

CENTRAL COAST REGIONAL DISTRICT
POLICIES

A-26 Purchasing and Procurement

1. Purpose

1.1 The purpose of this policy is to

- (a) Minimize risk, define, and provide appropriate oversight of purchases and procurement, control expenditures, and maintain fiscal responsibility for the Central Coast Regional District (the "Regional District").
- (b) Provide flexibility, efficiency, and consistency in all departments of the Regional District.
- (c) Maximize value for money in the procurement of Construction, Goods and Services through fair, open and transparent purchasing practices.
- (d) Comply with all applicable federal and provincial legislation and trade agreements, resulting in the highest quality Service delivery.

1.2 This policy applies to

- (a) All employees and Board members of the Central Coast Regional District as it relates to the provision of services and supplies to support the operations of the Central Coast Regional District.
- (b) To any third parties that are required to work through Central Coast Regional District purchasing as part of a separate agreement or contract.
- (c) To any arms-length organizations where the Central Coast Regional District maintains control over operations.
- (d) Operations undertaken by Partnering Agreement, unless that Partnering Agreement has specified a separate process.

1.3 Policy Orientation

- (a) Orientation to this policy will be provided to each new employee within a reasonable amount of time.
- (b) Existing employees will be re-orientated to this policy after each amendment to the policy.
- (c) Orientation to this policy will require each employee to sign that they have been orientated and that they have understood the requirements of the policy.

2. Definitions

2.1 The following definitions shall apply to this policy:

- (a) *Board* - the Board of Directors of the Regional District.

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- (b) *CAO* - the Chief Administrative Officer of the Regional District.
- (c) *CFO* - the Chief Financial Officer of the Regional District.
- (d) *Construction* - a Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the Construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting Services related to the Construction contract unless they are included in the procurement.
- (e) *Goods* - Goods that are produced, manufactured, grown, or obtained in, used for a commercial or public purpose in, or distributed from, the Regional District.
- (f) *Invitation to Tender or ITT* - formal request for competitive bids for the supply of specific Construction, Goods or Services in response to a formal and/or advertised invitation. Typically, an Invitation to Tender is used in circumstances where the desired Construction, Goods or Services are known, and the Regional District wishes to identify the desired Vendor on the basis of price and/or experience. An Invitation to Tender is a formal, sealed bidding process. Submitted bids may be opened in public. An Invitation to Tender is binding on the parties, the tendered bids are provided without conditions and the award is made without negotiation
- (g) *List* - the list of registered Vendors described in Section 7.13.
- (h) *Local* - a business or service provider that is conducted from property that is owned or rented by a Vendor within the legal boundaries of the Regional District.
- (i) *Request for Expressions of Interest or RFE* - a request for expressions of interest used to survey the marketplace for Vendors interested in an opportunity to be short listed to provide Goods, Services or Construction to the Regional District
- (g) *Request for Proposals or RFP* - a formal Request for Proposals for Construction, Goods and Services. A Request for Proposals is not as specific as an Invitation to Tender and often used when there are alternative ways to meet a specific need. The Request for Proposals describes an opportunity or problem and asks for solutions and costs. Vendors are invited to propose what they consider to be the best way of meeting the Regional District's need. A Request for Proposals is a formal, sealed bidding process. Submitted bids may be opened in public. A Request for Proposals is not binding on the parties and selection of a preferred proponent is usually followed by negotiations. The parties have no contractual obligations until there is an executed agreement.

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- (k) *Request for Quotations or RFQ* - a request for bids for the supply of Construction, Goods or Services, from selected sources of supply, not opened in public. The parties have no contractual obligations until there is an executed agreement.
- (l) *Service* - a Service supplied or to be supplied, by a Vendor.
- (m) *Trade Agreements* - the applicable trade agreements described in Section 4.2 of this Policy.
- (n) *Vendor* - a person or business that may supply Construction, Goods or Services to the Central Coast Regional District.

3. Policy Statement

- 3.1 Effective purchasing is a critical support function for the Regional District to responsibly manage the public funds placed in their trust. The purchasing system must be responsive, cost effective, and as open as possible to public scrutiny.
- 3.2 It is the policy of the Regional District to receive the best available value for Construction, Goods and Services by providing an open, fair, respectful, and competitive process for meeting the Regional District's needs.
- 3.3 It is also the policy of the Regional District to support the local economy while ensuring transparency and non-discriminatory practices for competitive purchasing to ensure that all qualified Vendors are given the opportunity to compete for the Regional District's purchases of Goods and Services.

4. Policy Background

- 4.1 The Board and staff recognize their statutory responsibility to work within the legal framework and authority of the Community Charter and other enactments affecting local governments.
- 4.2 The Regional District is also bound by the New West Partnership Trade Agreement ("NWPTA"), the Canadian Free Trade Agreement ("CFTA") and other applicable trade agreements (the NWPTA, CFTA, and other applicable trade agreements collectively referred to as the "Trade Agreements") that require openness, non-discrimination, non-circumvention and transparency in procurement of Construction, Goods and Services. Purchases over the thresholds set out in the Trade Agreements (with the current minimum threshold being \$75,000 for Goods and Services and \$200,000 for Construction) are subject to the requirements of these Trade Agreements. It is recognized that requirements and thresholds established under the Trade Agreements may change from time to time.

5. Policy Guiding Principles

- 5.1 The following principles shall guide procurement of Construction, Goods and Services in the Regional District. In particular, the Regional District shall:

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- (a) Ensure a high level of accountability is maintained.
- (b) Procure the necessary quality and quantity of Construction, Goods and Services in an efficient, timely, and cost-effective manner, while maintaining the controls necessary for a public institution.
- (c) Encourage an open non-discriminatory procurement process practicable for the procurement of Construction, Goods and Services.
- (d) Recognize the value of supporting Local businesses wherever possible, subject to the terms and conditions of this policy.
- (e) Ensure the best value for procurement of Construction, Goods and Services is obtained by determining the total cost of procuring the Construction, Goods or Services over the lifetime of the project, including, but not be limited to: Construction or acquisition cost, training cost, maintenance cost, Local access to quality Service, operating cost, quality of performance and environmental impact.
- (f) Ensure that all procurement is subject to all applicable Regional District policies and bylaws and any relevant provision of the Community Charter, Local Government Act or other applicable enactments.
- (g) Promote positive Vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

5.2 Goods, Services and Construction procured on behalf of the Regional District will be selected on the basis of what is determined to be in the best interests of the Regional District. While the price of Goods, Services and Construction is important, the following criteria will also be considered:

- (a) Quality of workmanship and/or products required.
- (b) Related experience of Vendor.
- (c) Financial stability of Vendor.
- (d) Environmental impacts of Goods, Services or Construction provided by Vendor.
- (e) Innovation and efficiencies of Vendor.
- (f) Standardization of Vendor's equipment with Regional District equipment.
- (g) Timely delivery of the Goods, Services or Construction.
- (h) Delivery, shipping costs, and location of Vendor home base.
- (i) Associated maintenance or shipping costs.
- (g) Availability and suitability.

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- (k) Ease of operation.
- (l) Resale or residual value and cost of disposal.

- 5.3 The Chief Administrative Officer or another authority designated by the Board will be delegated the necessary authority to administer this policy and give effect to it.
- 5.4 This policy and the Regional District's purchasing manual, if any, will be the reference guide used by all staff given the authority to purchase. The guide outlines purchasing processes and procedures to provide consistency across the organization.

6. Policy Requirements

The Regional District shall ensure that the following policy objectives are followed in all procurement of Construction, Goods and Services.

- 6.1 Unless otherwise approved by the Board, all purchases (operating or capital) must be included and approved in the Regional District's five-year financial plan and adopted annual budget before the procurement occurs. Expenditures not included in the five-year financial plan constitute unlawful expenditures and are expressly prohibited.
- 6.2 Only those persons who have been delegated authority by the Board are authorized to commit the Regional District for Goods, Services and Construction as authorized by annual budget approval. Before any purchase is made, approval must be obtained. The pre-purchase approval is a two-step process. The purchaser must have the authorization from the purchasing authority and must have verification from the Chief Financial Officer that the item is within the budget. Purchasing authorities and limits are:

Regional District Board	\$75,000 or greater
Chief Administrative Officer or designate ("CAO")	Up to \$75,000
Chief Financial Officer ("CFO")	Up to \$50,000
Department heads (Directors or Managers)	Up to \$25,000
Coordinators or Executive Assistant	Up to \$5,000
Other purchasing authorities (pool manager and fire chief)	Up to \$500

- 6.3 The following requirements are to be followed for the procurement of Construction, Goods and Services. Where the requirements require a public procurement process, the public procurement may only be waived if approved by a Board resolution.

Project Type	Estimated Value of Purchase (excl. taxes)	Minimum Procurement Process
Construction Projects	\$50,000 or greater	Public procurement process consisting of Projects of either Invitation to Tender ("ITT") or Request for Proposals ("RFP")

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Construction Projects	\$5,000 to \$50,000	ITT, RFP or Request for Quotations ("RFQ") and at least three written bids, proposals, or quotations
Construction Projects	\$1,500 to \$5,000	RFQ and at least three written quotations
Construction Projects	Under \$1500	Obtain best value
Goods or Services	\$50,000 or greater	Public procurement process consisting of either ITT or RFP
Goods or Services	\$5,000 to \$50,000	ITT, RFP or Request for Quotations ("RFQ") and at least three written bids, proposals or quotations
Goods or Services	\$1,500 to \$5,000	RFQ and at least three written quotations
Goods or Services	Under \$1,500	Obtain best value

- 6.4 In establishing values for procurement, values should be based on the estimated cost of the Goods, Services or Construction being procured. The Regional District shall not prepare, design, or otherwise structure a procurement, select a valuation method, or divide procurement requirements in order to avoid the obligations of the Trade Agreements. This includes actions such as dividing required quantities of the goods or services to be procured or diverting funds to entities or to buying groups in a manner designed to avoid the obligations of the Trade Agreements.
- 6.5 In general, it is the Regional District's policy objective to award purchases to the lowest bidder meeting all of the Regional District's specifications; however, when arriving at the best, qualified, acceptable bid or proposal, consideration should be given to such matters as qualifications, quality, source of supply, availability, Vendors past performance, best value and the other criteria listed in Section 5.2 above. The Regional District reserves the right to accept bids or proposals other than the lowest bid or proposal received based on the Regional District's assessment of which bid, or proposal provides the best value for the Regional District.
- 6.6 Subject to the other terms and conditions of this policy, the procedure used to select Vendors for the provision of Construction, Goods and Services may vary depending on a

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variety of factors such as: the type, quantity or value of the Construction, Goods or Services; the frequency or duration that Goods or Services are required; the availability or competitiveness of Vendors in the market place and the urgency with which such Construction, Goods or Services are required.

- 6.7 Regional District employees will demonstrate ethical purchasing behaviour including:
- (a) Declaring all direct or indirect conflicts of interest or potential conflicts of interest with Vendors.
 - (b) Declaring any personal interest which may encroach or might reasonably be deemed by others to affect the impartiality of an employee.
 - (c) No Regional District employee shall participate in the procurement or purchasing of Construction, Goods or Services on behalf of the Regional District in situations where the employee is in a conflict of interest, potential conflict of interest or has a personal interest as detailed in this Section 6.9.
 - (d) For further understanding of Conflict of Interest, employees can review Appendix B attached to this policy as well as speak to their supervisor or the Chief Administrative Officer.
 - (e) The Regional District will not purchase goods or services from an employee without previous approval from the CAO.
- 6.8 Regional District Board and employees will be aware of their requirements under the *Freedom of Information and Protection of Privacy Act* as it relates to purchasing. For further information, see Appendix C of this policy.
- 6.9 Financial Disclosure Statements from all Board members and Officer positions within the Central Coast Regional District will be reviewed annually by the CAO, CFO, and Chair for potential Conflicts of Interest with Regional District purchasing.
- 6.10 Non-competitive situations are those in which the Regional District may not procure through an Invitation to Tender or Request for Proposals in order to meet its requirements for Construction, Goods or Services. Limited exceptions are permitted under the procurement rules of Trade Agreements. Non-competitive situations may exist when:
- (a) true competition does not exist [e.g., sole source items];
 - (b) prices or sources of supply are determined by regulatory authorities;
 - (c) an emergency situation exists; or
 - (d) Regional District objectives, standardization, operational requirements, or administrative costs preclude competitive alternatives.

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If Regional District staff identify circumstances where non-competitive situations exist and an open public procurement under this policy would otherwise be required, a permissible exception must be identified in the Trade Agreements and that exception must be confirmed by the Chief Administrative Officer.

- 6.11 In the event of an emergency or extraordinary circumstances where it is impossible to undertake a public procurement process or obtain the necessary authority in a timely manner, the CAO or CFO shall have the authority to bypass policy and procedures provided that a permissible exception is identified in the Trade Agreements and that exception is confirmed by the Chief Administrative Officer. Any violations to this Section 6.7 shall be reported immediately to the Chair of the Board of Directors.
- 6.12 For clarity, when the Board:
- (a) approves or authorizes specific projects by resolution or bylaw, or
 - (b) endorses or ratifies an agreement with another party, or
 - (c) provides the CAO (or designate) with the authority to approve or endorse a contractual agreement that authorization, resolution, or bylaw shall constitute purchasing authority for that project, regardless of individual payment amounts. Similarly, if the Board ratifies or causes to be ratified a contract or fee for service agreement, those payments associated with fulfilling the contractual obligations of the Regional District will not require additional authorization by the Board. Authorization for such expenditures shall be the responsibility of the CAO or designate on behalf of the Board.
- 6.13 The Regional District purchasing must adhere to all regulations including limitations placed upon it such as, but not limited to, S.175 of the Community Charter.
- 6.14 Master Servicing Agreements (MSA's) are a mechanism for the District to retain ongoing expertise in particular fields of practice such as Professional Engineering Services.

MSA's should be re-advertised on a minimum three-year basis, unless the Board wishes to renew an existing MSA agreement. Proponent selection shall be approved by the Board.

Work undertaken through a valid MSA do not require subsequent Board approval, as the services being undertaken through the MSA have been publicly advertised already, provided that the cost of the work is covered in an approved budget.

7. Procurement Policy Procedures

- 7.1 The Regional District shall undertake a public procurement process consisting of either an ITT or RFP when the value of Construction, Goods or Services exceeds the thresholds set out in Section 6.3 above, unless an emergency or extraordinary circumstances and a permitted exception exists under applicable Trade Agreements.

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- 7.2 All ITTs and RFPs issued by the Regional District must be prepared in accordance with the templates approved and maintained by the Regional District. Sufficient time must be allowed for the preparation and return of ITTs, RFPs and RFQs prior to the date and time of closing.
- 7.3 Specifications covering Construction, Goods and Services should be written broadly enough to encourage competitive bidding. Brand names may be used only to specify standards or where the materials or services are unique. Specifications covering Construction projects shall be in accordance with the Regional District's Servicing Standards and applicable Construction Codes.
- 7.4 When selecting Vendors to be invited to tender or request for proposal, the following should be considered:
- (a) The degree of competition required, commensurate with the type, size, and dollar value of the requirement.
 - (b) Availability of Vendors when timely response to urgent demand is required.
 - (c) Track record of after sales service.
 - (d) The other criteria listed in Section 5.2 above.
- 7.5 ITTs and RFPs with a total value of \$50,000 or greater must be posted on the Regional District website and public notice boards for the duration of the procurement period, published in the legal section of the local newspaper for at least two consecutive weeks and posted to the BC Bid website for the duration of the procurement. In the event that the CCRD adopts a public notice bylaw, then the process of the bylaw will be followed. The Regional District will endeavour to inform Local Vendors of procurement opportunities.
- 7.6 Department heads and/or consultants are responsible for the preparation of the specifications for the Construction, Goods and Services that are to be purchased. Where price is not the only consideration, the specifications must describe in advance the criteria and method of evaluation that will be used to determine the merits of the tender and request for proposal.
- 7.7 Prior to the issuance of the ITT or RFP, the Chief Administrative Officer and the Chief Financial Officer will review all documents to ensure that funding is allocated for the project. In addition, they will ensure that the proposed methodology for evaluating the ITT or RFP is clear and consistent with the Regional District's practices.
- 7.8 Staff receiving sealed bids shall adhere to the following procedures:
- (a) Upon receipt of the sealed bid, immediately record the date and time received on the outside of the sealed envelope. The staff member receiving the bid must also initial the recorded information.

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- (b) If a fax amending a sealed bid is received, immediately record the date, time received, and initial the recorded information on the faxed document.
 - (c) If a telephone call is received from a Vendor wanting to amend a sealed bid, advise them that the bid can only be amended in accordance with the requirements of the ITT or RFP and that they should contact their own legal counsel to confirm their responsibilities.
 - (d) Original bids and written or faxed amendments are not acceptable after the official closing time and date. Information received after the closing time and date should be time and date stamped and will be returned unopened to the sender.
 - (e) Original bids must be received in a sealed envelope. An original bid received in the form of a fax is not acceptable.
 - (f) Original documents are to be stored in a safe and secure location.
- 7.9 Sealed bids will be opened with minimum of three Regional District staff or at a public session on the date and time specified in the ITT or RFP. The Chief Administrative Officer, Chief Financial Officer and applicable department head (or designate) shall be present at the opening.
- 7.10 Following the opening of ITTs or RFPs, the Chief Administrative Officer, Chief Financial Officer and applicable department head (or designate) shall review the submitted material and shall ensure that all criteria of the ITT or RFP are met. Criteria may consist of insurance, bonds, irrevocable letter of credit, confirmation of figures contained in the documents and conformity with the instructions in the procurement specifications. The Regional District's consultants may assist this review prior to awarding the contract.
- 7.11 The Regional District will participate in group purchasing when it meets the Regional District's best value selection criteria and where it is in the Regional District's best interest to do so. Group purchasing is restricted by the purchasing limits in this policy. The Regional District may participate with other government agencies, public authorities, or private organizations in co-operative acquisition ventures where it is in the best interest of the taxpayer to do so and may follow the procedures set out by the group responsible for the venture.
- 7.12 All purchases from Vendors require completion of the Requisition Request attached to this policy as Schedule A. Exemptions are subject to the CAO's approval.
- 7.13 Regional District personnel shall maintain a current List of registered Vendors which shall be updated through an annual Request for Expressions of Interest and by unsolicited expressions of interest submitted by interested Vendors. The List of registered Vendors shall include the following:
- (a) The full legal name and contact information for the Vendor.

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- (b) A description of the Goods, Services and Construction that the Vendor is able to provide.
 - (c) Details of the Vendor's prices and hourly rates.
 - (d) Details of any previous Goods, Services and Construction provided by the Vendor to the Regional District.
 - (e) Such other information as Regional District Personnel considers pertinent.
- 7.14 In the circumstances detailed in Sections 6.10 and 6.11, or for purchases having an estimated value of \$5,000 or less, the following practices are permitted:
- (a) Goods, Services and Construction may be procured directly from the List and the qualified Vendor providing the best value to the Regional District on the basis of price, or on the basis of price and the criteria listed in Section 5.2 shall be selected.
 - (b) Any purchase having a value of \$5,000 or more shall be approved by the CAO or the CFO.
 - (c) In the event that there is more than one qualified Vendor on the List that can provide the Goods, Services or Construction at approximately the same value to the Regional District, then the Vendor shall be selected by random selection or in consultation with the CAO or CFO.
 - (d) If it is impracticable to use any Vendor from the List for a procurement, the procurement shall be conducted in accordance with the requirements of Section 6.3.
- 7.15 A contract award shall only be made in accordance with the evaluation criteria and authority granted the Regional District in the ITT or RFP.
- 7.16 The following are exempt purchases that may be directly acquired, despite exceeding the values specified in Section 6.3 of this policy:
- (a) Professional Services:
 - Counselling services
 - Legal fees and Services including Notaries
 - Annual Audit Fees
 - Appraisal charges
 - Performance/artist's fees
 - Honorarium
 - Arbitrators
 - Medical Professional Services
 - Expert Witnesses
 - Confidential Items (Forensic Audits for example)
 - Providers of artistic and recreational services
 - Chief Elections Officer

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- Elections officers and temporary elections staff for a special election
- (b) Utilities:
- Electrical
 - Postal services
 - Water & Sewage
 - Natural gas
 - Hydro
 - Communications
 - Fuel/furnace oil
- (c) Employer General Expenses:
- Payroll and Payroll deductions
 - Employee health and benefits
 - Medicals
 - Licenses – including Hardware and Software Licences, vehicle, elevators, radios
 - Debenture payments
 - Insurance (including Motor Vehicle, Municipal Insurance Association of BC and WorkSafe BC)
 - Grants and levies to agencies
 - Damage claims
 - Charges to or from other government agencies
 - Real Estate
 - Banking and Bank charges
 - Real property payments including land, buildings, leasehold interests, easements, encroachments and licenses, or the like.
 - Expenses related to labour relations, workplace investigations, arbitrations, and training associated with these items.
- (d) Employee Expenses:
- Payroll and payroll liabilities and employee benefits
 - Training and education, professional development of employees, board members and third parties
 - Conference, convention, seminars fees and registration
 - Magazines, Periodicals, Subscriptions
 - Recruitment, Hiring, Relocation, and related expenses.
- (e) Quarterly/annual payments for provision of library services to VIRL.
- (f) Exemptions as processed through the Exemption process. See Appendix E.

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8. Requirements for Contracts with Vendors

- 8.1 All purchases of Goods, Services or Construction having a value of \$5,000 or more shall be subject to a written contract between the Vendor and the Regional District that is executed by the Regional District by approved signatories.
- 8.2 All contracts must be prepared in accordance with the templates approved and maintained by the Regional District. Sufficient time must be allowed for the preparation and signing of contracts.
- 8.3 Subject to a risk assessment of the CAO or the Operations Manager, all contracts for services to be provided on Regional District property require the Vendor to provide and maintain their own insurance coverage acceptable to the CAO including but not limited to commercial general liability (\$2,000,000), auto, property/all risk and professional liability. The risk associated with each contract varies and, accordingly, the CAO may require additional factors, such as being named as an additional insured, cross liability clauses, waiver of subrogation, notice of cancellation and proof of coverage.
- 8.4 Notwithstanding the insurance requirements noted in Section 8.3 above, Vendors or others undertaking work at airports owned and operated by the Regional District are required to carry Commercial General Liability Insurance coverage and must disclose airport work to their own insurer for endorsement to show the Regional District as an additional insured for the project being undertaken. The amount of the Commercial General Liability will be determined by the CAO and is dependent on the nature of the work required and the risk involved but is generally recommended to be in the order of \$2,000,000. The Vendor must provide proof of liability insurance prior to commencing work at airports.

Attached Appendixes:

- A – Acknowledgement of Orientation
- B – Conflict of Interest for Employees
- C – Freedom of Information Requirements
- D – Board Member Regulations
- E – Exemption Process

Adopted: March 13, 2014

Amended: June 11, 2015

Amended: December 13, 2018

Amended: March 28, 2024

Resolution Number: 24-03-15

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Appendix A

Acknowledgement of Orientation

Acknowledgment and Receipt

I have received orientation of the Central Coast Regional District's Purchasing Policy.

The Purchasing Policy describes how the Central Coast Regional District adheres to laws, regulations, and agreements in regard to how it undergoes purchasing of goods and services.

I am aware of the process and procedures of the Central Coast Regional District's Purchasing Policy and will adhere to those processes and procedures including only purchasing goods and services that I have authority to do so as per policy.

I also am aware that the Central Coast Regional District requires employees to not partake in purchasing activities in which they have a Conflict of Interest, to not attempt to use information for their or for others benefit that they acquired from being an employee of the Regional District and to not influence the purchasing process if I am in a Conflict of Interest.

I am also aware that the Central Coast Regional District is subject to the Freedom of Information and Protection of Privacy Act and that I must adhere to the Act in my purchasing activities.

I understand that I should ask questions to the CAO or CFO if I do not fully understand the policy and that I will not undertake purchasing on behalf of the Regional District without understanding my responsibility.

Employee's Signature

Employee's Name (Print)

Date

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Appendix B

Conflict of Interest for Employees

The following is to provide more illustration to Conflict of Interest and help employees navigate when there may be a potential conflict of interest.

A Conflict of Interest is a *personal interest in a matter that goes beyond the interests of other members of the community and might reasonably be expected to influence the employee's performance of their duties. From a government employee's perspective, a conflict of interest occurs when an employee's private affairs or financial interests are in conflict – or appear to be in conflict – with the employee's duties or responsibilities to the government.*

The key consideration for employees is whether a reasonable person would conclude that decision-making could be influenced or affected by the connection, such that a private interest could conflict with any employees' their public duties. When in doubt, it is advised that people err on the side of caution and declare any real or perceived non-pecuniary conflict of interest.

For example, an employee that has a family member submitting a bid on a construction project undertaken by the Regional District may be in a Conflict of Interest if they sit on the evaluation committee. They should explain their situation to their supervisor and excuse themselves from the committee. An employee that may be in a Conflict of Interest will not attempt to seek additional information on the project, pass information to proponents, or to influence the process in any way.

Another example of a potential conflict of interest may have to do with employees that engage their skills outside of the Central Coast Regional District such as if they undertook contractor work. Undertaking work where the employee may have an unfair advantage in information is a Conflict of Interest. This may include having access to budget documents, technical information, or restrictions on the Regional District that is not known to other competitors. An employee should never be the approving party for work undertaken by a contractor if they themselves are the contractor, or a member of their immediate family.

Conflicts of Interest are not always clear, so the Regional District expects employees to err on the side of caution and bring conflicts or potential conflicts to their supervisors. If an employee is unaware there is a conflict, but later becomes aware, they should speak to their supervisor and excuse themselves from any activity in relation to the conflict of interest.

Using or passing along information you have received in your employment, attempting to influence the outcome of a purchasing process, or using your delegated purchasing powers in a way that is in contravention of this policy is an action that warrants disciplinary action as well as may exclude relevant vendors from further contracts with the Regional District. In serious enough cases, the Regional District may consider legal action.

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Appendix C

Freedom of Information and Protection of Privacy Act

The Regional District is subject to the *Freedom of Information and Protection of Privacy Act (FOIPPA)* of British Columbia. Employees must be aware of and manage their obligations in respect to the maintenance, release, and management of all purchasing records. Supplier information submitted in connection with a purchasing process must be adequately protected.

For example, disclosure of information harmful to business interests of a third party is an exception to information that can be disclosed by the Regional District (S.21 of *FOIPPA*). This means that this information cannot be given out and employees should be aware that requests of this type of information should be provided to the FOI Head and Privacy Coordinator for the Regional District.

When dealing with purchasing information, freely providing information to competitors of vendors can be incredibly harmful if it includes trade secrets or competitive advantages and may impact their commercial venture. It may also harm the Regional District by having information respecting contracts withheld by vendors.

An example of a trade secret may be unit costs, formulas, labour relations, or techniques used by the company.

For information, S.12 through S.22.1 of *FOIPPA* detail information that may or must be exempted from disclosure.

- Section 12 – Cabinet and Local Government Body Confidences
- Section 13 – Policy Advice or Recommendations
- Section 14 – Legal Advice
- Section 15 – Disclosure Harmful to Law Enforcement
- Section 16 – Disclosure Harmful to Intergovernmental Relations or Negotiations
- Section 17 – Disclosure Harmful to the Financial or Economic Interests of a Local Government Body
- Section 18 – Disclosure Harmful to the Conservation of Heritage Sites, etc.
- Section 19 – Disclosure to Individual or Public Safety
- Section 20 – Information that will be Published or Released within 60 Days
- Section 21 – Disclosure Harmful to Business Interests of a Third Party
- Section 22 – Disclosure Harmful to Personal Privacy
- Section 22.1 – Disclosure of Information Relating to Abortion Services

The takeaway lesson is: if you don't know, ask your supervisor. Never give out information about a third-party or contract if you are not sure if it should be withheld.

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Appendix D

Board Member Regulations

Board Members are subject to several regulations that affect their ability to influence purchasing processes.

Conflict of Interest

S.100 to 104 of the *Community Charter* details Conflict of Interest provisions for Council members.

Financial Disclosure Act

S.2 of the *Financial Disclosure Act* requires Board members to file a Financial Disclosure at several different intervals. This information includes assets, liabilities, corporate ownership, and real property ownership that may indicate Conflict of Interests on Regional District purchasing.

Contract Disclosure

S.107 of the Community Charter details the requirement of disclosure of contracts that are entered into with Board members.

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Appendix E

Exemption Process

Employees may apply for an Exemption for the purchase of certain goods or services considered to be beneficial if not to be subject to the competitive process but still require a Purchase Order for invoicing, payment and record keeping purposes. Any such request must be authorized by the CFO and CAO.

A competitive exemption requires an application and written justification. This application is to be included with purchase requisition, sent by electronic mail to the CFO and include the following:

- Why policy requirement should be exempted
- Proposed alternative to following the policy requirement
- Any relevant circumstances and supporting documentation
- Detail any relevant historical or potential future purchases
- Account Code

Use of these non-competitive methods is subject to abuse. Awarding a contract as a single source when other firms can also do the work is a risk to the organization and its reputation. All exemptions under \$50,000 will require the sign off of the CFO and CAO. Any exemptions over \$50,000 will be reported to the Board annually.

Acceptable requests for exemption include but are not limited to the following:

- Goods purchased from a public body or not-for-profit
- Goods purchased for governmental promotional purposes
- Promotional Advertising
- Artistic work
- Antiques and Artifacts (shops, sales, repairs, but not including restoration)
- Acquisition of Art (but not including commissioned works of art)
- Amendments or Renewals of Existing Agreements
- Specialized consulting services
- Purchases of goods for the purpose of retail sales (re-sale) by the Regional District
- Media advertising
- Donated goods, services, or construction
- Where it can be demonstrated that only one supplier is able to meet the requirements of a purchasing (sole source)
- Bona Fide Emergency - Where an urgent need arises due to an immediate risk to the safety or health of employees or the public or because of the possibility of serious damage to public or private property, the department director is authorized to procure the necessary goods, services, or construction as they determine appropriate. In doing so, the department

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director should take into account and fulfill the objectives and requirements of this policy to the extent possible under the circumstances.

- Where the use of direct award (single source) results in future benefits such as reduced maintenance costs, standardization, that more than offset the estimated increase in purchase price

