the appropriate authority and to the Chief Administrative Officer as soon as practicable.

5.15. Special Services

Employee benefits, insurance, audit and actuarial services should be acquired by public solicitation at intervals not greater than every five years unless otherwise approved by the Chief Administrative Officer or Council. The services may be contracted on a three (3) year term and be renewed for a term not to exceed an

additional two (2) years subject to the agreement of both parties.

5.16. Local Vendor List

The City may be required to hire vendors and/or equipment to undertake maintenance activities which are beyond its capacity; or undertake capital works projects where the Municipality acts as the contractor. In these circumstances, the Municipality may identify vendors to be included on a Local Vendor List.

To develop the Local Vendor List, the municipality shall periodically advertise for interest by qualified vendors. Details provided by the vendors will include unit rates, listing of equipment and experience in municipal services maintenance and construction.

Directors and Managers are authorized to hire vendors and/or equipment from the Local Vendor List pursuant to their respective level of authority. Call out of vendor and/or equipment shall generally be made from the Local Vendor List on a rotational basis.

A written notification will be provided to successful candidates. All communication between the vendor and the City will be retained on file.

5.17. Vendor Performance

- a) Vendors may be subject to disqualification if there is sufficient evidence of consistent failure to meet standards specified by the City. Vendors may be evaluated based on competitive price, quality of a product, contract adherence and performance, after sales service and replies to call for bids. Upon reasonable notice in writing to the vendor involved, and after a reasonable opportunity for response, a vendor can be disqualified for a period not exceeding three (3) years from participation in a solicitation for goods, services, or construction.
- b) Vendors shall be disqualified when:
 - i) Conviction for a criminal offense of a person or a director or official or such person relating to obtaining or attempting to obtain a contract or subcontract or an indication of lack of business integrity or honesty which directly and seriously effects the responsibility of the contractor.
 - ii) Serious breach of contract indicating unwillingness to perform a contract in accordance with the terms and conditions or specifications or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof or in accordance with its specifications or both.



- iii) The offer of any gratuity to an official or employee of the City by a vendor or contractor for consideration.
- iv) A written decision shall be issued to the person disqualified or suspended setting out its reasons for disqualification or suspension, to the usual business address of that person as shown in the records of the purchasing section.
- v) Disqualification shall be approved by the Chief Administrative Officer.

5.18. Vendor Debriefings

A vendor may request a debriefing after the contract is awarded if the request is made within 10 days of the award notice being issued.

5.19. Bid and Performance Securities and Specifications

- a) The City reserves the right to require bid bonds to be posted by bidders. An alternate form of security deposit may be considered if deemed appropriate by the Chief Financial Officer.
- b) The City may request a performance and/or labour/material bond or alternative approved security if deemed necessary by the Department Director with budgetary responsibility for the expenditure. The security will be held to ensure contract completion.
- c) Any bid that requires a bond or deposit, either before or after bid opening, and it is not included, shall be rejected. Security shall be returned to the unsuccessful bidder within 30 days of the tender opening.
- d) All employees shall use the security guidelines as set out in Appendix E of this Policy entitled Security Guidelines.

6. Responsibilities

6.1) Council to:

- a) Approve this Policy;
- b) Approve future amendments to this Policy; and,
- c) Approve the Budget to cover the acquisition of goods or services that are not included in the approved budget.



6.2) Chief Administrative Officer to:

- a) Implement this Policy
- b) Bring forward future amendments to this Policy for Council's consideration; and
- c) Approve and issue Administrative Directive(s) required to implement this policy.

6.3) Chief Financial Officer to:

- a) Ensure compliance with this Policy as required; and
- b) Approve and issue Administrative Procedure(s) and/or Department or Intradepartmental Guidelines required to implement this Policy.

6.4) Department Directors to:

- a) Ensure compliance with this Policy;
- b) Promote conduct and communication with vendors and contractors that is fair, ethical, professional and respectful;
- c) Support procurement practices that promote and manage vendor development and performance; and
- d) Ensure funding is approved and available for department purchases.

6.5) Procurement and Contract Administrator to:

- a) Represent the City as its Purchasing Agent;
- b) Administer the Policy;
- c) Oversee and control the competitive procurement process;
- d) Develop Administrative Procedure(s) and/or Department or intradepartmental guidelines required to implement this Policy including but not limited to:
 - i. General processes to be used to implement this Policy;
 - ii. Processes to support local businesses within the provisions of applicable trade agreements;
 - iii. Conducting periodic reviews of vendors with long-term arrangements with the City to identify potential conflicts of interest that may have emerged since arrangements were initially set up;



- iv. Establish and maintain a list of related parties and potential conflicts of interest of staff and Council members and review the list as part of the procurement award process;
 - v. Processes to support sustainable purchasing; and
 - vi. Processes that support environmental stewardship.
- e) Execute all approved contracts on behalf of the City for acquisition of goods & services; and
- f) Maintain a repository of purchase contracts in accordance with the Local Government Management Association (LGMA) file plan and retention practices.

6.6) All staff are responsible for ensuring this policy is adhered to.

6.7) Council reporting includes but it is not limited to:

- a) Annual list of suppliers who received aggregate payments exceeding \$25,000 as per the Financial Information Regulation Schedule 1, Section 7(1) and (2).

6.8) Budget Control

- a) Net Zero Procedure:
 - i. There is an opportunity for Managers, Directors and the Chief Administrative Officer to make “Net Zero Adjustments” between projects or between budget cycles provided they are funded from the same reserve.
 - ii. This is not an opportunity to receive additional funding as by definition the changes must net to zero.
 - iii. Projects of equal or lesser value may be traded off within the current year or within the five (5) year period providing reserve funding is available adhering to the following thresholds:

Threshold^	Approval Level^
Up to \$50,000	Department Manager
Up to \$100,000	Department Director



Over \$100,000	Chief Administrative Officer
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[^] The projects have been approved during the budget process. The alignment of the budgets may be adjusted based on the identified thresholds to be efficient and cost effective.

- b) For quotes or bids that come in over budget, and the Net Zero Procedure is not available (ie transferring budget from another approved project) prior to awarding the contract, the Department Director must obtain Council approval to award the contract and must identify an appropriate funding source for the overage.

7. Related Bylaws and Policies

- a) Emergency Program Bylaw No. 2813, 2018
- b) Officers and Delegation of Authority Bylaw No. 2682, 2015 as amended from time to time
- c) C013 – Disposal of Surplus Assets
- d) C092 – Living Wage
- e) A020 – Conflict of Interest
- f) A026 – Purchase Card

8. Appendices

- a) APPENDIX A – Definitions
- b) APPENDIX B – Summary Schedule of Purchasing Authorities and Responsibilities
- c) APPENDIX C – List of Exemptions
- d) APPENDIX D – Contract Amendment/Scope Change for Construction Projects
- e) APPENDIX E – Security Guidelines



Appendix A: Definitions

Administrative Directives – means those directives issued by the Chief Administrative Officer in respect of practices and/or policies affecting the purchasing of goods & services that are applicable to all departments of the City.

Administrative Procedures – means those procedures issued by a City staff member that set out the procedural requirements to be carried out in fulfillment of this Policy.

Agreement on Internal Trade – is an intergovernmental trade agreement signed by Canadian First Ministers that came into force in 1995. Its purpose is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investment within Canada and to establish an open, efficient, and stable domestic market.

Award - refers to the business decision to enter into a contract for goods, services, and construction.

BC Bid – The British Columbia government electronic sourcing mechanism in which procurement opportunities for goods and services are listed and in accordance, as may be required, with the New West Partnership Trade Agreement and other legislated requirements.

Best value - refers to evaluating bids not only on purchase price and life cycle cost considerations, but also taking into account items such as environmental and social considerations, delivery dates, servicing, ease of operation, standardization, maintenance, safety standards, resale value, suitability for intended use, vendor reputation, and the capacity of the supplier to meet other criteria as stated in the tender/proposal documents.

Bid - refers to a written or verbal offer or submission received from a vendor, contractor or consultant in response to a request, such offer or submission may be subject to acceptance or rejection.

Bond – means a written agreement in which a surety company guarantees that a contractor will fulfill its obligations to a third party who has contracted with the contractor to perform certain works and in which, if the contractor defaults on its obligations, the surety agrees to complete the obligations or pay for the completion costs to the third party.

Bid Bond – a guarantee that if a bidder's tender or proposal is accepted that the bidder will enter into the contract within the time specified.

City - means City of Pitt Meadows.

Competitive Procurement Process – means a fair and open competition based on functional and generic specifications as applicable to thresholds established in Appendix B.

Conflict of Interest – means a situation where a City of Pitt Meadows Employee has a private or personal interest sufficient to influence or to appear to influence the objective performance of his or her duties as an Employee of the City, and includes a Direct or Indirect Conflict of Interest.



Construction - refers to the construction, reconstruction, demolition, repair or renovation of a building, structure, road, infrastructure or other engineering or architectural work, excluding professional consulting services related to the construction contract unless they are included in the procurement.

Contract - refers to a contract for the purchase by Pitt Meadows of goods, services, and construction, including the issuance of a purchase order and/or the execution of any agreement evidencing the obligation.

Department - refers to the user department requisitioning goods, service, and construction.

Department Director – refers to the senior management positions responsible for duties of their respective departments.

Department Manager – for the purposes of this policy refers to the management positions at the operational level.

Direct Conflict of Interest – means a situation where a City of Pitt Meadows Employee derives or is seen to derive some financial or personal benefit or avoid financial or personal loss.

Emergency – means a sudden, unexpected, or impending situation that may cause injury, loss of life, damage to the property, and/or interference with the normal activities of the City and which, therefore, requires immediate attention and remedial action.

Expression of Interest – refers to a technique used to screen or pre-qualify potential bidders or proponents.

Goods and Services - includes labour, supplies, materials, equipment and services of every kind, required by the City.

Guidelines - general recommendations, not mandatory, providing an overview for those situations where there is an absence of other information, standards or policies.

Indirect Conflict of Interest – means a situation where a potential pecuniary or non-pecuniary benefit or avoidance of loss is experienced by a person or corporation related to the City of Pitt Meadows Employee.

Invitation to Quote – refers to a request for a written bid or offer to sell or provide goods, services or construction based on clearly defined specifications and criteria. Used for major construction, renovation, public works projects and services contracts. Bonding required.

Living Wage – the hourly wage established by the Living Wage for Families Campaign from time to time, which includes: i) direct wages; and ii) the value of any non-mandatory benefits such as paid sick leave and extended health benefits.

Living Wage Employee – any and all employees of a vendor and subcontractors of vendors that perform services on a property owned by or leased to the City for at least one consecutive hour, but excluding students and volunteers

New West Partnership Trade Agreement – An accord between the Governments of British Columbia, Alberta and Saskatchewan that creates Canada's largest, barrier-free, interprovincial market. It upholds high standards in labour protection, environmental law and supports bid opportunities for Canadian companies.



Payment Bond – a protection of all persons supplying labour and material to the contractor or its subcontractors for the performance of the work provided for in the contract.

Performance Bond – an undertaking that the contractor will complete the contract in accordance with the plans and specifications, on time and at the agreed price.

Prequalification – a process intended to select respondent(s) who may be invited to participate in the next stage of a competitive procurement process. Pre-qualification does not guarantee an invitation to tender will be issued but serves only as notice that a company has been pre-qualified for future bidding opportunities.

Purchase Card – is the corporate purchasing card issued to departments and/or staff for purchases as per the terms and conditions of the Purchase Card Policy. See the Purchase Card Policy for further advice. Purchase cards can be used to buy goods or services from a supplier or to pay an invoice for same.

Purchase order – refers to a written confirmation to procure goods and services or a written acceptance of an offer, made on the City's numbered purchase order form.

Request for Expression of Interest – through the pre-qualification process, the City will establish a list of contractors that it judges to have the expertise, capabilities, and resources to successfully perform the work.

Request for Quotation – refers to a written or verbal request for bids for the supply of goods or services from selected sources of supply. NOT opened in public. Least formal way of obtaining written price and product information.

Request for Proposal – refers to a competitive process which seeks the creative input of the market place. It details the 'what', the 'when' and the 'why' but not the 'how'. It seeks the best value through the competition of rival proponents. Proposals describe in detail the project to be undertaken, the intended result of the project and the criteria for choosing the successful proponent. Cost is NOT the primary factor.

Single Source – there is more than one source of supply in the open market place but only for reasons of function and service that one vendor is recommended for consideration for the particular goods and services.

Sole Source - there is only one source of supply of the particular goods and/or services.

Surplus – refers to municipally owned furniture, supplies, vehicles and equipment (assets) with remaining useful life, which does not meet the City's current or foreseeable future need and is not considered waste.

Standing Offer – A continuous offer from a pre-approved supplier to supply goods and/or services, as requested, through the use of a call-up process during a particular period of time, at a predetermined price or discount, generally within a pre-defined dollar limit. A standing offer is not a contract until the City issues a call-up against the standing offer. Standing offers are used to meet recurring one-off needs; however, the actual demand is not known and delivery is to be made when a requirement arises. Standing offers may be in effect for one (1) year or cover different periods of time and are subject to normal contracting policies and procedures. Pre-approved suppliers are assembled based on a competitive process.



Two Phase Bids – refers to a competitive process where detailed specifications are not available or it is impractical to prepare a specification based on price and invites the submission of bids as follows:

- **Phase one:** one or more steps in which bidders submit proposals, for evaluation either with or without prices in a separate submission and
- **Phase two:** only those bidders whose bids were determined to be acceptable will be entitled to submit priced bids for consideration or, where prices have been separately submitted in phase one, such bids are opened and awarded to the lowest overall cost.

Appendix B – Summary of Purchasing Authorities and Responsibilities

All purchases made must be within an approved budget, except where allowed under the Emergency Purchases section of this policy.

Anticipated Value of Goods and Services	Authority Required	Minimum Competition Required	Considerations
\$0-\$10,000	<ol style="list-style-type: none"> 1. Purchase Card 2. Authorized signature 	<ol style="list-style-type: none"> 1. Purchaser must ensure City receives best value 	<ol style="list-style-type: none"> 1. Cardholder must adhere to Purchase Card Responsibilities and Obligations Acknowledgement form
\$10,001 - \$50,000	<ol style="list-style-type: none"> 1. Department Manager for low bid 2. Department Director for non-low bid 	<ol style="list-style-type: none"> 1. Three written quotes 	<ol style="list-style-type: none"> 1. Purchase order must be used when formal contract is not in place* 2. Must meet lowest bid specifications or be based on established best value evaluation criteria 3. Competitive process must be administered by purchasing
\$50,001 - \$100,000	<ol style="list-style-type: none"> 1. Department Director 	<ol style="list-style-type: none"> 1. Three written quotes 	<ol style="list-style-type: none"> 1. Purchase order must be used when formal contract is not in place* 2. Must meet lowest bid specifications or be based on established best value evaluation criteria 3. Competitive process must be administered by purchasing 4. Expression of Interest may be used to shortlist 5. Competitive bids for goods and services over \$75,000 need to be advertised on the City's website and on an electronic procurement site
\$100,001-\$250,000	<ol style="list-style-type: none"> 1. CAO 	<ol style="list-style-type: none"> 1. Request for Proposal 2. Invitation to Tender 3. Request for Quotation 	<ol style="list-style-type: none"> 1. Purchase order must be used when formal contract is not in place* 2. Must meet lowest bid specifications or be based on established best value evaluation criteria 3. Expression of Interest may be used to shortlist 4. Competitive bids for goods and services need to be advertised on the City's website and on an electronic procurement site 5. Competitive bids for construction projects over \$200,000 need to be advertised on the City's website and on an electronic procurement site 6. Competitive process must be administered by purchasing
\$250,001 to approved budget	<ol style="list-style-type: none"> 1. CAO for low bid 2. City Council for non-low bid 	<ol style="list-style-type: none"> 1. Request for Proposal 2. Invitation to Tender 3. Request for Quotation 	<ol style="list-style-type: none"> 1. Purchase order must be used when formal contract is not in place* 2. Must meet lowest bid specifications or be based on established best value evaluation criteria 3. Expression of Interest may be used to shortlist 4. Competitive bids for construction projects need to be advertised on the City's website and on an electronic procurement site 5. Report recommending award must be forwarded to Council for all non-low bids 6. Competitive process must be administered by purchasing

Purchase card records and Cheque requisitions are to be approved by immediate supervisor. CFO to approve Directors and CAO to approve CFO.

*The use of Purchase Orders is strongly encouraged even when formal contract is in place to assist in managing budget commitments

Appendix C

List of Exemptions

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

- 1) Petty Cash Items
- 2) Training and Education including:
 - Conferences, Conventions and Tradeshows
 - Newspapers, Magazines & Periodicals (subscriptions)
 - Memberships & dues
 - Seminars, Workshops, Courses
- 3) Refundable Employee/Other Expenses including:
 - Advances
 - University Courses
 - Entertainment
 - Miscellaneous Non-Travel
 - Meal Allowances
 - Travel Expenses
 - Hotel Accommodation
 - Refunds: tax, recreation, permits, deposits
- 4) General Expenses including:
 - Payroll Deduction Remittances
 - Grants to other Agencies or Associations
 - Medical & Dental Expenses
 - Debenture Payments
 - Payment of Damages
 - Petty Cash Replenishment
 - Tax Remittances
 - Councillors' Discretionary Funds
 - Licences (vehicles, elevator, etc.)
 - Charges to and from other government bodies or Crown corporations
 - Bank Charges and Underwriting Services where covered by agreements
 - RCMP contract payments
 - Legal fees
 - Postage
 - Fuel



- 5) Land Acquisition & Land sales
- 6) Licenses and/or Agreements related to real property owned by the City
- 7) Sale and disposition of Surplus Assets
- 8) Utility Charges including:
 - Water & Sewage Charges
 - Power and Related Infrastructure when purchased from the Public Utility
 - Telephone Services
 - Cable Television Services
- 9) Miscellaneous
 - Print, Television and Radio Media Advertising Accounts
 - Payments for co-sponsored programs and services (i.e. RCMP Housing and Support costs)

Appendix D

Contract or Purchase Order Amendments/Scope Change for Construction Projects

This document defines the guidelines for approval of contract or purchase order amendments and or scope changes to construction projects.

1. Policy

During the course of a project additional work, not anticipated during the project planning phase, may arise. A contractor currently working for the City may be able to better respond to the related work. As a result an existing contractor may be asked for a quotation and it may be used to form the basis of a separate contract or an amendment to an existing contract.

2. Guidelines

Contract or purchase order amendments for overages **without** offsetting surpluses elsewhere within the Council approved budget will be reported to Council for approval.

Contract or purchase order amendments for overages **with** offsetting surpluses elsewhere within the Council approved budget must only be approved by the staff person that approved the award and only if the total amount of the contract or purchase order, including the increase, is within that staff person's signing authority limit.

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

3. Procedure

- a) Approvals for contract amendment must be documented and submitted for approval prior to the work being undertaken. Report formats and approval processes will be approved by the Chief Administrative Officer. These reports must be maintained by the Procurement and Contract Administrator for reference purposes. Adjustments requiring Council approval will follow the standard Report to Council process.
- b) When it is identified that there is a change in scope of work in a project it is incumbent upon the Project Manager to issue a written change order identifying the change of work agreed upon by both parties.
- c) Change orders must be signed and dated by both parties.



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- d) If there is bonding on the project and scope increases or changes significantly the Project Manager must provide written notification to the bonding company to protect or increase bonding.

Appendix E

Security Guidelines

General recommendations providing an overview of optional considerations for those situations where there is an absence of other information, standards or policies.

1. For Tendered Projects Up to and including \$50,000:

The bidder shall not be required to post a Bid Security or Performance Security. Contractors must have a successful performance record in completing contracts of equal value of tender and must supply references to qualify.

2. For All Projects Over \$50,000 and up to \$150,000 In Estimated Cost:

The bidder may provide in lieu of a bid bond, an Irrevocable Letter of Credit, in a form acceptable to the Chief Financial Officer, at 10% of the tendered price. In lieu of the labour and materials Performance Bond, the bidder may increase the bid Letter of Credit to 25% of the contract value. The 25% security Letter of Credit shall not be released until the work has been subsequently completed as defined in the contract documents. All contractors must have a successful performance record in completing contracts of equal value of tender and must supply references to qualify.

3. For All Projects Over \$150,000 Estimated Cost:

The bidders shall provide a bid bond of 10% of the tendered price of labour and materials. A Performance Bond, in the form of an Irrevocable Letter of Credit, for 50% of the contract value.

4. For Contractors not having a Proven Performance Record in Completing Contracts of Equal Value of Tender:

All contractors not having a proven performance record in completing contracts of equal value of tender will be required to follow the guidelines as set out in Appendix E, Security Guidelines, Item 3, no matter the value of the bid or the project.