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# Council Policy

## Procurement

Established: March 20, 2006

Resolution: R006/26/01/12

Amended: January 12, 2026

Contact Department: Finance

### Purpose

This policy establishes general guidelines, authorizations, and approval limits for the procurement of goods and services on behalf of the City.

### Objectives

The objectives of this policy are to:

- a) Establish authority and limits for the purchase of goods and services on behalf of the City.
- b) Procure the necessary quality and quantity of goods and services in an efficient, timely and cost effective manner, while maintaining controls appropriate for a public sector body.
- c) Promote fair, open, accountable and transparent purchasing practices.
- d) Encourage as a preference, contracting agreements and purchasing criteria that consider total life cycle costs and minimize environmental impacts.
- e) Ensure that the City acts in accordance with all applicable legislation and trade agreements.
- f) Support local economic development and encourage participation from diverse suppliers, where appropriate and permitted by applicable laws and trade agreements.
- g) Effectively manage procurement risks and ensure value for money throughout all stages of the procurement process.
- h) Uphold ethical standards and ensure that all participants in the procurement process disclose and avoid any actual or perceived conflicts of interest.
- i) Maintain thorough documentation of procurement activities to support transparency, auditability, and accountability.

### Scope

This policy applies to all procurement activities undertaken by or on behalf of the City, including the acquisition of goods, services, construction, and professional or consulting services. It applies to all City employees and other authorized personnel involved in procurement, regardless of funding source or method of acquisition.

### Policy Statements

#### 1. Responsibilities

*Chief Administrative Officer (CAO):*

- a) Approves and issues administrative directives to implement this policy.
- b) Reviews and approves sole source purchases greater than \$25,000.
- c) Approves recommendations for contract awards.
- d) Approves term contracts up to 5 years.

*Chief Financial Officer (CFO):*

- a) Monitors adherence to this policy and documents non-compliance.
- b) Develops and implements administrative procedures necessary to support policy compliance.
- c) Reviews and approves sole source purchases as outlined in Section 8.
- d) Ensures compliance with applicable legislation and trade agreements.

*Department Heads:*

- a) Ensures departmental procurement activities align with policy objectives and procedures.
- b) Confirms budget availability and spending authority for authorized personnel.
- c) Oversees contract completeness and authorization, including legal review if required.

*All Employees*

- a) Conduct procurement activities with integrity, fairness, and impartiality.
- b) Comply with all applicable City policies, including the conflict of interest and gift policies.
- c) Maintain confidentiality of sensitive information.

**2. Exclusions**

The following transactions are excluded from the scope of this policy, as they are not considered procurement activities:

- a) City payroll and refundable employee expenses;
- b) Debt servicing, including debt interest and principal payments;
- c) Transfers between investment accounts;
- d) Remittances of taxes collected on behalf of other authorities;
- e) Donations, grants and fee-for-service payments;
- f) Fire department cost sharing arrangements and volunteer compensation;
- g) Payments related to legal settlements or damages;
- h) Acquisition of land, buildings, or other real property, through purchase, lease or agreement;
- i) Employment contracts for regular, temporary, or casual staff;
- j) Professional services from lawyers and notaries;
- k) Utilities and regulated services (e.g., hydro, gas, telecom);
- l) Licensing, permits and professional memberships;
- m) Admissions, registrations, and accommodations for conferences, training courses, workshops, and seminars;
- n) Refunds (such as property tax refunds, building permit refunds and refunds for cancelled services, programs or events);
- o) Flow-through grants; and
- p) Any transaction deemed exempt by the CFO with documented rationale and subject to all reporting requirements.

**3. Compliance**

All City employees and authorized personnel involved in procurement, contract approval, or purchasing activities must adhere to this policy.

All expenditures must be for legitimate City business purposes. A legitimate expense is one that is necessary for the delivery of municipal services, authorized within the approved budget, and compliant with City policies and applicable laws. Personal purchases are strictly prohibited.

Prohibited activities include unauthorized purchases, committing the City without proper authority, disclosing confidential supplier information, or structuring purchases to circumvent established thresholds.

All incidents of non-compliance, including those requiring special approvals, must be documented and reported to the appropriate level of management, and to Council where warranted.

**4. Authority**

Under authority delegated by Council to the Chief Administrative Officer, the following authorizations are established to support the implementation of this policy:

- a) Contract Execution
  - i) The Chief Administrative Officer is authorized to execute contracts awarded through the public tendering process.
  - ii) Contracts with a term exceeding 5 years require Council resolution and must be executed by both the Mayor and the Corporate Officer.
  - iii) Contracts within the scope of the approved Financial Plan (5 years or less) may be executed by the CAO or an authorized delegate.
- b) Spending Authority
  - i) City employees may approve purchases of goods and services up to their individual approval limits, as outlined in Appendix B.
  - ii) In the absence of an authorized staff member, the acting employee may exercise the same spending authority, provided they are performing the duties of the absent staff member.

## 5. Purchasing Guidelines

### *Best Value*

Procurement decisions shall be based on achieving best value for the City, considering the total cost of ownership rather than solely the lowest purchase price. Evaluation should include life cycle costs such as acquisition, delivery, operation, maintenance, and disposal. Additional factors may include product or service availability, suitability for intended use, reliability, warranty coverage, training requirements, vendor performance history, and environmental impact.

### *Sustainable Procurement*

The City shall consider environmental sustainability in its procurement decisions, including preference for products and services that reduce waste, pollution, and chemical use.

Preference shall be given to contracts, equipment, vehicles, and supplies that demonstrate sustainable business practices, energy efficiency, or low environmental impact. Sustainability criteria shall be incorporated into RFPs and evaluation processes where applicable.

### *Local Preference*

Where practical and consistent with applicable trade agreements, the City may give preference to local suppliers for purchases below the applicable public procurement thresholds, provided such preference is clearly documented and justified as supporting local economic development.

### *E-Commerce Purchases*

The City discourages the use of consumer-oriented e-commerce platforms for procurement as these platforms often lack proper invoicing, audit trails, and may increase the risk of unauthorized purchases or non-compliant suppliers. Purchases through such platforms should only occur when no reasonable alternative exists and must comply with all authorization and documentation requirements under this policy. Purchases through such platforms also require prior approval from the Chief Financial Officer (CFO).

### *Cooperative Purchasing*

The City shall participate in cooperative purchasing with other public sector organizations where it is practical and cost-effective to do so. Such procurements may follow the lead agency's procurement policy, provided it complies with applicable trade agreements and ensures fair and transparent competition.

### *Trade Agreements*

The City shall comply with all applicable trade agreements, including but not limited to the Canadian Free Trade Agreement (CFTA), the New West Partnership Trade Agreement (NWPTA), and the Comprehensive Economic and Trade Agreement (CETA). These agreements require that procurement opportunities above specified thresholds be publicly advertised and conducted in a manner that is fair, transparent, and non-discriminatory, including equal access for suppliers regardless of geographic origin.

## 6. Purchasing Methods

### *Petty Cash*

A petty cash fund is an alternative for small value purchases which do not warrant the processing of an invoice through accounts payable. Purchases made using petty cash should generally not exceed \$100 per transaction.

### *Credit Cards*

Credit cards may be issued to staff based on operational requirements and purchasing responsibilities. Staff must use credit cards only for legitimate City expenses as defined in Section 3 and within their assigned credit limits.

Purchase orders are required for credit card transactions in accordance with the provisions of this policy.

### *Purchase Orders*

Purchase orders are required for most acquisitions to ensure proper authorization and financial control. Unless exempted below, purchase orders shall be issued for all goods and services costing in excess of \$3,000, including Provincial Sales Tax, but excluding freight and delivery charges.

Where the exact purchase amount is unknown but is anticipated to exceed \$3,000, the purchase order should be issued using a reasonable estimate or, if quantities are unknown, a specified hourly or unit cost.

Annual standing purchase orders may be issued to sole sourced or pre-qualified suppliers for goods or services that are purchased on a recurring or continuous basis.

An authorized purchase order must be issued before any commitment is made to purchase goods or services on behalf of the City.

### *Purchase Order Exemptions*

The following expenditures do not require a purchase order:

- Association dues, membership fees and subscriptions
- Legal and accounting services
- Postage machine replenishment
- Utilities and regulated services (e.g., electricity, gas, internet, telephone, cellular)
- Procurements under annual or standing contracts (e.g., janitorial services, equipment leases)
- Courses, seminars, conventions, workshops, and other training fees
- Travel expenses and advances
- Licenses, permits and professional memberships
- Freight and courier charges
- Insurance premiums and payroll benefit plan premiums
- Payments to other government bodies (e.g., taxes, fees, remittances)
- Expenditures during declared emergencies or urgent threats to public health or safety
- Failures and service disruptions requiring immediate action

If a purchase order is not issued as required, and there is no breach of the competitive process or risk to the City, the omission will be addressed through internal administrative follow-up.

#### 7. Change Orders

Managers will have the authority to approve project change orders subject to the following conditions:

- There are sufficient uncommitted funds within the existing project budget;
- The change order does not materially alter the scope of work of the project;
- The change complies with all applicable procurement laws and trade agreements; and
- The cumulative value of all change orders does not exceed the lesser of 25% of the original contract amount or the manager's approved spending authority.

#### 8. Sourcing Methods

##### *Direct Acquisition*

Goods or services with an estimated value of less than \$10,000 may be purchased directly from a supplier; however staff is expected to make a reasonable effort to obtain the best value.

##### *Informal Quotation Process*

A minimum of three suppliers shall be solicited for price quotations for procurements between \$10,000 and \$50,000 in value. This may be conducted by obtaining written quotations or by issuing an informal Request for Quotation (RFQ).

While staff should make every effort to obtain written quotes or issue an RFQ for all procurements over \$10,000, verbal quotes may be used for procurements (under \$25,000), provided staff maintain a written record of the suppliers contacted, the quote amounts, and any non-responses. Written price quotations or an RFQ are required for procurements between \$25,000 and \$50,000 and may be sought through direct request to qualified suppliers, or through an invitational or public tendering process. If a supplier does not submit a quote or respond, staff must document the non-submission and retain this record for audit purposes.

The award shall be made to the respondent whose submission offers the best overall value to the City and meets all specifications. In determining best value, consideration must include factors such as vendor qualifications, quality, source of supply, availability and supplier's past performance. The City may accept a quote other than the lowest price if it provides better overall value based on these criteria.

##### *Expressions of Interest and Pre-Qualification*

A prequalification process may be used to identify qualified vendors or contractors prior to issuing a formal competitive process. This may include a Request for Expression of Interest (REOI) or a Request for Supplier Qualifications (RFSQ) to develop a shortlist of suppliers who meet the City's minimum requirements for experience, capacity, and capability. Pre-qualification may be used as a preliminary step in the public tendering process, provided that all applicable trade agreement requirements for advertising and transparency are met.

##### *Standing Offers - Hired Equipment*

The City may issue a Request for Standing Offers (RFSO) or an Expression of Interest (EOI) to establish a list of pre-qualified suppliers for equipment or services to be provided on an as-needed basis. The City will maintain and refresh these lists at least every three years, or sooner if market conditions or supplier

performance warrant, to ensure fairness and compliance with trade agreements. Selection from the list will be based on objective criteria such as price, availability, condition, and past performance.

#### *Formal Competitive Process*

Invitations to Tender (ITT) and Requests for Proposal (RFP) must be issued through a competitive public process when the estimated value exceeds \$50,000 (goods, services or construction). All competitive procurement opportunities must be posted on BC Bid and may also be posted on other recognized electronic bidding platforms if required. If BC Bid becomes unavailable or unsuitable, an alternative public electronic tendering system will be used and must comply with the City's established processes and procedures for receiving and opening tenders.

Contracts resulting from a formal competitive process must clearly define the scope, evaluation criteria, and terms and conditions. The maximum term for a contract, including renewals, shall not exceed five years unless otherwise approved by Council. Continuing contracts with indefinite annual renewals are prohibited.

The approval level for contracts with a duration of greater than one year is calculated as the total financial obligation over the term of the contract, including any options for extension.

Once a service contract has been awarded, direct orders may be placed with the supplier by authorized personnel.

#### *Direct Award (Sole Source)*

A purchase of goods or services valued between \$10,000 and \$75,000 may be made by direct award where the opportunity to obtain quotes or solicit competitive bids does not exist or is not justified in the circumstances. Sole source purchasing must not be used to avoid competition or discrimination among suppliers. Lack of planning is not a valid justification for sole sourcing in urgent situations. Direct award does not apply to purchases under \$10,000, which are governed by the Direct Acquisition section.

Circumstances that may support sole sourcing include (but are not limited to) the following:

- there has been limited or no response to an RFQ which has been posted publicly for at least one week;
- an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time through the competitive procurement process;
- the expenditure is minor and the potential savings available through competitive contracting do not justify the increased time and costs involved in obtaining quotes;
- in the case of cooperative purchasing, where the cost of the goods or services is verifiably competitive;
- services and supplies are provided by utility companies on a monopoly or regulated tariffed basis;
- there is an absence of competition for technical reasons and the goods or services can be only be supplied by one service provider, with no reasonable alternative or substitute;
- there is only one service provider who has the unique qualifications or skills needed for the work;
- there is a need to maintain compatibility with existing products or specialized products which can only be provided by the manufacturer or representative of the product;
- the work is a continuation or follow-up and is most appropriately done by the original service provider;
- an opportunity arises to take advantage of cost savings realizable when non-resident contractors are already available locally for a limited time (eg. paving contractors);
- an item is offered for sale by tender, auction or negotiation and purchasing the item is clearly in the best interest of the City;
- the project is highly sensitive or confidential, and open competition would compromise confidentiality;

- when the long-term benefit of re-tendering is significantly outweighed by the combined cost, time, effort, and potential loss of institutional knowledge. This may apply to specialized or integrated systems where continuity is critical, such as financial software, metering equipment, and related software platforms.

Direct award purchases between \$10,000 and \$25,000 require a documented request and justification with approval of the Chief Financial Officer. Direct award purchases over \$25,000 and up to \$75,000 require additional approval from the Chief Administrative Officer, or designate.

A direct award for construction contracts up to \$200,000 may be made in exceptional circumstances, with justification provided to, and with the approval of, the Chief Financial Officer, Chief Administrative Officer and Council.

Direct awards greater than \$25,000 should be reported to Council through the regular monthly procurement reporting process or similar means.

#### 9. Procurement of Consultants and Professional Services

Consultants and professional service providers may be engaged directly for services under \$25,000, provided that staff conduct a reasonable assessment of qualifications and experience.

For anticipated costs of \$25,000 or more, a public call for written proposals or an invitational process involving at least three qualified consultants is required.

Consultants will be retained based on expertise, experience, professional reputation, ability to deliver the work, and overall value, including sustainability considerations. The City will avoid over-reliance on a single consultant for the majority of project consulting services. To achieve best value, staff will engage consultants directly rather than through intermediaries whenever possible.

Evaluation criteria shall include:

- Relevant experience and past performance
- Familiarity with municipal procedures and practices
- References from former or current clients
- Fees and overall cost
- potential for conflict or perceived conflict of interest

#### 10. Contracts for On-Going Goods and Services

Where ongoing goods or services are required the CAO and CFO shall review such arrangements at least every five years (or sooner if warranted) to determine whether a competitive process is appropriate, considering performance, risk, market conditions, and value for money. Examples of ongoing services include (but are not limited to):

- Banking and investment services
- Legal services
- Employee benefit plan brokerage services
- Professional engineering services for the electrical distribution system and utility
- Financial software and related support services
- Accounting and external audit services
- Proprietary goods and services integral to existing city systems

#### 11. Procurement for Grant Funded Projects

All procurements for projects funded in whole or part by Federal, Provincial, or other grant programs must comply with the specific procurement and contract-management requirements of the applicable funding agreement. Where there is any conflict, the stricter requirement between this Policy and the funding agreement shall prevail. Where the funding agreement requires pre-approval, the City must obtain funder approval before committing to a non-competitive award or material contract change. All such procurements must comply with applicable trade agreements.

#### 12. Unsolicited Proposals

Unsolicited proposals received by the City may be reviewed by the Department Head to determine whether the proposal offers a unique or innovative solution that aligns with City objectives and provides demonstrable value. The City will not accept unsolicited proposals as a substitute for competitive procurement where competition is feasible. Any resulting procurement must comply with this Policy, including competitive process requirements or documented exceptions.

#### Related Bylaws and Policies

- City of Grand Forks Delegation Bylaw No. 1831
- City of Grand Forks Employee Conflict of Interest Policy 602
- City of Grand Forks Wood First Policy 205
- City of Grand Forks Asset Disposal Procedure Policy 805
- City of Grand Forks Travel Expense Allowance Policy 112-A1

#### References

- Auditor General for Local Government (AGLG) Perspectives Series
  - Improving Local Government Procurement Processes
  - Oversight of Capital Project Planning & Procurement
- Canadian Free Trade Agreement (CFTA)
- City of Kamloops Corporate Procurement Policy FIN-5-1
- City of Rossland 2025 Corporate Policy Manual AD-14
- City of Vernon 2023 Procurement Policy
- Comprehensive Economic and Trade Agreement (CETA)
- District of Summerland Procurement Policy No. 200.6
- Global Affairs Canada - International Trade Agreements and Local Government: A Guide for Canadian Municipalities
- New West Partnership Trade Agreement (NWPTA)

## APPENDIX A

METHOD AND FORM OF PURCHASE

Method and Form of Purchase	PO Required	Limit
Petty Cash	No	< \$100
Credit Card Purchase (receipt/invoice required)	No	< \$3,000
Credit Card Purchase (receipt/invoice required)	Yes	≥ \$3,000
Direct Purchase without quotation	No	< \$3,000
Direct Purchase without quotation	Yes	\$3,000 to < \$10,000
Verbal Quotes - minimum 3 suppliers (to be documented)	Yes	\$10,000 to < \$25,000
Written Quotes or RFQ - minimum 3 suppliers	Yes	\$25,000 to \$50,000
Direct award (approval of CFO)	Yes	\$10,000 to \$25,000
Direct award (approval CFO and CAO)	Yes	> \$25,000 to \$75,000
Public Tender - ITT or RFP	Yes	> \$50,000
Term Contracts < 5 years - CAO approval	No	All amounts
Term Contracts > 5 years - Council resolution	No	All amounts

**APPENDIX B**  
**SPENDING AUTHORITY**

<b>Position</b>	<b>Spending Limit</b>
Chief Administrative Officer	Within Financial Plan
Chief Financial Officer	\$25,000
Corporate Officer	\$10,000
Department Heads/Managers	\$10,000
Deputy Managers/Project Managers	\$ 5,000
Coordinators	\$ 3,000
Mechanic	\$ 3,000
Accountant/Comptroller	\$ 3,000
GIS & Operations Technologist	\$ 3,000
Public Works Administrative Assistant	\$ 1,500
Other permanent employees	\$ 100