

CIVIC EXPENDITURES BYLAW

A BYLAW OF THE CITY OF VICTORIA

The purpose of this Bylaw is to amend, in consolidated form, the Civic Expenditures Bylaw to increase expenditure approval limits and to update several references.

Contents

PART 1 – INTRODUCTION

- 1 Title
- 2 Definitions

PART 2 – CIVIC EXPENDITURES

- 3 Purchases for City Departments
- 4 Emergency and single source purchases
- 5 Petty cash
- 6 Purchasing Card program
- 7 General tendering procedures
- 8 Tenders & RFP's that exceed budget
- 9 Identical tenders
- 10 Financial security
- 11 Disposal of surplus
- 12 Settlement of legal actions and claims

PART 3 – GENERAL

- 13 Repeal

Under its statutory powers, including sections 8, 154, and 173 of the *Community Charter*, the Municipal Council of The Corporation of the City of Victoria enacts the following provisions:

PART 1 – INTRODUCTION

Title

- 1 This Bylaw may be cited as the "CIVIC EXPENDITURES BYLAW".

Definitions

- 2 In this Bylaw,
"expenditure"

means an expenditure made in respect of a purchase;

“local”

means located within the Capital Regional District;

“Manager, SMS”

means the City's Manager of Supply Management Services;

“purchase”

means the purchase of goods, equipment, or services;

“RFO”

means a Request for Offer that is a competitive process for an intended expenditure by the City of normally not more than \$30,000;

“RFP”

means a Request for Proposal that is a competitive process for an intended expenditure by the City

(a) of more than \$30,000,

(b) for which only sealed proposals are invited and accepted, but are not publicly opened;

“sole source”

means the only supplier who has the ability or capacity to supply specified goods or services or the supplier the City is obligated contractually to use in the circumstances of a particular purchase.

“tender”

means a competitive process for an intended expenditure by the City

(a) of more than \$30,000, and

(b) for which only sealed offers are invited, accepted, and publicly opened.

PART 2 – CIVIC EXPENDITURES

Purchases for City Departments

3 (1) An intended purchase for a City Department first must be authorized by

(a) a Purchase Order prepared by the Manager, SMS, and

- (b) if applicable, an agreement approved by the Corporate Administrator.
- (2) The City may enter into an agreement with a supplier for goods, equipment, or services only if that gives to the City the best value in connection with quality, service, and price, as compared to the value given by other suppliers.

Emergency and single source purchases

- 4 (1) A Director may negotiate a purchase for that Department without inviting bids from suppliers if
 - (a) the Director has given written approval for the purchase to the Manager, SMS, and
 - (b) the Director and the Manager, SMS, jointly determine that
 - (i) there is a single supplier that clearly provides the best value to the City in the circumstances of a particular purchase,
 - (ii) the circumstances in which the purchase is required are extraordinary, or
 - (iii) the circumstances in which the purchase is required involve an emergency.
- (2) A purchase made under subsection (1) requires the approval of
 - (a) the Manager, SMS, if it is not more than \$30,000,
 - (c) the Director of Finance if it is not more than \$50,000, and
 - (d) the City Manager if it is greater than \$50,000.
- (3) An accounting of purchases made under subsection (4)(1)(b) must be made to the Corporate Services Standing Committee, but this requirement does not extend to sole source purchases.

Petty cash

- 5 (1) The Manager, SMS may maintain petty cash funds that are used for minor purchases.

Purchasing Card program

- 6 (1) The Manager, SMS, may maintain a Purchasing Card program for minor expenditures up to a dollar limit per transaction that is approved by the Director of Finance, but not exceeding \$10,000 per transaction.
- (2) The Manager, SMS, with approval of the respective Director, may approve an increase in the transaction limits of Purchasing Card program purchases, based on the individual user's requirements.

- (3) The responsible Director must authorize all purchases made for that Department under the Purchasing Card program.
- (4) The Director of Finance must review the performance of the Purchasing Card program on a regular basis, to ensure that the recorded purchases comply with the provisions of this Bylaw.

General tendering procedures

- 7 (1) Every call for tenders must clearly state the preference given to local suppliers set out in section 9(1).
- (2) For an intended expenditure by the City of not more than \$10,000, the Manager, SMS
 - (a) has the discretion to decide on the process to be followed, and
 - (b) must issue a Purchase Order to the chosen supplier and, if applicable, require the supplier to enter into an agreement approved by the Corporate Administrator.
- (3) For an intended expenditure by the City of more than \$10,000 but not more than \$30,000, the Manager, SMS
 - (a) must issue a RFO to potential suppliers; and
 - (b) must issue a Purchase Order to the chosen supplier and, if applicable, require the supplier to enter into an agreement approved by the Corporate Administrator.
- (4) For an intended expenditure by the City of more than \$30,000 but not more than \$200,000, the Manager, SMS
 - (a) except as provided in paragraph (b) herein, must invite and accept only sealed tenders or RFP's from potential suppliers, and
 - (i) publicly receive and open all tenders, and
 - (ii) initial the tenders or RFP's when they are opened;
 - (b) may authorize the use of RFO's for purchases of more than \$30,000 but not more than \$100,000 if that is in the City's best interests;
 - (c) must issue a Purchase Order to the successful supplier and, if applicable, require the supplier to enter into an agreement with the City that is approved by the Corporate Administrator.
- (5) For an intended expenditure by the City of more than \$200,000 but not more than \$500,000, the Manager, SMS

- (a) must invite and accept only sealed tenders or RFP's from potential suppliers,
 - (b) jointly with one other employee from the Supply Management Services must
 - (i) publicly receive and open all tenders, and
 - (ii) initial the tenders or RFP's when they are opened,
 - (c) must make a recommendation for the approval of the Director of Finance or the City Manager, and
 - (d) after approval by the Director of Finance or the City Manager, must issue a Purchase Order to the successful supplier, and if applicable, may require the supplier to enter into an agreement with the City that is approved by the Corporate Administrator.
- (6) For an intended expenditure by the City of more than \$500,000, the Manager, SMS
 - (a) must invite and accept only sealed tenders or RFP's from potential suppliers,
 - (b) jointly with one other employee from the Supply Management Services must
 - (i) publicly receive and open all tenders, and
 - (ii) initial the tenders or RFP's when they are opened,
 - (c) must make a recommendation for the City Manager's consideration and approval, and
 - (d) after receiving the City Manager's approval, must issue a Purchase Order to the successful supplier, and, if applicable, may require the supplier to enter into an agreement with the City that is approved by the Corporate Administrator.
- (7) A written agreement between a supplier and the City is required in each of the following circumstances:
 - (a) if requested by a supplier,
 - (b) for construction contracts of \$200,000 or more,
 - (c) if an RFP and subsequent successful proposal do not contain sufficient elements, such as specifications, conditions, warranties, or indemnities, to constitute a satisfactory contract for either the City or the supplier, and

- (d) if there is already a contract, such as a Professional Services Agreement, between the City and the supplier, but there are changes to that contract for the particular expenditure.

Tenders & RFP's that exceed budget

- 8
 - (1) A tender that is accepted under the procedures set out in section 7 must not exceed the amount that is included for that purpose specifically or generally in a budget approved by Council.
 - (2) The Manager, SMS must refer back to the Director of the department for which the tendering or RFP process was undertaken under section 7, a tender or RFP that would otherwise be accepted as a successful tender or RFP, but that exceeds the amount referred to in subsection (1).
 - (3) The Director to whom the tender or RFP is referred under subsection (2) must take one of the following actions:
 - (a) recommend rejecting the tender or RFP,
 - (b) jointly with the Director of Finance make minor budget amendments for the Director's budget and then deal with the tender under the procedures set out in section 7, or
 - (c) for the purpose of accepting the tender or RFP as successful, request the approval of the City Manager and Council for a transfer of extra funding from other items included in a budget approved by Council.

Identical tenders

- 9
 - (1) If identical lowest tenders are received by the City, each of which are not more than \$100,000, the Manager, SMS must take into consideration the location of the suppliers, giving preference to local suppliers.
 - (2) The successful tender must be chosen by the drawing of lots under the Director of Finance's supervision if identical lowest tenders, each of which are not more than \$100,000, are made by
 - (a) 2 or more local suppliers, or
 - (b) 2 or more suppliers that are not local suppliers.
 - (3) The City Manager must decide whether any tender should be accepted as the successful tender if the City receives identical lowest tenders, each of which are more than \$100,000.

Financial security

- 10 The Manager, SMS may require financial security from potential suppliers when the Manager, SMS considers that to be in the City's best interest.

Disposal of surplus

- 11 The Manager, SMS must dispose of all goods and equipment, for which a City Department no longer has a use, by any method the Manager, SMS considers to be in the City's best interest, including without limitation, public auction, public tender, negotiated sale, or transfer to another Department.

Settlement of legal actions and claims - delegation of authority

- 12 Legal actions and claims against the City, except claims for damages for liability that are administered for the City by the Municipal Insurance Association, may be settled with the approval of
- (a) the Director of Finance for amounts up to \$5,000, and
 - (b) the Corporate Administrator for amounts of more than \$5,000 but not more than \$25,000.

PART 3 – GENERAL

Repeal

- 13 Bylaw No. 07-022, the Civic Expenditures Bylaw, is repealed.

READ A FIRST TIME the	27 th	day of	August,	2009
READ A SECOND TIME the	27 th	day of	August,	2009
READ A THIRD TIME the	27 th	day of	August,	2009
ADOPTED on the	10 th	day of	September,	2009

"ROBERT G. WOODLAND"
CORPORATE ADMINISTRATOR

"DEAN FORTIN"
MAYOR