



### Procurement

It is the policy of Vancouver Island Regional Library (VIRL) 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 and Trade Agreements

VIRL will abide by the rules of any and all trade agreements that have legal effect on VIRL.

### Purchasing Principles

VIRL'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.
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 applicable legislation.
8. VIRL will participate in cooperative purchasing partnerships wherever quantifiable benefits exist (ex: 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 VIRL's business, the reasons for standardization will be documented.

In addition to the principles outlined above, VIRL employees will demonstrate ethical purchasing behavior including:

1. **Declaration of Interest.** An employee who has a direct or indirect interest with the supplier must disclose this relationship and will be excluded from the quote or tender process;
2. **Confidentiality and Accuracy of Information.** The confidentiality of information received in the course of duty must be respected and must not be used for personal gain; information given must be fair and not designed to mislead;
3. **Competition.** While considering the advantages of VIRL maintaining a continuing relationship with a supplier, any arrangement which might prevent the effective operation of fair competition must be avoided;
4. **Business Gifts and Hospitality.** To preserve the image and integrity of the employee, the employer and the profession business gifts other than items of small intrinsic value must not be accepted;
5. **Discrimination and Harassment.** No employee shall knowingly participate in acts of discrimination and/or harassment towards any person with whom they have business relations.

## Procurement Process Overview

Procurement is the process by which VIRL acquires Goods, Services and Capital Works for objectives and to protect VIRL and its staff against potential litigation and perceived or actual conflicts of interest. The essential elements of VIRL's Procurement Policy are outlined below.

### Authority

All staff members undertaking procurement actions must have formal authorization to do so. As outlined in section 26 of the *Library Act* the Library Board has exclusive control over expenditures and assigns those responsibilities to the Chief Librarian (Executive Director).

These duties include control over:

1. All money provided to it by the municipalities and regional districts represented on the Library Board;
2. All money given to the Library Board;
3. The revenue derived from any source, including fees, fines and money recovered by the Library Board for detention, damage or loss of library materials;
4. All money received by the Library Board under an agreement to provide library service.

Through this policy the Executive Director authorizes staff to perform and oversee the established process of the Procurement Policy. Purchasing authority for VIRL employee positions is outlined in Schedule A. Staff that are given purchasing authority under this policy are accountable and responsible to ensure that all purchases are within budget and comply with all VIRL bylaws, policies and procedures.

### **Competition**

The method of procuring goods and services will be competitive where possible to:

- Reduce costs to the public through marketplace competition;
- Encourage innovation and efficiencies;
- Comply with applicable legislation and trade agreements; and
- Demonstrate fair and open selection criteria.

The level of competition required for VIRL purposes is based on the dollar value and nature of the purchase ensuring the cost associated with administering a competitive process is proportionate to the benefit received as a result of the competition.

### **Documentation**

All steps in the procurement process will be documented in writing to ensure fairness, objectivity and transparency. VIRL is subject to Freedom of Information and Protection of Privacy legislation, therefore purchasing decisions will be subject to public scrutiny from time to time. It is critical that we not only follow our policy but are able to demonstrate compliance.

### **Roles and Responsibilities**

#### **Purchasing Division:**

The structure of VIRL positions purchasing as part of the Financial Services Department. VIRL is committed to maintaining a robust purchasing system that enables the user department to implement its purchase plan. The purchasing function is administered by the Director of Finance and the Purchasing Division who are the purchasing agents for VIRL.

#### **Department and Division Heads:**

Department and division heads are responsible for ensuring the procurement policy is followed within their areas of control. The user department or division is the expert in the goods and services it plans to purchase; as such its role is to establish and implement its purchasing budget (through the annual budgeting process), develop specifications/requirements, receive and evaluate supplied goods and services, and provide feedback on the procurement policy.

## **Library Board:**

The Board is responsible for ensuring that the principles of this policy are implemented. The Board will annually review the Financial Plan and the purchasing requirements of VIRL. The Board will receive reports at each meeting that will allow them to review progress of approved purchases and budgets.

## **Commitments**

Both VIRL and VIRL's suppliers are required to adhere to the legal commitments made. Commitments and contracts are in the form of credit card purchases, purchase orders and formally executed contracts. All of these agreements are equally binding on VIRL.

## **Recommended Methods of Purchase**

The nature of the purchase, as well as their dollar value determines the procurement process and tools available. Schedule B outlines the recommended methods of purchase for goods and services. In the case of multi-year agreements the threshold shall apply to the total value of the agreement.

The majority of purchases will be purchased under the following methods:

- Informal Quotes: low dollar value quotes received verbally from multiple sources;
- Formal Quotes: written quotes from a minimum of three suppliers;
- Request for Quote or Invitation to Tender: a more formal quote process for the provision of defined goods and services;
- Expression of Interest: a less formal process used to find solutions to business needs;
- Request for Proposal: a formal process for the award of larger or more complex purchases where different options are available; and
- Request for Tender or Invitation to Tender: a formal process for large purchases where specifications and results are known.

## **Exemptions**

There are specific purchases which may be excluded from the recommended methods of purchasing, including:

## **Recurring or Non-Competitive Expenditures**

This includes specifically identified items that are excluded from the procurement methods and include:

- Licenses and permits;
- Postage;
- Periodicals, magazines and subscriptions;
- Advertisements;
- Vehicle & equipment rental, repairs and maintenance;

- Utilities (e.g. Hydro, Fuel, Water, Sewer, Garbage and Recycling);
- Telecommunications and internet;
- Training and education (e.g. conventions, courses, professional memberships, seminars, staff training costs);
- Travel and accommodations;
- Legal;
- Insurance;
- Mutually agreed upon leasehold improvements performed by landlords (performed within the guidelines of their own purchasing policies);
- Work performed under facilities maintenance agreements;
- Land or leased space where a temporary or permanent library branch will be located;
- Services undertaken by agents or brokers on VIRL's behalf;
- A statutory requirement for procurement, such as a statutory order issued by a government authority related to environmental, public health, or workplace safety compliance;
- A market-based condition, such as a monopoly or a product that is in short supply due to market conditions;
- The purchase of goods and services using co-operative consortium buying procedures with other municipal or government bodies and agencies as may be deemed advantageous to the Board; and
- Purchases as specified through a donation.

Recurring and non-competitive expenditures are still subject to the thresholds and requirements of applicable trade agreements and legislation.

### **Standardization**

VIRL employs the use of standardization for certain goods and services in order for equipment to be interchangeable between branches, reduce costs and administration. The criteria used for standardization includes the following:

- Common usage;
- Ease of distribution;
- Reduced maintenance and service costs;
- Reduced need for training;
- Economies of scale; and
- Standardization includes but is not limited to information technology, software, furniture and furnishings, telecommunications equipment and other items designated specifically as a standard item.

Standardized items are still subject to applicable trade agreements, and is not in itself justification for a sole or single source purchase.

## **Emergency Purchases**

Emergency purchases (where staff or public safety is in question, or damage to library facilities is occurring or likely to occur) will be made as required and will be duly authorized. Wherever possible the VIRL will attempt to engage in an open procurement process for all purchases but in some cases, where this is not possible and where there is an immediate need of materials, equipment and/or services VIRL may make a commitment through negotiation and with the goal of obtaining the best value for VIRL.

Project timelines or external deadlines do not by themselves constitute a justification for an emergency purchase.

## **Consultant Services**

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

- The design, planning, surveying, construction, purchase or operation of facilities and equipment;
- The guidance of management in specialized areas such as, but not limited to strategic planning, policy development, operational reviews, technical advice and information systems; and
- The supplementing and assistance to VIRL in the execution of projects through pursuing construction and project management services.

When a consultant is required to provide services for a specific project a consultant may be selected based on staff's knowledge of the available and qualified professionals in the market place subject to the thresholds outlined in Schedule C.

## **Sole or Single Source**

The requirement for 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 or single source awards are appropriate in the following circumstances:

### **Sole Source**

Only one qualified vendor possesses the unique and singular available capability to meet the requirements 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 through negotiation.

Both sole and single source requisitions must be accompanied by forms found on the Intranet, completed by user department head/division manager and must be approved by the Director of Finance. The form must contain sufficient documentation on the justification and authorization for the award. Allowable justifications include but are not limited to:

- An integral repair part or accessory compatible with existing equipment (alternative may void manufacturer's warranty).
- 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.
- Essential in maintaining experimental or administrative continuity.
- 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.
- Standardization.
- Compatibility with another item.
- Urgently required on an emergency basis (e.g. life/death, health, safety, critical equipment or facility breakdown).

Purchases that are excluded from the recommended methods of purchasing must be made within the confines of applicable legislation and trade agreements. Where competitive bidding does not provide a suitable purchasing method for Sole/Single source items, purchasing may negotiate with the sole supplier.

### **Budget Amendments**

The financial plan is approved by the Board. Within the approved financial plan individual accounts within the budget may be amended with the approval of the Director of Finance provided there is no impact to line items. Any amendments which impact line items in the approved budget will be approved by the Board.

### **Disposal of Assets**

Assets that are surplus to VIRL's needs or that have reached the end of their useful lives are disposed of in accordance with the procedures set out in the Intranet through the Purchasing Division.

### **Corporate Credit Cards**

Corporate credit cards are designed to provide a convenient method of procuring and paying for goods and services by reducing paperwork and empowering managers to quickly and easily acquire the goods and services they need. The use of credit cards is guided by internal finance and purchasing procedures and requires compliance to those procedures. Cardholders will use credit cards only for:

1. Departmental procurements and the payment of goods and services within their purchase authorization limits;

2. Expenditures that do not require formal competitive processes within the Procurement Policy (see *Recurring or Non-Competitive Expenditures*) to a maximum defined in Schedule D; and
3. Other items as specified through internal policies.

### **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.

## Schedule A - Purchasing Authority

VIRL 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:

Staff Level	Signing Authority (before GST)
Branch Managers	\$1,000
Divisional Manager, Facilities	\$10,000
Divisional Manager, IT	\$10,000
Divisional Manager, Finance	\$10,000
All Other Divisional Managers	\$5,000
Purchaser	\$150,000
Director of Finance	\$150,000 except for construction expenditures as described below
All Other Directors	\$75,000
Executive Director	\$250,000 except for construction expenditures as described below
The Board of Trustees	Non construction expenditures over \$250,000 and unbudgeted construction expenditures

### Construction Projects

Expenditures for construction projects that have been approved by the Board and renewals for leases of existing branches for which a budget has been provided under the financial plan may be signed by the Director of Finance and the Executive Director within the approved budget.

### Delegation of Authority

A staff member with purchasing authority under Schedule A may delegate authority for an amount up to their purchasing authority to another staff member. This delegation must be made in writing and must be approved by the Director of Finance.

**Schedule B - Thresholds for Competitive Processes**

**Goods and Services not related to Facilities, Equipment Repair and Maintenance:**

<b>Purchase Threshold</b>	<b>Competitive Process</b>	<b>Contract Requirement</b>	<b>Summary of Procurement</b>	<b>Supporting Documents</b>
\$1,000 and less	No formal process	Credit Card purchase, Purchase Order, Contract or General Service Agreement	No formal purchasing process is required. Minimum one (1) written quote.	Purchase Requisition and Purchase Order if applicable, Written quote, Proof of receipt of goods, Invoice, and/or purchase receipt with authorized approval and financial coding.
\$1,001-\$5,000	Informal Quotes	Credit Card purchase, Purchase Order, Contract or General Service Agreement	Informal quotes in the form of minimum three (3) written quotes. Cost is the determining factor of award.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt.
\$5,001-\$50,000	Formal Competitive Process using solicitation documents including terms and conditions.	Purchase Order, Contract or General Service Agreement	Minimum three (3) written quotations by way of a formal solicitation document is the method utilized to obtain pricing and other information from suppliers. Purchasing will determine document to be used based on requirement. Select bidding may be utilized by contacting a minimum of three known qualified suppliers.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt.
\$50,001 and greater	Formal advertised Competitive Process using solicitation documents including terms and conditions.	Purchase Order, Contract or General Service Agreement	Purchases must be procured through a competitive procurement process by public notification by way of advertisement and/or notification on the Library's website and/or the BC Bid website unless exempted under this policy from the competitive procurement process.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt
Any purchase subject to Trade agreement thresholds.	Formal advertised Competitive Process using solicitation documents including terms and conditions.	Purchase Order, Contract or General Service Agreement	In accordance with trade agreements, purchases meeting advertised thresholds must be advertised in a nationally accessible web-based service providing access to public sector business opportunities, such as BC Bid.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt

**Goods and Services Related to Facilities Equipment Repair and Maintenance:**

<b>Purchase Threshold</b>	<b>Competitive Process</b>	<b>Contract Requirement</b>	<b>Summary of Procurement</b>	<b>Supporting Documents</b>
Up to \$10,000	Informal Quote	Purchase Order, Contract or General Service Agreement	Informal quote in the form of three (3) written quotations. Select bidding may be utilized by contacting one known qualified suppliers. Vendor site knowledge and experience is the determining factor of award.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt.
\$10,001-\$50,000	Formal Competitive Process using solicitation documents including terms and conditions.	Purchase Order, Contract or General Service Agreement	Minimum three (3) written quotations by way of a formal solicitation document is the method utilized to obtain pricing and other information from suppliers. Purchasing will determine document to be used based on requirement. Select bidding may be utilized by contacting a minimum of three known qualified suppliers.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt.
\$50,001 and greater	Formal advertised Competitive Process using solicitation documents including terms and conditions.	Purchase Order, Contract or General Service Agreement	Purchases must be procured through a competitive procurement process by public notification by way of advertisement and/or notification on the Library's website and/or the BC Bid website unless exempted under this policy from the competitive procurement process.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt
Any purchase subject to Trade agreement thresholds.	Formal advertised Competitive Process using solicitation documents including terms and conditions.	Purchase Order, Contract or General Service Agreement	In accordance with trade agreements, purchases meeting advertised thresholds must be advertised in a nationally accessible web-based service providing access to public sector business opportunities, such as BC Bid.	Purchase Requisition, Written quotes, Purchase Order, Proof of receipt of goods, Invoice, and/or purchase receipt

### Schedule C - Purchasing Authority for Consultant Services

Signing authority for single purchase limits of consultant services that are exempted from the competitive bidding process will be, notwithstanding applicable legislation and trade agreements, confined as follows:

Directors	\$25,000
Executive Director	\$50,000

### Schedule D – Corporate Credit Card Expenditure Limits

Subject to other adherence to the conditions set out in the procurement policy, credit card purchases may be made within the purchase authorization limits for each employee up to a maximum of:

Library Managers	\$1,000
Divisional Managers	\$2,000
Executive Assistant	\$5,000
Directors	\$5,000
Executive Director	\$5,000

Assignment of corporate credit cards to staff and their credit limits approved by the Director of Finance.

### Adoption History

ADOPTED BY:	DATE:
VIRL Board of Trustees	November 2009
VIRL Board of Trustees	March 17, 2018
<b>DATE OF NEXT REVIEW: March 2023</b>	<b>REVIEW CYCLE: 5 years</b>