

Village Of Cache Creek

Policy No. B-5

Purchasing

Date Approved by Council:

February 8, 1999

Effective:

February 8, 1999

Date Amended by Council:

June 25, 2001

March 25, 2008

Effective:

June 25, 2001

March 25, 2008

Policy Statement:

This policy shall ensure that purchasing for municipal purposes shall be performed with equity, efficiency, and fiscal responsibility.

Purpose:

To establish responsibilities and guidelines for ensuring that purchasing for the Village of Cache Creek is done in an equitable, efficient, and fiscally responsible manner.

Procedure Statement:

The Chief Financial Officer shall be responsible for ensuring that policies that govern purchasing for municipal purposes, which ensure equity, efficiency, and fiscal responsibility in purchasing, are complied with.

Definitions:

Utility Operator – Any person designated as the primary operator of a utility within the community, specifically water treatment and distribution, or wastewater treatment.

Utility Foreman – The person designated as the Utility Foreman for the Village of Cache Creek.

Public Works Foreman – The person designated as the Public Works Foreman for the Village of Cache Creek. If they are on a leave of absence for longer than 5 working days, the person with the most seniority on shift would be designated this role for the purpose of this policy.

Purchaser – Any person with a designated spending authority that is making a purchase.

Procedures:

A. General Terms

1. All expenditures for any good or service must be approved as part of an annual or amended budget.
2. Purchase orders must be completed and have the necessary approval prior to an order being placed. Completion includes providing all prices, quantities, taxes, and coding.
3. Utility Operators may sign a purchase order up to \$500.00 without further approval.

4. A Utility Foreman, Public Works Foreman, or the Fire Chief may sign a purchase order up to \$1000.00 without further approval.
5. The Chief Administrative Officer or Chief Financial Officer may sign a purchase order up to \$5000.00 without further approval.
6. All purchases over \$5000.00 must be signed by both the Chief Administrative Officer and the Chief Financial Officer, or in the absence of either party the Mayor or Finance Committee Chair can be the second signor.
7. Expenditures over \$5,000.00, where multiple qualified suppliers exist, must have at least three written quotations prior to issuing a purchase order. Where multiple suppliers do not exist, the Purchaser shall make all reasonable efforts to secure as competitive a price as is possible. The Purchaser must document that there is limited, or one, qualified supplier, and supply this information to the Chief Administrative Officer, or in his/her absence, the Chief Financial Officer.
8. Any expenditure for a good or service that exceeds \$10,000.00 shall be presented to Council at a Regular Meeting for their approval by way of resolution. Items that are a line item that form part of the current adopted Annual Budget are considered to have met this criterion.
9. Expenditures over \$10,000.00 that have met the requirements of article A.8. where multiple qualified suppliers exist, must have at least three written quotations prior to issuing a purchase order. Where multiple suppliers do not exist, the Purchaser shall make all reasonable efforts to secure a reasonable price. The Purchaser must document that there are limited qualified suppliers and supply this information to the Chief Administrative Officer, or in his/her absence, the Chief Financial Officer.
10. Should a line-item account go over budget, all purchases, for whatever amount, must be approved again by the Chief Administrative Officer or, in their absence, by the Chief Financial Officer, prior to an order being placed.
11. Where required or preferable due to the nature of the expenditure and at the discretion of the Chief Administrative Officer, a formal tender process shall be utilized. A formal tender process will include the following, as minimum requirements:
 - a. Tender package posted on BCBid and advertised in the Journal. At the discretion of the Chief Administrative Officer, they may also advertise on the Village website and social media to inform local qualified suppliers of the potential project.
 - b. The application of a bid, performance, maintenance, or security bond which may be up to 100 % of the total value of the accepted tender. The specific rate shall be at the discretion of the Chief Administrative Officer and shall be based on the complexity of the project, the recommendation of the Consulting Engineer (if any), and the past practices of the Village of Cache Creek.
 - c. The condition that Council may reject any or all bids.
 - d. The development of a formal set of requirements, plans and/or specifications for the projects to ensure that all bidders are dealing with the same information.
 - e. The inclusion of a clause to encourage bidding firms to investigate the availability of qualified, local sub-contractors and/or suppliers. If qualified, local sub-contractors and/or suppliers are available, they should be granted every opportunity to bid on their area of expertise in a competitive manner. It is understood that wherever possible and feasible a formal tendering process will be utilized. The Chief Administrative Officer will be free not to utilize a formal process in those situations where only one qualified supplier exists, or the situation is of such urgency to prevent a formal process.

B. Employee Participation

1. The Village of Cache Creek recognizes that our employees, from time to time, may have business interests outside of their employment at the Village of Cache Creek. The Village encourages small business development and encourages our employees to explore opportunities that interest them, so long as it does not interfere with their employment, and performance of required duties, for the Village of Cache Creek. However, to ensure fairness in Village purchasing, both in practice and perception, the following procedure for employee-owned business participation in Village projects is established:
 - a. Employee-owned businesses shall include commercial ventures, operations, or home-based businesses owned in whole or in part by an employee, elected official, or their spouse, mother, father, stepmother, stepfather, son or daughter, stepson, or stepdaughter.
 - b. Employee-owned businesses are prohibited from bidding on or receiving Village projects where the employee or elected official could reasonably be expected to participate in, or control the development of the specifications, bid document, the tender document, or the issue of the purchase order itself. Employee-owned businesses are also prohibited to bid on projects that will, when complete, become the employee's responsibility to maintain in their employment with the Village.
 - c. Employee-owned businesses are allowed to bid on projects where it can be reasonably shown that through the course of their employment, or elected official duties, they did not play a role in the development of specifications, tender documents, controlling the tender/purchasing process, or would be responsible for the project when complete.

C. Emergency Expenditures

1. The Chief Administrative Officer, or in his/her absence, the Chief Financial Officer may approve an expenditure above \$5,000.00, if the expenditure is required to protect the safety and security of the residents, the environment, and/or village assets. Should the Chief Administrative Officer, or in his/her absence, the Chief Financial Officer utilize this authority, Council shall be informed, in writing, of the expenditure and the reasons for it.

D. Review

1. At five-year intervals, long term service agreements will be reviewed by Council and re-evaluated to determine if the service still meets the needs of the Village or if change or cancellation of the service is required.

E. Exceptions

1. Nothing in this Policy shall prevent the Village of Cache Creek from entering into service agreements where price might not be the only criterion for selection. Examples where service level, experience, personal knowledge, and long-standing relationships are of benefit include Auditors, Engineers, and other professional services. In these cases, it may be appropriate to award a contract without need of the tender process. As well, in cases such as these, the Chief Administrative Officer, at his/her discretion, may employ an invitational tender, where only select, qualified firms are allowed to bid on the project.

2. The Village of Cache Creek recognizes that some purchases are of such a nature that purchase orders, or formal resolutions of Council are not required. Such purchases would include, but not be limited to, natural gas, electricity, and telephone service. As competition arrives in these areas the Chief Financial Officer shall examine the options available and ensure that the Village is receiving the best value available.