

# Report

Date May 18, 2022  
Subject Procurement Policy

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File:

## PURPOSE

To consider amendments to the Procurement Policy.

## BACKGROUND

A Procurement Policy helps to ensure that purchasing decisions are made in a consistent manner using best practices. It helps achieve the best overall value for taxpayer dollars and promotes fair, open, transparent and non-discriminatory purchasing practices.

Council approved the current purchasing policy (Procurement Policy and Spending Authority) in 2018. This policy has been updated and is attached for Council's consideration (Attachment 1).

## DISCUSSION

In creating the attached policy (Attachment 2), staff reviewed the policies of several other local governments throughout the Province and incorporated concepts from each of these to establish a policy that meets the unique needs of the District of North Cowichan.

This policy attempts to ensure that Council's strategic priorities are met while considering the lack of dedicated staff resources towards procurement activities, requiring departments to be responsible for their own purchasing. Limited progress towards environmental and social procurement can be made without dedicated resources, however, the policy does encourage staff to consider these aspects when procuring goods and services.

The main changes to the policy include:

- Removal of reference to a Procurement Department;
- Addition of Environmental Principles to encourage an environmental lens toward purchasing decisions;
- An increase to the purchasing thresholds so that formal competitions are only required for goods with a value of more than \$75,000 and for construction with a value of more than \$200,000 in compliance with trade agreements; and,
- Removal of language better suited to a procedure document than a policy document.

## OPTIONS

### 1. **(Recommended Option)** THAT Council:

- (1) Repeal the Procurement Policy and Spending Authority; and,
  - (2) Approve the Procurement Policy, as detailed in Attachment 2 of the Director of Financial Services' May 18, 2022 report.
- Approval of the revised policy provides direction for staff to conduct procurements in an open,

transparent and fair manner while achieving the best value for taxpayer dollars and ensuring compliance with trade treaties.

2. THAT Council:

- (1) Repeal the Procurement Policy and Spending Authority; and,
- (2) Approve the Procurement Policy, as detailed in Attachment 2 of the Director of Financial Services' May 18, 2022 report, subject to the following amendments:
  - (a) *[Council to identify changes]*
    - The policy meets the current treaty requirements, so the thresholds can not be increased. However, should Council wish to decrease the thresholds, individual departments will need to conduct more public competitions, which will require additional time and resources.

## IMPLICATIONS

The draft policy provides guidance and direction to staff with respect to procurement while also complying with trade treaty requirements. It attempts to streamline processes, being mindful of the time and effort required to conduct full public competitions and the lack of staff resources available to support these endeavours.

Through this policy, best value for taxpayer dollars is more achievable. This best value includes not only price but best value in terms of the total cost of ownership. It represents the most advantageous balance between performance, price and quality.

## RECOMMENDATION

That Council:

- (1) Repeal the Procurement Policy and Spending Authority; and,
- (2) Approve the Procurement Policy, as detailed in Attachment 2 of the Director of Financial Services' May 18, 2022 report.

Report prepared by:



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## Approved to be forwarded to Council:



Ted Swabey  
Chief Administrative Officer

Attachments:

- (1) Procurement Policy and Spending Authority (redline version)
- (2) Procurement Policy 2022