



Board Policy Procurement

Procurement

It is the policy of Vancouver Island Regional Library to acquire goods and services through a competitive process, whenever practical, that results in supply arrangements at the most effective net cost, in the correct quantities, of the appropriate quality, and from the most responsive and responsible source.

Legislation

Vancouver Island Regional Library will abide by the rules of the *Agreement of Internal Trade* (AIT) and the *Trade, Investment and Labour Mobility Agreement* (TILMA) through an open and fair process by nationally advertising on BC Bid Provincial Government Purchasing Commission Website and the Vancouver Island Regional Library web page.

AIT Thresholds

- \$100,000 or greater, in the case of goods or services; or
- \$250,000 or greater, in the case of construction.

TILMA Thresholds

- \$75,000 or greater for goods;
- \$75,000 or greater for services;
- \$200,000 or greater for construction.

Purchasing Principles

Vancouver Island Regional Library's purchasing policy is guided by the following principles, which set the standard for purchasing performance:

1. Procure the goods and service requirements of all departments in an efficient, timely and cost effective manner while maintaining the necessary controls.
2. Engage in an open bidding process wherever practical.
3. Ensure fairness, objectivity and transparency in the procurement process.
4. Ensure maximum value is obtained during the acquisition of goods and services including, where appropriate, the total cost of the product or service purchased. Total costs may include but not be limited to acquisition, disposal, training, maintenance costs, and residual value, performance and environmental impact.
5. Ensure that maximum value is realized when disposing of surplus goods, materials and equipment.



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6. Procure goods and services, taking into account wherever practical, the commitment to the environment and energy savings.
7. Ensure the acquisition of goods and services meet the requirements of legislation, including but not limited to, the *Agreement for Internal Trade* (AIT), and the *Trade, Investment and Labour Mobility Agreement* (TILMA), Vancouver Island Regional Library's policies, and the Purchasing Management Association of Canada (PMAC) Code of Ethics.
8. Vancouver Island Regional Library will participate in cooperative purchasing partnerships wherever quantifiable benefits exist (eg: Nanaimo Cooperative Purchasing Group and BC Public Purchasing Group).
9. Suppliers or manufacturers will not be excluded unless there is documented evidence to warrant exclusion.
10. Where standardization is advantageous to Vancouver Island Regional Library's business the reasons for standardization will be documented.

Competitive Bidding

Vancouver Island Regional Library will utilize a competitive bidding process to secure goods and services wherever practical to obtain maximum benefits for its purchasing dollars. The most appropriate of the following methods is to be used.

\$0.00 to \$1,000 Verbal Quotations and/or Standing Contract

Verbal quotations are the methods generally utilized to obtain pricing and other information from suppliers. Wherever possible a minimum of two verbal quotations will be sought.

Where goods and services are used by Vancouver Island Regional Library on a continuing or repetitive basis, the Purchaser may arrange for the tendering of these goods or if possible through the Nanaimo Co-operative Purchasing Group. In order to maximize the pricing benefits and minimize the administration on ordering these types of goods, the bids called will be for multi-year contracts with orders placed either by Purchasing or the user department on an as-required basis. Before a using department orders goods or services under these types of contracts a purchase requisition must be completed by the requester and forwarded to Purchasing.

Standing contracts may exist for periods of up to five years dependent upon the commodity, the market, and the consumption requirements. Standing contracts may, with the approval of the Director of Finance, comprise annual commitments up to \$5,000.



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\$1,000 to \$5,000 Standing Contract, Written Quotations

Written quotation (RFQ) is the method generally utilized to obtain pricing and other information from suppliers. An item which constitutes a one-time purchase under \$3,000 may be purchased from a single supplier when multiple suppliers cannot be located. Wherever possible three quotations will be sought. Cost is the determining factor of award. If extensive terms and conditions or specifications are required an Invitation to Quote (ITQ) should be utilized.

\$5,000 to \$25,000 Invitation to Quote

Invitation to Quote (ITQ) process is used for purchases which do not require extensive terms and conditions or specifications which would be found in an Invitation to Tender document. Cost is often the determining factor in award. These opportunities are given public notification by way of advertisement, and/or concurrently on the Vancouver Island Regional Library web page and the BC Bid Provincial Government Purchasing Commission web site. At the discretion of the Purchaser select bidding may be utilized by contacting a minimum of three known qualified suppliers. If extensive terms and conditions or specifications are required an Invitation to Tender (ITT) or Request for Proposal (RFP) will then be utilized.

\$25,000 Invitation to Tender, Request for Proposal

Purchases of goods and services with a value over \$25,000 are to utilize public tendering or Requests for Proposal where greater input from the proponents may be required. These opportunities are given public notification by way of advertisement and/or concurrently on the Vancouver Island Regional Library web page and the BC Bid web site.

Under certain circumstances, at the discretion of the Purchaser, select bidding may be utilized for goods and services if delivery or project deadlines dictate that time is of the essence, or when extraordinary circumstances or market conditions exist. In these instances the requirement for advertising may be waived by the Purchaser. Bid documents would be sent to a minimum of three known suppliers of the required goods or services thereby ensuring a competitive bid process.

The use of select bidding for projects valued at over \$25,000 will require the further approval of the Director of Finance or Executive Director.

Expressions of Interest (EOI) or Request for Qualification (RFQ)

Opportunities are given public notification by way of advertisement and/or concurrently on the Vancouver Island Regional Library web page and the BC Bid web site.



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Recurring or Non-Competitive Expenditures

These expenditures are not the result of any procurement process and include general expenses, utilities, training and education.

General Expenses (List is not inclusive but for illustrative purposes)

- Licenses / permits (vehicles, elevators, etc.)
- Postage
- Periodicals, magazine, subscriptions
- Advertisements
- Storytime supplies
- Vehicle / equipment rental
- Vehicle / equipment repairs & maintenance

Utilities

- Hydro
- Heating fuel
- Water / sewer / garbage / recycle
- Telephone / fax

Training and Education

- Courses
- Conventions
- Memberships
- Seminars
- Staff training / development / workshops

Standardization

The criteria to be used to determine whether a certain item is a candidate for standardization includes, but is not limited to, the following:

1. Common usage throughout Vancouver Island Regional Library.
2. Cost of handling and distribution.
3. Search costs.
4. Ownership costs.
5. Annualized expenditures.
6. Training costs.
7. Maintenance / service costs.
8. Storage costs.



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Standardization includes, but is not limited to, computers, furniture and furnishings, telecommunications equipment and other items as specifically designated by the Purchasing Department, other Vancouver Island Regional Library departments and/or teams. The Director of Finance shall annually approve any standardized items.

Visa Cards

Corporate business Visa cards are designed to provide a convenient and less burdensome method of procuring and paying for low value goods and services up to \$500 per transaction. Cards simplify the procurement process, reduce paperwork, speed up vendor payments and empower Vancouver Island Regional Library departmental managers to quickly and easily acquire the goods and services they need. The use of the Visa card is guided by the Corporate Visa Purchasing Card procedures given to all new card holders, and requires compliance with that administrative policy.

Cardholders will use visa cards only for departmental procurements and payment of goods and services within limits established by the Director of Finance.

Emergency Purchases

Emergency situations (where staff or public safety is in question, or damage to library facilities is occurring or likely to occur) may require immediate commitments of materials, equipment and/or services. In such situations, if Purchasing staff are not available the Vancouver Island Regional Library staff member in charge of the situation may make commitments on behalf of Vancouver Island Regional Library in order to effectively deal with the emergency. In all cases the approval limits should be adhered to where practical. Where approval limits cannot be adhered to, at the first opportunity communication should be made with an appropriate individual.

Consultant Services

Consultants are defined as individuals or firms who provide technical and professional services for:

1. The design, planning, construction, purchase or operation of facilities and equipment.
2. The guidance of management in specialized areas such as, but not limited to, strategic planning, policy development, operational reviews, technical advice and information systems.
3. The supplementing and assistance to Vancouver Island Regional Library in the execution of projects, through pursuing construction and project management services.



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When a consultant is required to provide services for a specific project valued at \$10,000 or less, a consultant may be selected based on staff's knowledge of the available and qualified professionals in the market place.

When a consultant is required to provide services valued over \$10,000 for a specific project a competitive bid process will be used to secure those services. In situations where time is of the essence, the Purchaser may waive the advertising requirement and invite responses on a select basis with a minimum of three consultants requested to respond.

Sole or Single Source

The requirement for a competitive bidding may be waived and an award directed to a specific supplier only when an analysis of the specifications and physical requirements determines that the products and/or service is manufactured or available through only one firm and distributed through a single dealer, supplier or service provider.

Sole source: only one qualified vendor possesses the unique and singular available capability to meet the requirement of the solicitation, such as technical specifications or ability to deliver at a particular time.

Single source: several qualified suppliers possess the availability and capability to meet the solicitation requirements; however, only a single supplier is selected for an award of an Agreement through negotiation.

When a sole or single source item is requisitioned by the user department the single or sole source form must be completed by the user department and should contain justification for specifying the item, which include but not limited to:

1. An integral repair part or accessory compatible with existing equipment (alternative may void manufacturer's warranty).
2. A unique design and/or has performance specifications which are essential to staff research protocol or other administrative needs and are not available in an alternate and comparable product and/or service provider.
3. Essential in maintaining experimental or administrative continuity.
4. One with which staff have specialized training and/or extensive experience. Retraining would incur substantial cost and/or time and will not result in the most effective life-cycle net cost.
5. Standardization.
6. Compatibility with another item.
7. Urgently required on an emergency basis (e.g. life/death, health, safety, critical equipment or facility breakdown).



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Note: Certain procurements are subject to the provisions of NAFTA, AIT (Agreement on Internal Trade) and/or TILMA (Trade, Investment, and Labour Mobility Agreement) and therefore in specific circumstances a Directed Award may not be possible. Competitive bidding does not provide a suitable purchasing method for sole source items, therefore Purchasing may negotiate with the sole supplier.

Purchasing Limits

Vancouver Island Regional Library staff will be responsible for managing the budgets as assigned to them from time to time by the Executive Director and/or Director of Finance. Signing authority for single purchase limits will be confined as follows.

Branch Managers.....	\$1,000
Exempt Managers	\$5,000
Directors	\$50,000
Director of Finance	\$100,000
Purchasing Manager.....	\$150,000
Executive Director	\$250,000

Budget Amendments

Individual lines within the budget may be amended with the approval of the Director of Finance within the following limits.

Exempt Managers	\$1,000
Directors	\$5,000
Executive Director	\$25,000
Executive Committee.....	\$50,000
Higher amounts require full Board approval	

Disposal of Assets

The Purchasing department shall oversee disposal of assets. Disposal of obsolete goods, materials and equipment which are not used as trade-ins, shall be through donation to a non-profit organization, sealed bids, public auction, by way of publicly solicited offers, or the Vancouver Island Regional Library web page. Where there is no further use or economic value the Purchaser may make arrangements for disposal.

Employees are not eligible to purchase surplus assets if they are responsible for declaring those assets surplus to Vancouver Island Regional Library's needs or requirements.

The Purchaser or designate is responsible for asset disposal and value recovery or reallocation of goods, materials, furniture and equipment.



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Sustainable Purchasing

Vancouver Island Regional Library believes in the use of environmentally sustainable products and practices. Vancouver Island Regional Library will consider best value (quality, price, service and innovation), impact on the environment, as well as the product's life cycle and social and ethical impacts.

Vancouver Island Regional Library acknowledges that the use of environmentally friendly products may result in paying a financial premium. Any significant impact on budgets must be approved by the Director of Finance.

Environmentally preferred products must meet or exceed the same engineered standards for the traditional products with respect to performance, structural integrity, life span and safety.