

MANAGEMENT GUIDELINES FOR

MG-FIN-12.2

PROCUREMENT:

OTHER THEN LIBRARY COLLECTION MATERIALS AND RESOURCES

COMMITTEE:	Finance and Audit Committee	PASSED:	15 October 2015
TOPIC:	Finance - Procurement	AMENDED:	13 Jul 2016; 22 Sep 2016; 24 November 2022; 25 September 2025
		REVIEW PERIOD:	As required.

MANAGEMENT GUIDELINES

To protect the Library's assets, strong internal controls must be in place to make sure all purchases are properly approved, support the Library's mission, and comply with the annual budget.

Purchasing Library Collection Materials is explained in a separate guideline: MG-FIN-12.1 Procurement: Library Collection Materials.

This guideline relates to the Library Board Policy B-FIN-12 PROCUREMENT, PURCHASING AND PAYMENT APPROVAL and the District of North Vancouver's Administrative Policy 3-1220-2 *Procurement of Goods and Services*.

OVERVIEW

The Library will only buy goods and services that support its work and fit within the approved budget.

Managers are responsible for determining the needs of their departments and arranging for "best value" purchases to meet those needs.

All purchases must follow the spending limits and steps outlined in MG-FIN-12.4 Purchasing & Payment Approval Authority – Other than Library Collection Materials.

PURCHASING PRINCIPLES AND BEST PRACTICES

This Guideline is based on the DNV Administrative *Policy 3-1220- 2 Procurement of Goods and Services* to follow best practices and to ensure a minimum standard of performance during purchasing, outlined here for clarity:

1. Goods and/or services must be procured in a competitive environment, wherever possible and practical;
2. Competitive processes will be run to the highest standard possible in order to ensure fairness, consistency, and transparency;
3. Reasonable efforts should be taken to get more than one quote or proposal wherever possible. The Competitive Bidding Requirements outlined in the District's *Administrative Policy 3-1220-2 Procurement of Goods and Services* must be followed unless Board approval has been granted to waive the competitive bidding process as outlined in policy B-FIN-12 PROCUREMENT, PURCHASING & PAYMENT APPROVAL;

4. Single or Sole Sourcing (*Direct Awarding*) a contract where competitive bidding is required is considered an exception to these approved *Purchasing Principles* and *Best Practices* and should only be considered under specific circumstances as described in **Appendix A**;
5. Goods and/or service requirements should be planned well enough in advance to allow for the most appropriate procurement processes to occur (i.e. creation of the competitive bid document, advertising, engaging the supply community, etc.);
6. To achieve *Best Value* for the Library, relevant *Total Cost of Ownership* factors must be considered for the acquisition of goods and services;
7. Goods and services must be procured after giving due consideration to the Library commitment to encourage the use of environmentally sustainable products and services; and
8. Purchases of goods and/or services must comply with Library policies and all other Provincial and Federal laws, regulations and trade agreements that apply to the procurement of goods, services and construction.

PROHIBITION

(Excerpted from *DNV Administrative Policy 3-1220-2 Procurement of Goods and Services*; included here for clarity)

The following activities are not allowed:

1. Splitting purchases to avoid the spending limits or requirements specified within policy;
2. Committing the Library to purchases without approved budget and/or without the authority;
3. Sharing confidential supplier bid information. This is unethical, and may be illegal, and damaging to the Library's competitive position. Such requests must go through the DNV's Supplies and Risk Management Department;
4. Buying goods and/or services for personal use by Board Members, employees or their immediate families, except through approved purchase plans;
5. Buying goods and/or services from any member of the Board, employees or their immediate families or from any source that creates a conflict of interest (refer to policy B-HR-14 Conflict of Interest);
6. The purchase of any Library owned goods and/or services by a Board Member, employees or their immediate families, unless those items are being sold to the public for profit (e.g. promotional items), have no commercial resale value; and
7. Library employees or their families may not buy surplus Library goods if the employee:
 - a) Works at a Library-run auction for disposing goods;
 - b) Decides which goods are no longer needed;
 - c) Maintains or handles the goods selected for disposal; or
 - d) Is otherwise involved in the disposal of good surplus to the Library's goods.

COMPETITIVE BID REQUIREMENTS

Goods & Services	Competitive Bid	Consultation with DNV Purchasing	Competitive Bid Format
Purchases < \$10,000	No	No	For less than \$10,000, only one quotation is required. The purchaser is responsible for ensuring that Best Value has been obtained and retaining appropriate justification to support the decision.
Purchases of \$10,000 to \$74,999	Yes	Yes	Purchases over \$10,000 must be authorized by a Purchase Order issued by the District's Purchasing Department, in compliance with their <i>Administrative Policy 3-1220-2 Procurement of Goods and Services</i>. Purchases in this range should be made under competitive conditions. As a minimum, three (3) suppliers shall be invited in writing to submit written quotations for the goods and/or services required. The written invitation may be by mail, facsimile or e-mail, and the replies may be received the same way. When the minimum of three written quotations are not available due to limited interest from the supply community, there must be a written explanation of "Non-Compliance" provided to the District's Supplies and Risk Management Department using the Basis of Award form. Any supporting documentation will be maintained by the District's Supplies and Risk Management Department either in hardcopy or attached electronically to the Purchase Order. Exceptions to Competitive Bidding Requirements for Single Sourcing or Sole Sourcing must comply with the outlined procedures in Appendix A to this management guideline. Single or Sole Sourced purchases require written justification clearly describing the reason(s) for not obtaining competitive bids, and must be approved in advance by the Director of Library Services and must be reported at the next Library Board Meeting. If the Direct Award purchase was procured by Director of Library Services, it must be approved in advance by the Chief Financial Officer or designate.
Purchases > \$75,000	Yes	Yes	Purchases \$75,000 or greater must be competitively bid through a formal process such as Request for Quotation, Invitation to Tender or Request for Proposals, depending on the nature of the goods and/or services to be provided. This requirement for Formal Competitive Bidding can only be waived by the Board through resolution. (Policy B-FIN-12 PROCUREMENT, PURCHASING & PAYMENT APPROVAL). The District's Supplies and Risk Management Department must be involved and will provide assistance in issuing the most appropriate Formal Competitive Bidding document. Any supporting documentation will be maintained by the District's Supplies and Risk Management Department either in hardcopy or attached electronically to the Purchase Order. Once a purchase contract is ready to be awarded, a duly authorized Purchase Requisition shall be provided to the District's Supplies and Risk Management Department for issuing a Purchase Order and/or appropriate purchase contract to the selected bidder. Any contract for Library goods or services shall be issued in the name of the District of North Vancouver Public Library, and signed by the Director of Library Services and the Chief Financial Officer or designate.

RELATED POLICIES AND GUIDELINES

- B-FIN-13 ENVIRONMENTAL PURCHASING
- B-FIN-12 PROCUREMENT, PURCHASING AND PAYMENT APPROVAL
- B-HR-14 CONFLICT OF INTEREST
- MG-FIN-12.1 PROCUREMENT: LIBRARY COLLECTION MATERIALS AND RESOURCES
- MG-FIN-12.3 PURCHASING & PAYMENT APPROVAL AUTHORITY – LIBRARY COLLECTION MATERIALS
- MG-FIN-12.4 PURCHASING & PAYMENT APPROVAL AUTHORITY – OTHER THAN LIBRARY COLLECTION MATERIALS

APPENDIX A:

DIRECT PURCHASE AWARDS

Excerpted from the District of North Vancouver's Purchasing Procedures Manual (Section 8– October 2015)

In the case of a *Direct Award Purchase* it is difficult to know if *Best Value* has been achieved as no comparisons are obtained or available. For this reason, *Direct Award Purchases* are not normally considered Best Practice and should be avoided whenever possible. **Single Source** and **Sole Source** are both considered to be *Direct Award Purchase* methods, and the specific circumstances whereby this type of purchase method is permitted are described in this appendix.

A Direct Award Purchase may involve an oral agreement, direct negotiation, a written or oral quotation or even a written contract. The dollars involved, the complexity of the purchase and known risk factors will determine the award process, including the level of documentation required. This method is easy for users in that it is quick to administer and it requires little analysis or comparison, however, this method foregoes all the benefits associated with competition.

Regular contract law applies to Direct Award Purchases.

A duly completed and authorized Basis of Awards Form must be provided:

- To the DNV's Supplies and Risk Management Department for Library purchases \$10,000 or greater

The Basis of Awards form for any Direct Award Purchases must be approved in advance by the Director of Library Services.

A) **Single Source (more than one product/service/vendor exists in the marketplace)**

In certain circumstances, justification to support a Single Source may exist. Single sourcing may be justified under one or more of the criterion listed below:

- **Compatibility with Existing Equipment** – the product being purchased directly interfaces or attaches to equipment currently in service, and/or is a replacement or repair part for existing equipment where having identical vendor equipment or parts makes operational and fiscal sense and where the part is considered to be superior in quality.

- **Continuation of Services** – where a service agreement or contract requirement is in place and needs to be extended due to circumstances such as increased scope of a project and where bringing in a new service provider would be detrimental to project quality or would unduly extend the project completion date, etc. Every attempt should be made at the start of service agreements to properly identify the project scope and to include, where practical, a contingency to allow for completion of the project.
- **Specialized Products or Services** – the product or service is specialized or unique.
- **Urgent Timeline** - the time frame for the acquisition is urgent due to uncontrollable circumstances. A situation where lack of planning has caused the urgent timeline is not considered justification to single source.
- **Standardization** – certain circumstances may warrant buying the same product(s) or service(s) as previously purchased. Justification may include ease of maintenance, minimizing replacement parts required, operator familiarization with equipment, ergonomics, etc.
- **Purchases From or For:**
 - Testing or trial use;
 - Exercising a purchase option on a lease or rental contract;
 - A non-profit organization;
 - An auction or bankruptcy situation; and
 - Other circumstances as warranted – recognizing there may be other circumstances that warrant single source justification, the Library and District will consider Library requests for single sourcing that have strong rationale. It is likely that a more detailed justification will be required in this case.

B) Sole Source (*only one product/service/vendor exists in the marketplace*)

Sole Source purchases of products or services MUST meet at least one of the following criteria:

- **Unique qualification and skills of contractor** – only one contractor or service provider has the unique qualification or skills needed for the project.
- **Unique product or service** – the product or service in question is unique and cannot be sourced elsewhere in the marketplace and is the only product or service that will satisfy the requirement. If there are similar products or services available that will generally satisfy the requirement, the Single Source guidelines will apply.
- **Monopoly controlled market situations** - the supply of products or services is controlled by a monopoly supplier and cannot be sourced elsewhere (e.g. a public utility company such as BC Hydro).
- **Computer software renewal licences and Software Development or Maintenance** - this occurs when licence renewal and maintenance for software and other digital resources (such as databases) can only be obtained from a single source, normally the developer of the software. This includes conversions, modifications and/or maintenance of currently owned software.
- **Purchases of:**
 - Subscriptions and publications;
 - Travel, training and conferences; and
 - Professional dues, memberships etc.
- **Other** – there may be other circumstances where there is no alternative but to sole source a particular vendor.