

ATTACHMENT A



Section:	Equipment and Supplies	03
Subsection:	Procurement	1200
Title:	PROCUREMENT POLICY	01

POLICY

The City of Nanaimo (the “**City**”) is committed to fair, open and transparent acquisition of goods or services, construction-related services, consulting services, space leases and revenue contracts (collectively, the “**Goods & Services**”, each, the “**Goods or Services**”) that result in value-for-money for residents and other stakeholders.

REASON FOR POLICY

The purpose of this Policy is to establish governance parameters for the purchasing of all Goods & Services for the City.

The Policy is intended to:

- i. promote fair, open and transparent purchasing practices for the City’s purchase of Goods & Services;
- ii. protect the interests of the citizens of Nanaimo, ensuring the City obtains the best value and good outcomes for its expenditures; and
- iii. establish controls for approval, process, advertising and contract requirements appropriate for a public institution.

AUTHORITY TO ACT

Delegated to Staff.

PROCEDURE

1. Definitions

In this Policy:

- 1.1 “**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.

- 1.2 **“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.
- 1.3 **“Appointed Officers”** means those individuals that are appointed to specific roles and form part of the administrative branch of the City.
- 1.4 **“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.
- 1.5 **“Chief Administrative Officer”** means the person who is appointed to be the Chief Administrative Officer of the City.
- 1.6 **“Chief Financial Officer”** means the individual who is appointed to be the Chief Financial Officer of the City.
- 1.7 **“Competitive Bid Process”** is the process by which competitive bids are considered for a contemplated purchase from various Suppliers through processes where the bids are requested, received, evaluated and a *Contract* is awarded through a public process that promotes fairness and transparency.
- 1.8 **“Confidential Information”** means any information respecting the City, whether originated by an employee, whether in written, oral, electronic, mechanical or any other form, whether disclosed before or after the effective date of employment of an employee, whether specifically described as “confidential” and whether provided by the City or by anyone on behalf of the City.
- 1.9 **“Contract”** means a legally enforceable agreement between two or more parties. Legally binding contracts have six elements:
- (i) Offer;
 - (ii) Acceptance;
 - (iii) Contracting parties have the authority or capacity to enter into a binding agreement;
 - (iv) Legal consideration (something of value, often money) is exchanged;
 - (v) Lawful purpose; and,
 - (vi) Genuine desire or intent to create a binding contract.
- 1.10 **“Community Benefit Clauses”** are a contractual requirement upon a contractor to deliver a wider social benefit as part of a *Contract*.
- 1.11 **“Council”** means the elected council members of the City of Nanaimo.
- 1.12 **“Department Manager”** means the manager of a City department who is the primary user or coordinator of the Goods or Services to be procured.
- 1.13 **“Department or Intradepartmental Guidelines”** means those procurement practice guidelines issued by a *Department Manager* specific to his/her department.
- 1.14 **“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.

- 1.15 **“Non-competitive Process”** is a process of determining a Supplier for goods or services in which the *Competitive Bid Process* is not followed.
- 1.16 **“Non-Compliance”** occurs when a contract for the purchase of Goods or Services was entered into, outside of the requirements of this Policy, and the circumstances were not otherwise exempt under section 4 of this Policy.
- 1.17 **“Project Manager”** means a City employee who, on behalf of his/her department, is overseeing the procurement and general management of the Goods or Services being procured.
- 1.18 **“Purchasing Manager”** means the manager of the City's central purchasing department, or his or her designate.
- 1.19 **“RFX”** – An acronym that means “request for X”, with X representing any of the formal bid documents used to obtain information or cost estimates for the procurement of goods, services or construction, including request for information (RFI), request for proposal (RFP), request for quotation (RFQ), request for tender (RFT), request for prequalification (RFPQ), and request for information (RFI).
- 1.20 **“Single Source Purchase”** means a non-competitive acquisition whereby purchases for goods and or services are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.
- 1.21 **“Social or Sustainable Purchasing”** is a process whereby the City procures goods or services considering not only the economic value for money (price, quality, availability, functionality) but also the environmental, social and ethical impacts of these goods and services.
- 1.22 **“Sole Source Purchase”** means a non-competitive acquisition whereby the purchases for goods and or services are directed to one source where there is only one available Vendor or Contractor of that good and or service that meets the needs or requirements of the City.

2. Responsibilities

- 2.1 Council to:
 - 2.1.1 Approve this Policy;
 - 2.1.2 Approve future amendments to this Policy; and,
 - 2.1.3 Approve the Budget to cover the acquisition of Goods or Services that are not included in the current year's approved Budget.
- 2.2 Chief Administrative Officer to:
 - 2.2.1 Implement this Policy;
 - 2.2.2 Bring forward future amendments to this Policy for Council's consideration; and,
 - 2.2.3 Approve and issue Administrative Directive(s) required to implement this Policy.
- 2.3 Chief Financial Officer to:
 - 2.3.1 Ensure compliance with this Policy as required;
 - 2.3.2 Approve and issue Administrative Procedure(s) and/or Department or Intradepartmental Guidelines required to implement this Policy; and,

2.3.3 Approve Sole and Single Source purchases.

Department Heads

2.3.4 Ensure compliance with this Policy;

2.3.5 Promote conduct and communication with vendors and contractors that is fair, professional and respectful;

2.3.6 Support procurement practises that promote and manage vendor development and performance;

2.3.7 Ensure funding is available for department purchases;

2.3.8 Approve Sole and Single Source purchases; and,

2.3.9 Approve purchase contract content.

2.4 Manager of Purchasing and Stores to:

2.4.1 Represent the City as its Purchasing Agent;

2.4.2 Administer this Policy;

2.4.3 Oversee and control the purchasing of all Goods & Services;

2.4.4 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) Processes to support sustainable purchasing; and,

(iv) Processes that support environmental stewardship.

2.4.5 Execute all approved contracts on behalf of the City for acquisition of Goods & Services; and,

2.4.6 Maintain a repository of purchase contracts in accordance with the City Records Retention Policy.

3. Organization

3.1 The City is organized with a central purchasing department and all purchases covered by this Policy shall be conducted through the central purchasing department, except as otherwise permitted hereunder.

3.2 The City will have appointed at all times an individual to be the Manager of Purchasing and Stores to carry out the responsibilities set out in section 2.5.

3.3 Wherever possible, the City encourages City employees and volunteers to conduct purchasing through a consolidated or group purchasing basis, by combining all like purchases across departments or with other public agencies, to achieving efficiencies and economic value.

3.4 The procurement value thresholds and corresponding approval protocols will reflect the City's commitment to the following:

3.4.1 responsible fiscal spending and management;

3.4.2 fair, open and transparent procurement practices; and,

3.4.3 compliance with applicable trade agreements.

4. Application of Policy

4.1 The Policy applies to all employees, volunteers and other authorized personnel responsible for purchasing Goods & Services for the City, responsible for approving the purchase of Goods & Services, or responsible for executing contracts for the purchase of Goods & Services, on behalf of the City.

4.2 The Policy does not apply to the following:

4.2.1 Purchase of land and improvements;

4.2.2 Disposition of land and improvements owned by the City;

4.2.3 Licenses, leases and/or agreements related to real property owned by the City;

4.2.4 Procurement and payment of goods and services including, but not limited to:

(i) courses, seminars, staff training, development training, workshops;

(ii) conventions;

(iii) association fees and membership dues;

(iv) payroll deductions;

(v) grants to other agencies and associations;

(vi) debt payments;

(vii) payment of damages or settlements;

(viii) petty cash replenishments;

(ix) RCMP contract payments;

(x) payments to partners for co-sponsored programs;

(xi) purchase of utility services, such as hydro, gas, internet and phone;

(xii) general postage; and,

(xiii) refundable employee expenses, including but not limited to travel expenses, parking, hotel, airline charges, mileage allowances, meals and related incidentals.

4.2.5 Recurring annual charges including, but not limited to, payment to other governmental authorities and investments.

4.2.6 Hiring of regular, temporary and casual employees by the City.

5. Methods of Procurement

5.1 Sourcing

5.1.1 Sourcing is a process used to continually improve and re-evaluate supply chain activities. Sourcing may be used in circumstances where the internal information available regarding either the type of procurement that is required or the capabilities of the market to deliver the requirement is insufficient.

Sourcing allows the City to gain information from the supplier community without entering into a binding agreement between the City and pre-qualified respondents. Language must be clearly defined in the terms and conditions of these documents to ensure there is no obligation on the part of the City to call on any pre-qualified respondent to supply such goods, services or construction.

(i) REQUEST FOR INFORMATION (RFI)

The purpose of a RFI is to gather general supplier or product information and gather information regarding the interest of the supplier community for a potential business opportunity. This method may be used when researching a contemplated procurement and the characteristics of an ideal solution are still unknown.

Responses to a RFI typically contribute to the Competitive Bid Process and issuance of an RFX. An RFI should be utilized for resolving targeted questions about the required acquisition, market sounding, seeking combinations of industry leading practices, suggestions, expertise and reciprocate concerns and additional questions from respondents. The information collected may also facilitate the selection of the best method of procurement.

(ii) REQUEST FOR PRE-QUALIFICATION (RFPQ)

A RFPQ is used to gather information regarding a supplier's capability, capacity and qualifications, with the intention of creating a list of pre-qualified suppliers. The purpose of this process is designed to reduce effort devoted to the Competitive Bid Process and may be used when the any of following criterion applies:

- 5.1.2 To understand which respondents have the capabilities required by the City to complete a specific work discipline, requirement or project, as the first stage of a two-stage solicitation (followed by an RFX), whereby only prequalified respondents will be invited to take part in the competitive process.

5.2 Low Value Purchase (LVP)

- 5.2.1 Purchases that are random in nature, not included in a standing agreement, not available from inventory and under the value of \$5,000, do not require a purchase order. LVP requirements should be purchased using a procurement card.

5.3 Competitive Bid Process

- 5.3.1 The Municipality obtains comparative pricing for purchases whenever possible to maximize value for money and to comply with legislation governing public procurement. All purchases exceeding \$25,000 must use an open, transparent and non-discriminatory competitive selection process whereby competitive bids are obtained. The Competitive Bid Process is used to ensure competitive value for funds expended and to provide companies the opportunity to support City operations and projects. Competitive Bidding will comply with federal and provincial requirements for open tendering through an electronic tendering system (example: BC Bids) using the following primary RFX documents used for soliciting competitive bids:

- (i) Request for Quote (RFQ). An RFQ is used to solicit competitive bids, valued between \$25,000 and \$75,000 for services and \$25,000 and \$200,000 for construction, when the solutions, specifications, performance standard(s) and timeframe(s) are defined;
- (ii) Request for Tender (RFT). An RFT is used to solicit competitive bids, valued over \$75,000 for goods and services and over \$200,000 for construction, when the solutions, specifications, performance standard(s) and timeframe(s) are defined. Tenders are opened publicly and are typically awarded to the bidder with the lowest cost; and,
- (iii) Request for Proposal (RFP). An RFP is an alternative to the RFT, normally for the provision of services, and allows the vendor an opportunity to propose a solution to the City's requirement, which may include providing unique skills. This is used for all purchases over \$75,000 for goods and services and over \$200,000 for construction. The selection of the successful vendor is based on the evaluated best overall value to the City.
- (iv) Request for Statement of Qualifications (RSOQ). An RSOQ is used where the **best qualified and most compatible vendor for a specific project is required. RSOQs are particularly valuable for situations where the scope of services required is not fully understood at the time of procurement or when attributes such as previous knowledge, innovation, and proprietary technology are required for success.** An agreement is negotiated with the vendor receiving the highest evaluated score for qualifications.

5.3.2 In accordance with the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA) there will be no local preferences for purchases within the City.

5.4 Non-Competitive Process

The City will use the Competitive Bid Process for purchases whenever possible. However, it is recognized that situations will exist where competitive selection is not practical. Any consideration to use a non-competitive selection process must be taken carefully and with an honest view of the conditions surrounding the purchase. Provided all competitive opportunities have been exhausted a Non-competitive Purchase may be conducted using Single or Sole sourcing methods to make a purchase of Goods, Services or Construction.

All Non-competitive Purchases must be approved in writing by the Department Head.

A Notice of Intent to Award must be posted publicly prior to contracting a Non-competitive Purchase.

5.4.1 Single Source Procurement

A Single Source purchase may be conducted for the procurement of Goods, Services or Construction where there may be more than one supplier capable of delivering the same goods or services. A Single Source purchase shall not be pursued for the purposes of avoiding competition between suppliers or to discriminate against suppliers. Failure to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency. Single Source purchases shall be arranged by the Purchasing and Stores

Manager and shall be included in the quarterly report to Council prepared by the Chief Financial Officer or his/her designate. The circumstances where single source purchases are allowed are as follows:

- (i) Where an unforeseeable Emergency situations exists;
- (ii) For matters involving security, or confidential issues, a purchase may be made in a manner that protects the confidentiality or security of the Contractor or the City;
- (iii) Where a contract is to be awarded under a cooperative type agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the organization include rules for awarding contracts that differ from the obligations set out in this Policy;
- (iv) Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for the use in the construction or repair of roads.;
- (v) In absence of a receipt of any bids in response to a call for bid in accordance with this Policy;
- (vi) Where the City has a lease or rental contract with a purchase option and such purchase option could be beneficial to the City;
- (vii) Where the project is highly sensitive or confidential and broadcasting it via open competition is not appropriate;
- (viii) Where the work is a continuation or follow-up assignment to be undertaken by the original service provider, and an appropriate procurement process cannot otherwise be undertaken for other reasons provided in this Policy;
- (ix) The City can strictly prove that only one contractor is qualified, or is available, to provide the goods, services or construction;
- (x) Where there is an operational requirement requiring compatibility, standardization and uniformity with existing equipment and, in order to satisfy this requirement, the Goods or Services must be procured from a specific vendor (e.g. servicing by a specific supplier required for warranty purposes; same machinery required for operational purposes); or,
- (xi) In the absence of a receipt of any bids in response to a call for tenders.

5.4.2 Sole Source Procurement

A Sole Source Purchase may be conducted for the procurement of Goods, Services or Construction where the good or service is unique to a vendor. Sole Source Purchases shall be arranged for by the Purchasing and Stores Manager and shall be included in the quarterly report to Council prepared by the Chief Administrative Officer or his/her designate. The circumstances where sole source purchases are allowed are as follows:

- (i) Where there is only one available source usually due to a patent or copyright of the technology required, technological compatibility with existing equipment or uniqueness of the service provided; or,
- (ii) Where Goods are offered for sale to the City by bid, auction or negotiation such purchase will be deemed to be a Sole Source Purchase and the Chief Financial Officer may authorize the submission of a Bid or the conduct of negotiations where the Chief Financial Officer determines the purchase to be clearly in the best interest of the City.

5.5 Unsolicited Bids

5.5.1 Unsolicited bids received by the City will be reviewed by the Department Head and the Purchasing Manager or designate. Award of an unsolicited bid is done so on a non-competitive basis; therefore, the single or sole source purchase provisions of this policy will apply.

6. Vendor Management

6.1 The City values the expertise, experience and quality of work provided by Suppliers. To nurture and maintain lasting relationships and acceptable quality of goods and services, the City will manage all Vendors per the Purchasing and Stores - Vendor Management Procedures.

6.2 Purchasing and Stores will be responsible to enforce the terms of contracts wherever possible and appropriate. Department Heads/Project Managers will be responsible to document vendor performance in the contract file by means of a Vendor Performance Evaluation form.

In the event of a poor performance rating, Purchasing and Stores and Department Heads/Project Managers will develop Vendor Performance Corrective Action plans to bring performance back to an acceptable level. If acceptable performance is not restored, the Chief Administrative Officer may take appropriate action to reduce risk to the City.

6.3 Exclusion of Vendors

6.3.1 The City may, in its absolute discretion, exclude a vendor from participating in a procurement process or reject the submission of a vendor if:

- (i) The vendor, or any of its officers or directors has been engaged, or is currently engaged, directly or indirectly, in a legal action against the City, its employees or elected or appointed officers in relation to:
 - (a) any other procurement process;
 - (b) any other contract for Goods & Services; or,
 - (c) any matter arising from the City's exercise of its powers, duties, or functions under the *Local Government Act*, the *Community Charter*, or another enactment, within five years of the date of the procurement in question; or,
- (ii) A Vendor has failed to declare a potential conflict of interest when responding to a procurement request.

- (iii) A Vendor has failed to meet performance requirements as per the City's Vendor Management program.

7. Contract Management

- 7.1 All contracts, tender documents, addenda and amendments to tender documents, notices of awards, bonds, letters of credit, notices of intent to contract, change order, purchase orders, renewals, extensions, and any other forms of commitment and contracts will be on terms and conditions approved by the City's legal counsel. Any material deviation from the approved terms and conditions of any document requires the prior approval of the City's legal counsel.

The concurrence of the City's legal counsel is required on any contract which is unique or deviates from the terms and conditions previously approved by the City's legal counsel.

- 7.2 Any continuous or repetitive series of contracts that appear to be structured to avoid the contracting authority limits set out in this policy will be reviewed by the Purchasing and Stores Manager and reported to the Chief Financial Officer.
- 7.3 All contracts must be endorsed by the Vendor prior to being endorsed by the City.
- 7.4 Overall management of rental and lease agreements for equipment is the responsibility of the Purchasing and Stores Manager. All rent to purchase agreements shall be established per the Competitive Selection procedure. The following are examples of items that would use rent to purchase agreements:
 - 7.4.1 Construction machinery and equipment (tractors, compressors, backhoes, cranes, etc.);
 - 7.4.2 Cars and trucks; and,
 - 7.4.3 Other miscellaneous items such as vending machines, etc.
- 7.5 Purchasing and Stores will maintain all records and relevant supporting documents for purchase contracts in accordance with the City's Records Retention Policy.
- 7.6 City Department staff are responsible for providing Purchasing and Stores any contract related documentations, including change documentation, in a timely manner, to enable contract changes to be prepared appropriately for any change in work.
- 7.7 Contract durations shall be limited to a maximum of 5 years unless otherwise approved by the Chief Administrative Officer or Chief Financial Officer.

8. Sustainable Procurement

- 8.1 The City will procure goods with due regard to the City's commitment to encourage use of environmentally friendly products.
- 8.2 City departments will use, where feasible, products that perform and have the least damaging/most beneficial environmental impact, including new environmentally preferable products, reusable products, recycled content and recycled products.
- 8.3 At its discretion, the City will include a *Community Benefit Clause* in its *Requests for Proposals* and insist that such a clause form part of resultant obligations within final contract language.

9. Compliance Obligations

- 9.1 All employees, volunteers and other authorized personnel responsible for purchasing Goods & Services, responsible for approving the purchase of Goods & Services, or responsible for executing contracts for the purchase of Goods & Services, on behalf of the City, must adhere to this Policy.
- 9.2 All employees and volunteers are expected to conduct themselves with personal integrity, ethics, honesty and diligence when acquiring Goods & Services on behalf of the City and must comply with the City HR. 4.1, Code of Conduct Policy as amended.
- 9.3 All competitive procurement opportunities shall be advertised in BC Bid, or similar public notice forum.
- 9.4 All procurement shall be in accordance with all applicable legislation and trade agreements.

10. Non-Compliance

- 10.1 Directors, managers and supervisors are responsible to ensure that all employees conduct procurement business in compliance with the rules, regulations and administrative procedures.
- 10.2 All employees, volunteers and vendors are expected to report all incidents of Non-Compliance with this Policy in accordance with the City's Whistle Blower Policy.
- 10.3 No adverse consequences to the reporting employee or volunteer will arise as a result of any such report made in good faith, even if the substance of the report is unfounded. The City shall, in respect of Non-Compliances for procurement, document the Non-Compliance and determine notification and corrective actions to address recurrences of the Non-Compliance.
- 10.4 All incidents of Non-Compliance shall be documented and reported to the Chief Financial Officer and Council.

11. Consequences of Non-Compliance

- 11.1 Non-compliance may result in additional costs, duplication of effort, liabilities, and delays in the provision of procurement services and may damage the credibility of the City and its employees.
- 11.2 In accordance with the Human Resources Policy, employees who do not comply with this administrative procedure will be held personally accountable for their actions if they are working outside of their authorities. These actions could result in a reprimand, suspension or termination of employment.

12. Exemptions

- 12.1 This Policy may not apply to the circumstances listed below provided the purchase procedure applied is not used to avoid competition, discriminate between suppliers, or protect suppliers:
 - 12.1.1 Procurements:
 - (i) of used equipment;
 - (ii) of goods at auctions;
 - (iii) from philanthropic institutions, prison labour or persons with disabilities;
 - (iv) from a public body or a non-profit organization;

- (v) of services provided by lawyers and notaries; and,
- (vi) of goods intended for resale to the public.

13. Confidentiality

- 13.1 Employees in possession of and trusted with *Confidential Information*, the disclosure of which would be highly detrimental to the best interests of the Municipality, must maintain the confidentiality of such *Confidential Information* the Municipality is obligated to protect.
- 13.2 Employees shall not use any Confidential Information for their own benefit, nor disclose any *Confidential Information* to any person (person includes any corporation or other association), during their employment or after their employment ceases. Individuals shall adhere to the *BC Freedom of Information and Protection of Privacy Act*.

14. Prohibitions

- 14.1 The following activities are prohibited under this Policy:
 - 14.1.1 The dividing of contracts or purchases to avoid the requirements or thresholds of this Policy or any other policy or administrative directive.
 - 14.1.2 Committing the City to contract without the appropriate level of authority to do so.
 - 14.1.3 Purchasing of any Goods & Services for personal use by:
 - (i) any member of City Council, or by any person on their behalf;
 - (ii) Appointed Officers; and,
 - (iii) employees of the City or their immediate families, that could result in a perceived conflict of interest unless that conflict has been disclosed, acknowledged and approved by the Chief Administrative Officer in the case of City employees and by Council in the case of Council members and Appointed Officers.
 - 14.1.4 No Contract shall be entered into, and no expenditure shall be authorized or incurred unless Council has provided funds for such purpose in the annual budget or otherwise agreed to the provision of such funds and, no expenditure shall be authorized or incurred for more than the funds provided.
 - 14.1.5 No Goods and Services shall be purchased from an officer or employee of the City, or from any immediate relative or associate of such officer or employee, unless the extent of the interest of such officer or employee has been fully disclosed and the purchase has been approved by the Chief Administrative Officer.
 - 14.1.6 No officer or employee of the City shall be permitted to purchase any Personal or Real Property which has been declared surplus by the City unless obtained through a public process.
 - 14.1.7 No employee or Council member shall purchase, on behalf of the City, any Goods, Services or Construction, except in accordance with this Policy.
 - 14.1.8 No employee or Council member shall utilize City assets, contracts, processes or policies to procure Goods, Services or Construction for personal advantage, except for supplier offered employee discount programs or any goods or services procured, on behalf of the City specifically for employee wellness or other human resource initiatives.

14.1.9 No employee or Council member shall use Personal Property for personal advantage, except where such Personal Property is offered through City programs open to the public.

14.1.10 Where an applicable national (e.g.: Agreement on Internal Trade (AIT)) or international trade agreement conflicts with this Policy, the trade agreement shall take precedence.

15. Construction and Performance Security and Statutory Holdbacks

15.1 The City may, in its absolute discretion, require a vendor to provide security for the vendors' performance of construction-related services.

15.2 The City is required to comply with the *Builders' Lien Act* and retain 10% holdback made to a contractor pursuant to a contract under which a lien may arise.

16. Disposal of Excess Goods (Except Lands)

16.1 The Manager of Purchasing and Stores shall have authority to dispose of any vehicles, equipment, furniture, materials, or supplies no longer required by the City ("Excess Goods"), but that may still have some economic value.

16.2 The methods of disposal of Excess Goods shall be by whatever method is determined to be most beneficial for the City and appropriate for the goods to be disposed of.

16.3 Employees are not permitted to receive Excess Goods, and such goods may not be purchased by employees directly from the City, unless the sale for such goods is being conducted through a third-party auction.

17. Reporting

17.1 On a quarterly basis, Council will be provided with an information report summarizing the following:

17.1.1 Sole source and single source purchases between \$25,000 and \$250,000;

17.1.2 Award of all purchases in excess of \$250,000; and,

17.1.3 Instances of Non-Compliance and action taken in each instance.

18. Other

18.1 Best value for purchases of Goods & Services will be determined based on the evaluation criteria set out in the applicable procurement process document(s). In the absence of evaluation criteria, preference shall be given to the lowest priced submission, having regard for nuanced costs that may impact the lowest price.

18.2 The City may, on occasion, contract for the development of specifications to be used for the procurement of Goods & Services. In that case, the firm or individual that is contracted to develop the specifications will not be eligible to participate in the procurement process that utilizes the specifications for the purposes of soliciting bids.

18.3 All vendors providing general services or construction-related services on City property will be required to provide insurance in amounts as specified in the contract between the City and the vendor for such works, or at the discretion of the City if no such amounts are specified, with the City named as additional insured.

- 18.4 The City, at its discretion, will cooperate with other public agencies to purchase jointly where efficiencies may be gained.
- 18.5 City procurement documents will include relevant language from collective agreements pertaining to the provision of any municipal service, function or construction.

MANAGEMENT, REFERENCES AND APPROVAL:

This policy shall be reviewed in 3 years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

Approving Authority: Council

Approval Date: 2017-JAN-16

Revision Approval Dates: _____

Review Due: _____

Policy Manager: Chief Financial Officer

Department Contact: Manager of Purchasing and Stores

Legal References: *BC Community Charter*
BC Freedom of Information and Protection of Privacy Act

Other References: New West Partnership Trade Agreement
 Auditor General for Local Government – BC, *Improving Local Government Procurement Processes through Procurement Policy enhancements, Procurement Performance Metrics and Reporting and Vendor Performance Management*, January 2016.
 City of Nanaimo, HR 4.1 *Code of Conduct Policy*

 Mayor

 Corporate Officer

 Insert Date

Date:
1. Amendment Date:

2017-JAN-16

Approved by:
Approved by:

Council