

SUMMARY:

The Purchasing Bylaw provides for the expenditure of municipal funds and to delegate certain authority with regard to the approval and execution of certain contracts and agreements.

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# CITY OF KELOWNA

## BYLAW NO. 9590

*REVISED: October 18, 2010*

<p>CONSOLIDATED FOR CONVENIENCE TO INCLUDE BYLAW NO. 10422</p>
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### A Bylaw to Set Purchasing Policy

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WHEREAS pursuant to the *Community Charter*, Council may provide for the expenditure of municipal funds in a designated manner;

AND WHEREAS pursuant to the *Community Charter*, Council may by bylaw delegate its powers, duties, and functions to its officers and employees;

AND WHEREAS the Municipal Council of the City of Kelowna wishes to set purchasing policy to provide for the expenditure of municipal funds and to delegate certain authority with regard to the approval and execution of certain contracts and agreements;

NOW THEREFORE the Municipal Council of the City of Kelowna, in open meeting assembled, hereby enacts as follows:

#### PART 1 - GENERAL

1.1 This bylaw may be cited for all purposes as City of Kelowna "Purchasing Bylaw No. 9590".

1.2 In this bylaw:

"City" means the corporation of the City of Kelowna;

"Council" means the municipal council of the City;

"Financial Officer" means the person appointed by Council pursuant to section 149 of the *Community Charter*;

BL10422 amended "Professional Consulting Services"

"Professional Consulting Services" means services to be provided by a person or persons who are licensed and regulated by the Province of British Columbia, Alberta and Saskatchewan in their professional capacity, and which services are provided pursuant to those regulations. Such services include, but are not necessarily limited to, engineering, landscape architecture and architecture.

BL10422 amended "Public tendering or proposal process"

"Public tendering or proposal process" means the process whereby tenders or proposals are solicited by the City by means of invitations to particular suppliers or by advertising publicly, and can be opened and read at a fixed time and place.

- 1.3 A delegation under this bylaw includes a delegation to a person who is from time to time the lawful deputy or designate of the delegate.
- 1.4 A person to whom a power, duty or function has been delegated under this bylaw has no authority to further delegate to another person any power, duty or function.
- 1.5 The provisions of this bylaw are subject to any overriding requirements of the *Community Charter* or *Local Government Act* with respect to specific purchases or commitments, or with respect to the approval of certain kinds of contracts.
- 1.6 Bylaw No. 6090-87 and all amendments thereto, be repealed.

## PART 2 - PURCHASING POLICY

BL10422 amended Section 2.1:

- 2.1 The Purchasing Branch of the Corporate Services Department is established as a centralized purchasing function having control of the acquisition of all goods and services required by the City.

### Competitive Process

BL10422 amended Section 2.2:

- 2.2 The competitive process outlined in sections 2.2 to 2.6 of this bylaw, and all awards made pursuant to it, shall be conducted under the direction the Purchasing Branch.

BL10422 amended Section 2.3:

- 2.3 Where goods or services to be purchased are authorized in a current budget approved by Council, the general practice with regard to competitive process and to the greatest extent possible as determined by the Manager of Purchasing and Stores shall be:
  - (a) purchases expected to exceed \$5,000.00, but not \$15,000.00, shall be decided by obtaining written or verbal competitive quotations;
  - (b) purchases expected to exceed \$15,000.00 but not \$75,000.00 shall be decided by obtaining written competitive quotations; and
  - (c) purchases expected to exceed \$75,000.00 shall be decided by public tendering or proposal process.
- 2.4 Preference shall be given to the supplier offering the best value to the City.
- 2.5 Where the value offered and all other things are equal, preference shall be given to a local supplier.

BL10422 amended Section 2.6:

- 2.6 Notwithstanding Sections 2.2 through to 2.5 above, a contract may be sole sourced when:
  - (a) Goods, services or construction are urgently required and delay would be injurious to the public interest; or
  - (b) Only one party is available and capable of performing the contract; or

- (c) The contract will not exceed \$5000 in value; or
- (d) Legislation exempts the good or service from the competitive process.

The City purchasing practices for sole sourced procurements shall employ such value analysis and negotiation methods as deemed appropriate for the occasion by the Manager of Purchasing and Stores.

Where the services sought are Professional Consulting Services, the City purchasing practices shall be single sourced by employing value analysis appropriate for the occasion and in accordance with Consultant Procurement Policy, as amended from time to time.

### Purchasing Procedure

- 2.7 Approvals of purchase orders or commitments must relate only to the authorized employee's own area of responsibility (except for the City Manager).

BL10422 amended Section 2.8:

- 2.8 No purchase or commitment shall be made by any employee of the City, unless it falls within the current budget approved by Council or amended by the Financial Plan Amendment Council Policy No. 262, both as to nature and amount.

- 2.9 Purchase orders or other commitments must not be issued where budget over-expenditure will result and it is the responsibility of each manager to ensure that this requirement is complied with.

BL10422 amended Section 2.10:

- 2.10 The City Manager and the Financial Officer, through the Financial Services Department's Purchasing and Invoice Approval Levels document, shall establish approval limits for City employees and procedures, not inconsistent with this bylaw, to govern and control all commitments of City funds. No City employee's approval limit shall be greater than the City Manager's.

BL10422 amended Section 2.11:

- 2.11 City employees may approve purchases of goods or services up to their individual approval limits as set in the Financial Services Department Purchasing and Invoice Approval Levels document, so long as the process outlined in sections 2.2 to 2.6 of this bylaw has been followed, and the approving employee or the Manager, Purchasing and Stores may execute binding contracts or commitments, including amendments, related to those purchases on behalf of the City.

BL10422 amended Section 2.12:

- 2.12 The City Manager may approve, and may execute binding contracts or commitments, including amendments and where the accepted tender is the lowest cost with no conditions or uncertainties, on behalf of the City in relation to:

- (a) purchases of goods or services in excess of individual approval limits of City employees so long as the expenditure has been approved by Council in the current year budget or approval has been obtained through budget amendment process, the purchase is within budget and the competitive process outlined in section 2.2 to 2.5 of this bylaw has been followed;

- (b) purchases of goods or services up to a total value of the budget approved by Council through the current year budget process or through budget amendment that follow the process outlined in section 2.6 of this bylaw.

BL10422 added a new Section 2.13 and re-number subsequent sections:

2.13 A written information report of the contract awards exceeding \$500,000 shall be provided to Council every quarter.

BL10422 amended Section 2.14:

2.14 Council's approval is required in each individual case for all purchases of goods or services that do not fall under section 2.12 of this bylaw.

2.15 In any event, the Mayor and the City Clerk together, shall be authorized signatories for any document the execution of which has been authorized by Council either through existing policy or bylaw, or on an individual case basis, and that is consistent with the current City budget, as to both nature and amount.

Read a first, second and third time by the Municipal Council this 30<sup>th</sup> day of April, 2007.

Adopted by the Municipal Council of the City of Kelowna this 7th day of May, 2007.

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"Brian Given"

Acting Mayor

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"Stephen Fleming"

Deputy City Clerk