

Mayne Island Improvement District

Purchasing Policy

POLICY STATEMENT

The Mayne Island Improvement District recognizes the need to control expenditures to maintain fiscal responsibility. Purchasing policies and procedures represent the single most important step toward this goal. It will be the responsibility of all employees who have authorization to make purchases to follow policies and procedures as set forth herein.

POLICY SCOPE

This Policy will apply to all Improvement District purchases except those which require a Bylaw in compliance with the *Local Government Act*. Purchases which require funds to be withdrawn from Reserve Funds (by Bylaw) must comply with the purposes for which that Reserve Fund was designated.

REASON FOR POLICY

The purpose of this Policy is to deliver a best practice approach and procedures to internal purchasing for the Mayne Island Improvement District and to ensure consistency for all purchasing activities that integrates within all Mayne Island Improvement District operational areas.

The Mayne Island Improvement District is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:

- Covers the procurement of:
 - goods or services subject to a contract including consultants;
 - asset purchases; and/or
 - general operating services/expenditure items including consumable items, hiring, materials etc.;
- Provides the Mayne Island Improvement District with a more effective way of purchasing goods and services;
- Ensures that purchasing transactions are carried out in a fair and equitable manner;
- Strengthens integrity and confidence in the purchasing system;
- Ensures that the Mayne Island Improvement District receives value for money in its purchasing;
- Ensures that the Mayne Island Improvement District considers the environmental impact of the procurement process across the life cycle of goods and services;
- Ensures the Mayne Island Improvement District is compliant with all regulatory obligations;
- Promotes effective governance and definition of roles and responsibilities; and
- Upholds respect from the public and industry for the Mayne Island Improvement District purchasing practices that manages potential conflicts and withstands probity.

APPLICATION AND RESPONSIBILITY

Trustees and employees of the Mayne Island Improvement District will observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Mayne Island Improvement District.

Mayne Island Improvement District

Purchasing Policy

The following principles, standards and behaviors will be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- Full accountability will be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money.
- All purchasing practices will comply with relevant legislation, regulations, and requirements consistent with the Mayne Island Improvement District policies and code of conduct.
- Purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently.
- All processes, evaluations and decisions will be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements.
- Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.
- Any information provided to the Mayne Island Improvement District by a supplier will be treated as commercial-in-confidence and should not be released unless authorized by the supplier or relevant legislation.

VALUE FOR MONEY

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Mayne Island Improvement District. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchase will consider:

- All relevant costs and benefits including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to, consumables, maintenance, warranties, disposal and financing costs.
- The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality, including timelines;
- financial viability and capacity to supply without risk of default (Competency of the prospective suppliers in terms of managerial and technical capabilities, compliance history and financial track record.);
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable; and
- where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

Mayne Island Improvement District

Purchasing Policy

SUSTAINABLE PROCUREMENT

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services. The Mayne Island Improvement District is committed to sustainable procurement and where appropriate it will endeavor to design quotations and tenders to provide an advantage to goods, services and/or processes that minimize environmental and negative social impacts. Sustainable considerations will be balanced against value for money outcomes in accordance with the Mayne Island Improvement District's sustainability objectives. Practically, sustainable procurement means the Mayne Island Improvement District will endeavor at all times to identify and procure products and services that meet the following objectives for environmental, societal and Canadian interests:

- Where available, preference will be given to Canadian manufactured goods and services.
- demonstrate environmental best practice in energy efficiency/and or consumption which can be demonstrated through suitable rating systems and eco-labeling;
- demonstrate environmental best practice in water efficiency;
- are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage.
- products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimize waste;
- for motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range with due respect to specified technical and safety requirements; and
- for new buildings and refurbishments – where available use renewable energy and technologies.

PURCHASING AUTHORIZATIONS AND THRESHOLDS

Authorization Levels are as follows:

The Fire Chief, or Corporate Officer, is authorized to make one-time contracts and/or purchase orders for the acquisition of a specific good and/or service for the purposes of carrying on the business of the Improvement District, where the specific amount of the expenditure does not exceed the approved budget allocation.

Expenses either

- a) In excess of the approved budget allocation; or
- b) Unanticipated expenses up to \$3,000.00 may be spent through discretionary realignment of costs within a budget subsection, and the Board will be informed at its next meeting.
- c) Unbudgeted expenses over \$3,000.00 require approval by a motion of the Board.

Mayne Island Improvement District

Purchasing Policy

Other MIID Staff, Volunteers or Contractors must be pre-approved by the Corporate Officers or the Fire Chief to purchase goods and/or services for the purposes of carrying on the business of the Improvement District.

Professional Services Fee Ceiling:

Board approval is required prior to retaining services from a lawyer or professional engineer.

PURCHASE ORDERS

The Purchase Order is the tool used to expeditiously allocate the expense to cost centre. The Purchase Order describes the item or service to be ordered, and the account to which the purchase will be allocated in the financial records. Purchase Orders must be signed by an authorized person and submitted with the invoice to accounts payable

Exemptions:

The following are exemptions to this policy for goods and services that do not require Purchase Orders:

- Use of Solicitor or Auditors where actual prices cannot be obtained in advance.
- Small and miscellaneous supplies which may be paid by petty cash (under \$50.00).
- Items that will be processed and paid within two payables cycles of receipt.
- Automatic payments (e.g. Monthly utility, telecom and benefit provider billing)

QUOTATIONS & TENDERING PROCESS

General:

Where there is a significant cost or high community interest, procurement of goods and services shall be undertaken through a competitive bid process in either of two ways, depending on the dollar value:

1. Bid by invitation
2. Public tender

The Improvement District shall maintain a file system which records proof of verbal and written quotations and bids.

The bid results will be reported to the Board.

Pre-Qualification of Bidders:

The Improvement District retains the right to pre-qualify tenders.

Number of Quotes:

Staff will endeavor to acquire more than one quote for all procurement, however, there may be occasions where the comparative pricing procedures above are not appropriate or are unable to be obtained for valid reasons.

EMERGENCY ACQUISITION

Notwithstanding the above, in the case of a pressing emergency or after business hours, where the delay resulting from inviting bids would be injurious to the public interest and/or the Improvement District's assets, the purchase may be made and reported to the Board of Trustees at the earliest date thereafter.