

# Peace River Regional District Purchasing Policy Procedures

(July 2014)



## Peace River Regional District

### **PURCHASING POLICY**

The Regional Board approves the following purchasing policy for the Peace River Regional District:

Up to \$3,000	Best possible price
\$3,001 to \$15,000	3 oral or written prices
\$15,001 to \$50,000	3 written bids/tenders
Over \$50,000	Public Tender Process

These represent the minimum purchasing requirements. The policy does not prevent the minimum standards to be exceeded.

The Board may reserve the right to waive policy.

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(July 2014)

## Policy Statement

The Peace River Regional District recognizes the need to control expenditures and ensure that the best value is achieved when purchasing goods and services, thereby maintaining fiscal responsibility. Purchasing policies and procedures represent an important step toward obtaining this goal. Therefore, it shall be the responsibility of all employees having authorization to make purchases to follow policies as herein set forth.

## Goal

The intent of this policy is to make clear the general principles that are to be followed in the course of purchasing goods and services. The objective is to establish practices that will provide as cost-effective, timely and efficient purchasing as possible while maintaining a high degree of equal opportunity for qualified suppliers and a high standard of financial stewardship. While adhering to the goals and objectives, the Regional District will endeavour to purchase goods and services that are environmentally friendly.

## Budget

All purchasing is authorized through inclusion in and by the adoption of the Financial Plan, except when authorized under the Emergency Purchasing Section of this policy. Purchases prior to the adoption of the current year Financial Plan are to be for normal, routine operations.

All tenders/RFPs/quotes/prices that exceed the amount authorized in the Financial Plan must be remedied by one of the following methods:

- a. rejection; or
- b. Department Head to work with the Chief Financial Officer to make adjustments within that specific function that allows the over-budget to be offset by an under-budget within that same function, while not eliminating or reducing a required approved project/purchase from that function; or
- c. Board, or delegated authority, approval for additional funding from reserves or other appropriate funding sources.

## Purchasing (goods and services net of recoverable taxes)

Purchases of recurring items from regular suppliers such as airline tickets, office supplies, etc., are to be reviewed periodically to ensure that the best value is being received.

### 1. Purchases up to \$3,000

To be acquired and approved by Department Head (per "Approvals" list included in this policy) on a best possible price/value basis. Goods and services less than \$500 may be acquired by employees, with Department Head authorization. A *purchase record*\* is not required for purchases up to \$3,000 but is recommended as backup and proof of receiving the best price/value.

### 2. Purchases from \$3,001 to \$15,000

To be acquired by a process of obtaining three (3) bids/quotes/prices. Prices may be obtained verbally, in writing, from internet, or from catalog. A *purchase record*\* must be completed.

*Purchase Record\**: A record of prices obtained and the final selection. A purchase record is not required for contracts/agreements, on-going operational (ie telephone, hydro, etc.), payroll related payments (ie Receiver General, Pension, medical, etc.), or grants. A Purchase Record is to be completed and kept on hand by the Department Head for attachment to the invoice when authorizing it for payment or if not attached to the invoice, it is to be forwarded to the Finance Department who will file it in the vendor's file but will not be matching or comparing to the invoice details.

# Peace River Regional District Purchasing Policy Procedures

(July 2014)

3. Purchases from \$15,001 to \$50,000; or  
Multi-year: 3 years or less term and more than \$15,001 and less than \$50,000 total value

Purchases must be done by way of written bids/tenders, unless otherwise approved by Board. Bids/tenders may be solicited by the Regional District by means of verbal or written invitations to a minimum of 3 selected suppliers or by public advertisement placed in the appropriate newspaper(s), the PRRD Website and/or other applicable mediums to solicit the best responses. The method of soliciting bids/tenders will be determined by the Department Head. Approval of bids/tenders and awarding of contracts is authorized by the Chief Administrative Officer with no requirement to report to the Board if the selected bid/tender is within budget and has been included in the adopted Financial Plan - unless it is not the lowest, then Board approval is required. A *Purchase Record\** is to be completed.

4. Greater than \$50,001 value; or  
Multi-year: more than a 3-year term (to a maximum of a 5-year term) and more than \$50,001 total value

To be acquired by way of public tender process.

- a. Advertising for public tender to be placed in the appropriate newspaper(s), the PRRD Website, BC Bid and other applicable mediums to solicit the best responses.
- b. Approval of bids/tenders and awarding of contracts is authorized by Board resolution.

## Single Source Purchases

An authorized Department Head may negotiate a purchase without inviting offers from suppliers if there exists only a single supplier from whom the purchase can be made, or there are repetitive purchases where prices have been determined through previous competitive bidding.

## Joint Projects With a Municipality

When undertaking joint projects with a municipality, the purchasing policy is considered to be followed as long as the tender or proposal call process has been done by either the municipality or the regional district.

## Emergency Purchasing

The Chief Financial Officer shall have authority to bypass normal procedures in the event of disaster, labour dispute, emergency or where the cost or delay to the Regional District would be prohibitive. Where an item is only available from a single supplier, the Department Head is authorized to take whatever action is necessary to secure the most beneficial contract for the Regional District.

In the event of an emergency on weekends or after hours, the employee handling the emergency is authorized to make the necessary purchases to remedy the situation with verbal approval of the Department Head or the Chief Administrative Officer or the Chief Financial Officer. All expenditures made must be reported to the Department Head the next working day, at which time the necessary paperwork will be done to ensure compliance with the purchasing procedures.

## Rights and Responsibilities

The Peace River Regional District reserves the right to reject any or all bids/tenders. The lowest will not necessarily be accepted if other criteria is considered (such as delivery date, guarantees, past experiences, etc.). The Peace River Regional District reserves the right to waive informalities in or reject any or all bids/tenders or accept the bid/tender deemed most favourable to the interest of the Peace River Regional District. All bids/tenders over \$3,000 that are not the lowest must be submitted to the Board for approval.

Any variance from this Purchasing Policy is to be reported to the Chief Financial Officer immediately.

# Peace River Regional District Purchasing Policy Procedures

(July 2014)

## Authorization

All invoices and purchases must be authorized by Department Head, or designated alternate if Department Head is not available. Exceptions to the Department Head authorization are indicated below (\*\*).

### Department Head

### Alternate

Chief Administrative Officer ( CAO).....	Deputy Chief Administrative Officer
Deputy Chief Administrative Officer (DCAO).....	Chief Administrative Officer
Corporate Officer (CO).....	Deputy Chief Administrative Officer
Chief Financial Officer (CFO) .....	Chief Administrative Officer
** Assistant Treasurer - payroll invoices only .....	Chief Financial Officer
General Manager of Environmental Services .....	Deputy Chief Administrative Officer
** Solid Waste Manager - All Solid Waste only .....	GM of Environmental Services
** Invasive Plant Manager – All Invasive Plant only.....	GM of Environmental Services
General Manager of Development Services .....	Ass't Manager of Development Services
** Ass't Man. of Dev. Services – ALR & Dept. Refunds only .....	GM of Development Services

Manager of Community Services .....

Deputy Chief Administrative Officer

*In the event that both the Department Head and Alternate are unavailable, and the invoice must be paid to meet due dates, it may be authorized by the CFO (or CAO if the CFO unavailable). Approvals may be obtained by email ensuring the body of the mail includes the name of the payee and amount – not just approval for the “attached”.*

## Other Approvals

Communications Manager/Commission Liaison:

- approves invoices based on budget; and
- Corporate Officer authorizes payment

North Peace Economic Development Officer:

- authorizes invoices (not including expense claims and credit card charges) based on the Commission’s approved budget (and makes financial reports to Commission of such);
- Communications Manager/Commission Liaison approves expense claims and credit card charges; and
- Chief Administrative Officer authorizes expense claims and credit card charges

Charlie Lake Fire Department:

- Chief (or Deputy Chief in Chief’s absence) approves invoices; and
- Manager of Community Services authorizes payment

Department Head Expense Claims and Credit Card charges are to be authorized by the CAO

Staff members may be requested by Department Heads to review and approve invoices as correct, but the Department Head MUST authorize the invoice for payment.

Examples: 1) Shop supplies may be ordered and approved by the Field Services Supervisor but the Solid Waste Manager must still authorize the invoice for payment; and 2) office supplies may be ordered and approved as received by the Corporate Services Coordinator but the Corporate Officer must still authorize the invoice for payment. Note that some items overlap such as vehicles where the GM of Environmental Services approves all invoices associated with all fleet vehicles.

Approval is confirmation that the information on the invoice is correct.

Authorization is confirmation that the invoice is correct, the coding is correct, the budget is in place, it is a proper and legal purchase, and authorizing is accepting responsibility for the payment.

*Note that some invoices will have both approval and authorization whereas others will have authorization only. Once authorized, invoices will be processed and paid.*

# Peace River Regional District Purchasing Policy Procedures

(July 2014)

## Corporate Credit Cards (Purchasing Cards “P-Cards”)

The following will be issued credit cards with a maximum limit of \$5,000:

Chief Administrative Officer	Deputy Chief Administrative Officer
Corporate Officer	GM of Environmental Services
GM of Development Services	Manager of Community Services
Charlie Lake Fire Department Chief	

The Chief Financial Officer will be issued a credit card with a maximum limit of \$20,000 for use as the “Corporate” credit card.

The Executive Secretary will use the “Corporate” credit card for Regional District business such as Board travel bookings, Board gift purchases, meetings, etc. The Executive Secretary will approve invoices, back-up and paperwork and submit for attachment to the credit card statement that will be authorized by the CFO. The Executive Secretary will use the appropriated department issued credit card to book travel for that department, if requested to book for them.

Purchases that require use of a credit card must follow all of the purchasing procedures, limits, etc. contained in this policy, including completion of a purchase record when applicable.

The credit card is to be used only if the purchase cannot be invoiced to the Regional District (ie hotel bookings, US purchases (*only if unable to be obtained in Canada*), on-line purchases unable to be purchased locally and/or invoiced to the Regional District, restaurants, etc.).

The card holder is to ensure all invoices, back-up and paperwork is coded, approved and submitted to the Finance Department immediately for attachment to the credit card statement.

Credit card statements, with all approved paperwork attached, is to be authorized for payment per the “Approvals” contained in this policy.

Employees are responsible for any unauthorized use of their corporate credit card.

Employees shall return the corporate credit card upon leaving employment with the PRRD.

## Corporate Credit Card Travel Points

All corporate credit card travel points are accumulated on the CFO’s corporate credit card that the Executive Secretary will use to book travel for Directors and/or staff when appropriate.

## Personal Credit Cards

Personal credit cards shall not be used by anyone that has been issued a corporate credit card. Anyone not issued a corporate credit card may use their personal credit card following the same criteria as the corporate credit card (only if the purchase cannot be invoiced to the RD - ie hotels, US purchases that cannot be obtained in Canada, on-line purchases unable to be purchased locally and/or invoiced to the Regional District, restaurants, etc.). All personal credit card reimbursements are to be claimed via an Expense Statement.

## Statement of Financial Information (SOFI)

Employee expense statements and credit card charges are included in the total for the SOFI report that is presented at a Board meeting for public information. The exception is a reimbursement for something paid for the RD (ie paying for a fax machine somewhere that does not have an RD account).

# Peace River Regional District Purchasing Policy Procedures

(July 2014)

**SAMPLE Only**  
**May be changed as required**

## PURCHASE RECORD

Department: \_\_\_\_\_

Date: \_\_\_\_\_ Completed By: \_\_\_\_\_

Item Description: _____	Price: _____
Charge to: GL Name _____	GL # _____

**Selected Vendor Information (# 1 2 3 from below) OR Single Source Purchase**

Vendor Name: \_\_\_\_\_

Address: \_\_\_\_\_

Other Info: \_\_\_\_\_

\*\*\*\*\*

### Quotes/Bids/Prices

1. Vendor: \_\_\_\_\_ Price: \_\_\_\_\_

Obtained Via: a) Written Submission  *Attached* Dated: \_\_\_\_\_

b) Phone # \_\_\_\_\_ Contact Name: \_\_\_\_\_

c) Internet  *Attached* Website: \_\_\_\_\_

d) Catalog  *Attached* OR Catalog Name \_\_\_\_\_ Date \_\_\_\_\_ Page # \_\_\_\_\_

\*\*\*\*\*

2. Vendor: \_\_\_\_\_ Price: \_\_\_\_\_

Obtained Via: a) Written Submission  *Attached* Dated: \_\_\_\_\_

b) Phone # \_\_\_\_\_ Contact Name: \_\_\_\_\_

c) Internet  *Attached* Website: \_\_\_\_\_

d) Catalog  *Attached* OR Catalog Name \_\_\_\_\_ Date \_\_\_\_\_ Page # \_\_\_\_\_

\*\*\*\*\*

3. Vendor: \_\_\_\_\_ Price: \_\_\_\_\_

Obtained Via: a) Written Submission  *Attached* Dated: \_\_\_\_\_

b) Phone # \_\_\_\_\_ Contact Name: \_\_\_\_\_

c) Internet  *Attached* Website: \_\_\_\_\_

d) Catalog  *Attached* OR Catalog Name \_\_\_\_\_ Date \_\_\_\_\_ Page # \_\_\_\_\_

Indicate If Additional Information / Notes On Back \_\_\_\_\_

**Purchase Records are to ensure purchasing policies are followed and are the responsibility of the Department Head. The Department Head will hold the completed Purchase Record and attach it to the invoice when authorizing payment. If not attached to the invoice, the Finance Department will file it in the vendor's file but will not match or compare to the invoice.**

# Peace River Regional District Purchasing Policy Procedures

(July 2014)

**By signing this, I hereby agree that when authorizing invoices for payment I am responsible for ensuring that:  
1) the invoice is correct, 2) the coding is correct, 3) the budget is in place, and 4) it is an appropriate and legal purchase.  
And furthermore, by authorizing invoices for payment I am accepting responsibility for the payment.**

<u>Name</u>	<u>Approval (only)</u> Or <u>Authorize</u> <i>(includes approval)</i>	<u>Title</u>	<u>Signature</u> (confirmation of the above statement)	<u>Initials</u> (samples of normal & quick)
	Authorize	Chief Administrative Officer		
	Authorize	Deputy Chief Administrative Officer		
	Authorize	Chief Financial Officer		
	Authorize	Corporate Officer		
	Authorize	GM of Development Services		
	Authorize	GM of Environmental Services		
	Authorize	Manager of Community Services		
	Approval Only	Communications Manager / Commission Liaison		
	Approval Only for Expense Statements & Credit Cards & Authorize Other Invoices	North Peace Economic Development Officer		
	Authorize Invasive Plants Invoices Only	Manager of Invasive Plants		
	Authorize Solid Waste Invoices Only	Solid Waste Manager		
	Authorize Payroll Invoices Only	Assistant Treasurer		
	Approval & Authorize ALR/Planning Refunds	Assistant Manager of Development Services		
	Approval Only	Charlie Lake Fire Department Chief		