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| Policy: | 6.5.3 |
| Approved By: | Trust Council |
| Approval Date: | March 25, 1996 |
| Amendment Date(s): | March 29, 2007; December 9, 2009; September 16, 2010; September 11, 2013; March 5, 2014; December 5, 2017 |
| Policy Holder: | Director of Administrative Services |

PROCUREMENT

Purpose

In accordance with the *Islands Trust Act*:

1. To set out purchasing procedures that support the costs of operations which the Islands Trust is authorized to recover through property tax requisition under *Section 47(2)* of the *Islands Trust Act*;
2. To set out the responsibilities and accountability associated with the efficient, economical and transparent acquisition of goods and services;
3. To ensure that the most appropriate method of procurement is used to acquire goods and services at the best value including consideration of environment and local economy;
4. To ensure properly delegated purchasing authority is maintained; and
5. To ensure consistency with relevant financial policies, procedures and controls, and to provide linkage to the current operating and capital budgets.

A. Definitions

n/a

B. Policy

1. Delegation of Authority

The Treasurer is accountable for the management of the acquisition of goods and services for the Islands Trust and the implementation of the day-to-day administration of the purchasing policies. To meet this objective, the Treasurer will establish such processes and procedures as are determined appropriate to the efficient and effective operation of purchasing services.

It is the intention of the policy to provide internal control measures through the separation of duties and responsibilities relating to the acquisition of goods and/or services. The tables in Appendix A establishes the signing authority delegation for procurement processes.

Trustees do not have authority to make commitments or indications of preference to a supplier of goods or services, to avoid any real or perceived perception that trustees are improperly influencing a decision of staff to select contractors in accordance with this policy.

Staff with purchasing authority have the following responsibilities:

- Ensure that appropriate approvals have been obtained and are adequately documented.
- Communicate with Administrative Services on anticipated purchasing commitments and creation of service contracts.
- Ensure that no expenditure exceeds approved budgets.
- Ensure that no expenditure is made that is not included in the annual budget.
- Ensure that expenditures are consistent with the required or permitted operations of Islands Trust bodies, as identified in the *Islands Trust Act*.
- Be familiar with the provisions of the Government of British Columbia's Standards of Conduct for Public Service Employees in Government Procurement Processes.

2. Creation of Purchase Orders and Service Contracts

Purchase orders can be created by any employee authorized by the Director, Administrative Services.

Service contracts will be created by the Finance Clerk based on information provided by staff.

3. Regular Disbursements

Expenditures occurring on a monthly or recurring basis and disbursed in the same, or similar, amounts do not require an approved purchase order or service contract. These expenditures will be approved by the Director, Administrative Services, as required. Example expenditures of this type would be rent, telephone charges and BC Mail.

4. Legal Services

The Chief Administrative Officer (or designate) will manage all legal matters through an organizational process. The process involves on-going monitoring of legal costs, monitoring of legal services quality, and regular reporting to Trust Council.

The Chief Administrative Officer will determine if expenditures require review or approval by the Executive Committee or Trust Council.

5. Financial Assistance to Community Organizations and Other Groups or Individuals

Financial assistance to community organizations or other groups or individuals is only permitted if made by the Islands Trust Council, its delegate, or the Executive Committee acting on its behalf, pursuant to Section 8(2)(h) of the *Islands Trust Act* which states that Trust Council may:

- (f) engage in activities to gain knowledge about the history and heritage of the trust area and to increase public awareness, understanding and appreciation of its unique amenities and environment,*
- (g) conserve heritage property."*

Local Trust Committees may not provide financial assistance to community organizations or other groups or individuals unless Trust Council has, by bylaw, delegated its authority under Section 8(2)(h) of the *Islands Trust Act*.

6. Disclosure of Contracts

If a trustee (or a person who has been a trustee in the previous six months) has a direct or indirect pecuniary interest in a contract with the Islands Trust, their conduct is governed by Section 107 of the *Community Charter*.

If a staff member has a direct or indirect pecuniary interest in a contract with the Islands Trust, their conduct is governed by the Code of Conduct of the Public Service Agency of BC.

7. Local Trust Committee Expenses

7.1 Disbursements must only be made as authorized by Part 4 of the *Islands Trust Act* and typically include the following:

7.1.1 Advisory Planning Commission expenses (meeting and secretarial costs)

7.1.2 LTC meeting costs including advertising, hall rental, external facilitation costs, and secretarial costs

7.1.3 Local mail-outs and/or trustee newsletters

7.1.4 Open house costs

7.1.5 Purchases of goods or services that support the land use planning and regulatory operations of the LTC.

7.2 Disbursements must be made in accordance with the budget allocation, be processed via the Trust's financial system, and comply with all financial policies and procedures; including use of purchase orders or service contracts where required, and appropriate approvals by the Treasurer and/or designate;

7.3 Any disbursement over \$500 which is to be charged against the local trust committee expense budget, with the exception of those items noted in Section 7.1.1 through 7.1.4 above, should be approved by resolution of the LTC;

7.4 Expenditures cannot exceed the annual budget allocation provided to each local trust committee by Trust Council. However, if a local trust committee anticipates extraordinary costs they should approach the Executive Committee to request a budget adjustment;

7.5 Trustee travel and other expenditures must comply with Islands Trust Policy 7.2.3, Trustee Travel Policy and Procedures; and

7.6 Trustee expenses related to attendance at training and/or conferences must comply with Islands Trust Policy 6.12.1, Trustee Training/Conference Attendance.

8. Competitive Process

The table in Appendix A establishes the dollar limits for different types of competitive processes.

An individual project with a total value greater than \$25,000 that will be completed over more than one fiscal year will require a formal competitive process with a Request for Proposal.

A competitive process can be held at the discretion of the Manager with budget authority, even if the estimated value of the goods or services falls below the dollar thresholds in Appendix A.

All competitive processes must be coordinated by the Finance Officer to ensure that best competitive practices are followed.

When a direct award is made, staff are still expected to obtain goods and services at the best available price, while taking into consideration the quality and followup service available (if applicable) for the goods and services. To expedite routine or regular purchases, a qualified vendors' list may be established. Vendors on the qualified vendors' list will be selected in accordance with established procedures.

9. Direct Awards

If one or more of the following circumstances exist, the Chief Administrative Officer, in conjunction with the Director of Administrative Services, determines whether to approve a purchase by direct award:

- The requirement is valued at less than \$25,000.
- An emergency exists and requirements cannot be satisfied in time by means of a competitive process.
- A process delay would interfere with Islands Trust's ability to maintain security or order, or to protect human, animal, or plant life or health.
- The required service is confidential.
- There is a single supplier that clearly provides the best value in the circumstances of a particular purchase.
- Where the competitive process is impractical because of the need to obtain unique third party skills, there is a requirement for contractor continuity, or there is a strong case for the cost effectiveness of maintaining a current contractor for a specific task.
- For work to be performed on or about a leased building that may be performed only by the lessor or the lessor's approved suppliers.
- The Islands Trust receives grant funding on behalf of a third party who initiated the project or funding request, and is named in the funding proposal. In this circumstance, the

Director of Administrative Services may, at his or her discretion, directly award a contract to the third party, a contractor, or community group, after confirming the chosen contractor or community group demonstrates the capability and qualifications to complete the work funded by the grant. If the work is being conducted on behalf of a local trust committee, the proposed work must be within the legislated role of the local trust committee (*Islands Trust Act, Section 24*).

- For projects covered under a partnership agreement, where the Islands Trust is not the only source of funds and the other funding source(s) has already selected the contractor. In this circumstance, the Director of Administrative Services may, at his or her discretion, directly award a contract to the selected contractor after confirming the contractor demonstrates the capability and qualifications to complete the work.

10. Selection Criteria

In a competitive process, selection criteria shall be established before a competitive process is posted. The selection criteria should consider all the relevant factors in a purchasing decision including, price, quality, qualifications, delivery time, quality of the response, environmental and social policy considerations, local purchasing and any other factors as determined by the Manager with budget authority for the purchase.

A local trust committee may request that the Regional Planning Manager provide the selection criteria for their review prior to posting the competition.

All details of the selection process shall be retained by the Finance Clerk.

11. Consultant Evaluations

A firm's performance is assessed for services based on the quality of the project in terms of how successfully it fulfils the stated objectives for the project. In the case of studies and briefs, where there is no built work involved, the product refers to the actual work produced by a consultant. Quality of 'services' assesses the firm's ability to manage and deliver professional services in a comprehensive, effective, reliable and timely manner throughout each stage of the project.

12. Contract Renewals

Once a competitive process is held (where required) and a vendor selected, contracts may be signed with the selected vendor to allow for renewal periods of up to five years, provided that satisfactory service continues to be received. At the completion of the renewal period, a new competitive process should be held, if required by the Purchasing Policy in place at the time.

A competitive process for a particular business service can be delayed for up to one year at the discretion of the Chief Administrative Officer if high quality service is being provided at a reasonable price by the current service provider.

13. Fiscal Year

Contracts should not extend beyond the end of the current fiscal year-end to provide for budget approvals. Should the situation arise where this is required, approval by the Chief Administrative Officer is required.

14. Environmental Considerations

When making purchases every effort will be made to select suppliers whose environmental practices are consistent with those of the Islands Trust.

Environmental considerations include such things as the suppliers' efforts towards recycling; use of environmentally friendly products; and manufacturing goods from recycled or recyclable materials.

In addition, purchases of equipment and supplies should have Canadian content wherever possible, practical and economical.

15. Social Policy Considerations

When making purchases every effort will be made to select suppliers whose products or services align with the attributes of social procurement policy.

Social procurement considerations include contributions towards a stronger local economy; enhancing the number of local jobs; and enhancing community arts and culture infrastructure.

16. Local Purchasing Considerations

When making purchases every effort will be made to purchase local goods and services including:

- Local food procurement – Islands Trust staff engaged in the purchase of food for operational needs will ensure that when practical, both operationally and economically, at least 40% of purchases will be local. Suppliers will be made aware of this policy and will be encouraged, again where practical, to increase the availability and variety of local foods. “Local” is defined as food that is produced within British Columbia, with preference given to items produced in the Islands Trust Area or on Vancouver Island.
- Community Stewardship Awards – Islands Trust staff engaged in procuring Community Stewardship Awards, or other awards that from time to time may be required, will ensure that awards represent the unique nature of the Islands Trust Area and, where practical, are constituted from products distinct to the Islands Trust Area.
- Contractors and service providers with a presence in the Islands Trust Area, and/or whose employees reside in the Islands Trust Area.

17. Staff Travel and Training

Travel expenses are submitted via Islands Trust Expense Claim. All those claiming expenses are expected to ensure that the most cost effective method of travel is provided. Approved Expense Claims are considered equivalent to an approved purchase order or service contract.

Training requests are approved via an authorized “Training/Conference Request Form” (see Policy 8.2.1, Staff Training and Conference Attendance). All staff travel and training requests must be approved by the appropriate Manager.

Managers have the responsibility to ensure all Employee Expense Claims are in accordance with established processes (i.e., BCGEU travel allowance chart).

C. Legislated References

Islands Trust Act

BC Government Purchasing Handbook

Ministry of Finance Core Policy 6.0 Purchasing

Islands Trust Policy 8.2.1, Staff Training and Conference Attendance

Islands Trust Policy 6.12.1, Trustee Training/Conference Attendance

Islands Trust Policy 7.2.3, Trustee Travel Policy and Procedures

D. Links to Supporting Forms, Documents, Websites, Related Policies and Procedures

Appendix A – Method of Procurement and Approval Authority

APPENDIX A – METHOD OF PROCUREMENT AND APPROVAL AUTHORITY

| COMMITMENT MATRIX October 10, 2017 | | | | | | |
|---|--|------------------------------------|------------------------|---|--|--|
| Commitment/ Spending \$ Level | Commitment Type | Number of Quotes | Method of Purchase | Document Submitted to Finance | Special Conditions | |
| 1 | <\$ 100 | Petty Cash | One | Verbal, in person | Petty Cash Reconciliation | Receipt Required with payment claim - record purpose of purchase on receipt |
| 2 | <\$500 | Petty Cash, Corporate Credit Card | One | Verbal, in person | Petty Cash or Corporate Credit Card Reconciliation | Receipt Required with payment claim - record purpose of purchase on reconciliation |
| 3 | <\$5,000 per item or aggregate | Service Contract or Purchase Order | One | Verbal or written quote from one or more known vendors | Invoice | Approval of Invoice with indication of Project Code if any including indication that services/goods were received as ordered |
| 4 | \$5001 to \$25,000 per item or aggregate | | Request at least Three | Verbal or written quote from at least Three known vendors. If no "known" vendors then formal competitive process ITQ or RFP | Invoice | |
| 5 | >\$25,001 per item or aggregate | | Public Process | Appropriate Competitive process - RFP/ITQ | Invoice | |
| All Direct Award Service Contracts or Purchase Orders over \$ 10,000 must be approved by the Chief Administrative Officer | | | | | | |

| SIGNING AUTHORITY MATRIX October 10, 2017 | | | | | | | | | | |
|--|---|---|---------------------------------|--|--|--|---|---|--|-------------|
| Position Type of Decision | Commitment Type | Executive Committee | Chief Administrative Officer | Treasurer (Director of Administrative Service) | Director (Local Planning Services and Trust Area Services) | Corporate Secretary (Manager of Legislative Services) | Regional Planning Manager | Manager - (Manager of Islands Trust Fund, Manager of Information Systems, Executive Coordinator) | Supervisor (Finance Officer and Employee Services Coordinator) | |
| 1 | Authorization of Purchase of Services or Goods | Petty Cash, Corporate Credit Card Charge, Purchase Order or Service Contract to be done when required by policy | N/A | Greater than \$100,000 or direct award greater than \$10,000 | Up to \$100,000 | Up to \$25,000 | Up to \$10,000 | Up to \$10,000 | Up to \$5,000 | Up to \$500 |
| 2 | Authorization of new Positions | Email approval prior to initiation of hiring process | N/A | Yes | Yes | N/A | N/A | N/A | N/A | N/A |
| 3 | Authorization to fill vacant positions or changes to existing Positions | Offer Letter | N/A | Yes | Yes | N/A | N/A | N/A | N/A | N/A |
| 4 | Authorization of Training Request prior to registration or travel bookings | Training Request Form | N/A | Greater than \$50,000 or for any amount for training outside of the Province of BC | Up to \$50,000 - Training within Province of BC | Up to \$10,000 - Training in the Province of BC | Up to \$10,000 - Training in the Province of BC | Up to \$10,000 - Training in the Province of BC | Up to \$10,000 - Training within the Province of BC | |
| 5 | Authorization of Travel and Expense reimbursements | Expense Form | N/A | Greater than \$50,000 or for any amount for travel outside of the Province of BC | Up to \$50,000 - Travel within Province of BC | Up to \$10,000 - Travel within Province of BC | Up to \$10,000 - Travel within Province of BC | Up to \$10,000 - Travel within Province of BC | Up to \$10,000 - Travel within Province of BC | N/A |
| 6 | Authority to sign Grant Agreements or Memorandum of Understanding with external parties | Contract | N/A | Greater than \$100,000 | Up to \$100,000 | Up to \$25,000 | N/A | N/A | N/A | N/A |
| 7 | Authority to sign Contracts with external parties with no monetary implications | Contract | N/A | Within area of accountability | Within area of accountability | Within area of accountability | Within area of accountability | Within area of accountability | Within area of accountability | N/A |
| 8 | Authority to sign Project Charter | Contract | N/A | Greater than \$100,000 | Up to \$10,000 | Up to \$10,000 | Up to \$5,000 | Up to \$5,000 | N/A | N/A |
| 9 | Authority to sign Legal Services requests | Legal Services Request | N/A | Greater than \$100,000 | Up to \$100,000 | Up to \$25,000 | Up to \$10,000 | Up to \$10,000 | Up to \$5,000 | N/A |
| 10 | Authority to sign Lease/Rental Agreements | Agreement | N/A | Greater than \$100,000 | Up to \$100,000 | N/A | N/A | N/A | N/A | N/A |
| 11 | Authority to release LTC Project funds from the LTC Project Reserve Fund | Agreement | Greater than \$20,000 | Up to \$20,000 | Up to \$20,000 | N/A | N/A | N/A | N/A | N/A |