POLICY: **PROCUREMENT, PURCHASING, AND PAYMENT APPROVAL** POLICY #: **B-FIN-12**

COMMITTEE:	Finance & Audit	PASSED:	October 2004
TOPIC:	Finance – Procurement and Purchasing	AMENDED:	22 Oct 2015; 22 Sep 2016; 26 Apr 2018; 24 November 2022; 25 September 2025
		REVIEW PERIOD:	3 - 5 years

PURPOSE

This policy outlines the guidelines for procurement, purchasing and payment approval for goods, services and Library collection materials and resources (acquisitions).

To carry out the Library's duties and responsibilities, the Library, must buy goods and services. To achieve the maximum economy, efficiency and effectiveness (Best Value) in the performance of this function, the Library follows key principles applicable to public purchasing. This Policy explains the key principles and best practices for making purchases. It helps the Library get the Best Value while balancing budget control with operational flexibility.

The Library will make purchases in a way that gets the best value or price, reduces risks, treats suppliers fairly, and follows all relevant policies and laws.

DEFINITIONS

Best Value – District of North Vancouver (DNV) Administrative Policy *3-1220-2 Procurement of Goods and Services* defines "Best Value" as when, in addition to the financial cost of a good and/or service, relevant "Total Cost of Ownership" factors are taken into account. In addition to the "Total Cost of Ownership" considerations included in DNV Administrative Policy *3-1220-2 Procurement of Goods and Services,* the Library includes the following additional considerations:

a) Staff training requirements

b) Storage

Purchasing Transactions - commit the Library to the acquisition of goods, service or Library collection materials.

Payment Transactions - disbursement of funds purchase transactions supported by a vendor invoice or disbursement voucher.

POLICY

The North Vancouver District Public Library ("Library") Board entrusts the power to purchase goods and services for the Library following all Management Guidelines for procurement approved by the Finance & Audit Committee subject to the exceptions in this policy under Authority to Act.

The North Vancouver District Public Library ("Library") adopts the DNV *Procurement of Goods and Services Administrative Policy 3-1220-2 (Appendix A),* and *Purchasing and Payment Approval Authority Policy 3-1210-1 (Appendix B)* with the following amendment:

- All references to District Council or District staff in DNV Administrative Policy *3-1220-2 Procurement of Goods and Services* and Administrative Policy *3-1210-1 Purchasing and Payment Approval Authority Policy* shall be replaced with Library Board or Library Staff when being referenced under this policy.

The principles and best practices outlined under DNV Administrative Policy *3-1220-2 Procurement of Goods and Services* set a minimum standard of performance for the procurement process (Refer to Appendix A).

AUTHORITY TO ACT

1. Unless stated otherwise in this section, the Library Board gives the Director of Library Services the authority to make or sign any contracts on Library's behalf, as long as the costs are covered by the approved annual budget or Library surplus approved by the board. All contracts for goods and services must be made in the name of the North Vancouver District Public Library and must not last longer than five years.
2. Expenditures funded from donations, fundraising, or miscellaneous revenues greater than or equal to $5,000 must be approved by the Finance & Audit Committee Chair on behalf of the Board. Expenditures to be funded from donations, fundraising, or miscellaneous revenues less than $5,000 must be approved by the Director of Library Services.
3. Board approval is required to waive the competitive bidding process for contracts or other purchases greater than or equal to $25,000. A Director's report explaining the reason for bypassing the competitive bidding process must accompany the request for approval. The total value of the contract, including all years and any possible extensions must be considered when making the request. Any request for a waiver over $75,000 must first be discussed with the District Supplies and Risk Management Department to make sure it follows trade agreement obligations. Once approved, recurring payments for the duration of the contract are not subject to further approvals under this section but must be supported each year by the Board approved budget.

   If the Board cannot meet to approve, the Director of Library Services will consult the Chief Financial Officer. The Chief Financial Officer or delegate will decide whether or not to waive the competitive bidding process and will report back at the next Board meeting.

   Exempt from Library competitive bid requirements are:

   - Consortiums: Consortiums are membership based or a Library Federation under Section 49 of the Library Act. Board approval is required to participate in a Consortium. Once approved, consortium purchasing power and processes are beyond the scope of Library and District competitive bid process requirements.

- Information Technology (IT) – General:

  Recurring payments of annual licences, maintenance or software updates for existing and/or standardized IT systems that cost greater than $25,000.

  The Board supports procurement of information technologies and relies upon District policies and processes to leverage purchasing power and standardize technologies where appropriate.

- Information Technology and Digital Content (IT) – Library:

  Recurring payments of annual licences, maintenance or software updates that cost greater than $25,000.

  For greater clarity, additional modules to existing, specialized library IT systems or equipment that enhance levels of service or functionality and cost greater than $25,000 are exempt. A Board approved budget must be in place, supported by a business case, before any commitment to purchase is made.

4. Board approval is required for awards of contracts or other purchases greater than or equal to $25,000 made to other than the lowest compliant bidder (or highest ranked proponent in the case of proposals). A report explaining the rationale for the selection and the risks associated with rejecting the low bid or highest ranked proposal must accompany the request for approval.

5. The Board or the Finance & Audit Committee will receive a list of contracts or other purchases in excess of $25,000 as an addendum to the quarterly Report on Financial Operations. At their discretion, the Board or the Finance & Audit Committee may direct the Director of Library Services to submit any contract for review.

6. When Board approval is required to proceed with a contractual agreement, the Board Chair and Director of Library Services shall act as signatories to the Agreement. When Board approval is not required, the Director of Library Services and Chief Financial Officer will sign the agreement.

7. Library procurement:

   a) For goods and services, follow *MG-FIN-12.2 Procurement: Other than Library Collection Materials and Resources* and *MG FIN-12.4 Purchasing and Payment Approval Authority: Other than Library Collection Materials and Resources.*

      Purchases $10,000 or more must be supported by a District issued Purchase Order.

   b) Procurement of Library collection materials and resources must follow *MG-FIN-12.1 Procurement: Library Collection Materials and Resources* and *MG FIN-12.3 Purchasing & Payment Approval Authority: Library Collection Materials and Resources*.

PURCHASING AND PAYMENT APPROVAL

All invoices received for Library expenses must be approved prior to payment in accordance with *MG-FIN-12.6 Invoice Approval*.

For Library Collection materials and resources' purchase authorization and payment approval limits, follow *MG-FIN-12.3 Purchasing & Payment Approval Authority: Library Collection Materials and Resources*.

For other purchase authorization and payment approval limits, follow *MG-FIN-12.4 Purchasing & Payment Approval Authority: Other than Library Collections Materials.*

RESPONSIBILITIES

NVDPL Board

- Support this policy and related Management Guidelines
- Maintain this policy and monitor compliance

Finance & Audit Committee

- Support this policy and related Management Guidelines
- Maintain this policy and receive reports of compliance from the Chief Financial Officer or delegate

Chief Financial Officer

- Support this policy and related Management Guidelines
- Monitor compliance with this policy through periodic testing of controls and report results to the Finance & Audit Committee
- Recommend policy changes and updates to the Board and/or the Finance & Audit Committee as required

Director of Library Services

- Implement and support this policy and related Management Guidelines
- Ensure Library procurement, purchases and payment approval are in compliance with this policy
- Provide reports to the Board or Committees as required by this policy, or as requested

RELATED POLICIES AND MANAGEMENT GUIDELINES

- B-FIN-13 ENVIRONMENTAL PURCHASING
- B-HR-14 CONFLICT OF INTEREST
- B-OP-07 COLLECTION POLICY
- MG-FIN-12.1 PROCUREMENT - LIBRARY COLLECTION MATERIALS AND RESOURCES
- MG-FIN-12.2 PROCUREMENT: OTHER THAN LIBRARY COLLECTION MATERIALS AND RESOURCES
- MG-FIN-12.3 PURCHASING & PAYMENT APPROVAL AUTHORITY: LIBRARY COLLECTION MATERIALS AND RESOURCES
- MG-FIN-12.4 PURCHASING & PAYMENT APPROVAL AUTHORITY: OTHER THAN LIBRARY COLLECTION MATERIALS
- MG-FIN-12.5 USE OF PURCHASING CARDS
- MG-FIN-12.6 INVOICE APPROVAL