

CITY OF WHITEHORSE

COUNCIL POLICY

POLICY: PURCHASING AND SALES

PURPOSE: To control and manage City purchases and sales to obtain optimum economic benefit by following proper purchasing principles and employing applicable purchasing, sales and storage techniques.

AUTHORITY: Council Resolution 2011-25-06 dated November 14, 2011

PURCHASING AND SALES POLICY

1. Policy Statement

Every year the City of Whitehorse purchases and sells millions of dollars worth of supplies, services, advertising, equipment and capital works. The City also entertains sponsorship opportunities in indoor recreation facilities on a case by case basis and evaluates them in the best interest of the City of Whitehorse. It is the intention of the City to control and manage these purchases to obtain optimum economic benefit by following sustainable purchasing guidelines and objectives while maintaining proper purchasing ethics and employing applicable purchasing and storage techniques. This policy applies to the procurement of goods, services and construction by all Departments.

2. Definitions

Environmentally preferred products and services means goods, services and construction that have less impact on the environment and human health over their life cycle when compared to competing goods, services and construction serving the same purpose, where health, safety, and other standards are met. For the purposes of this policy they are defined as products that are third-party certified.

Sustainable purchasing means the process by which organizations buying goods, services and construction take into account the economic value of the goods or service while also considering the environmental, social and ethical impacts of the goods or service.

Total cost of ownership / Life cycle cost means a determination of the direct financial costs and benefits to the City of goods, services and construction throughout their acquisition, use and end-of-life phases, including factors such as transportation costs, training, energy consumption, maintenance, recycling and disposal and other related costs.

3. Code of Ethics for City Transactions

The City will consider and adhere to the following code of ethics for City purchases:

- To consider first the interests of the City in all transactions and to carry out and believe in its established policies.
- To be receptive to competent counsel from colleagues and to be guided by such counsel without impairing the dignity and responsibility of the City.
- To transact without prejudice, seeking to obtain the maximum ultimate value for each dollar of expenditure, while adhering to sustainable purchasing guidelines To strive consistently for knowledge of the materials and process of manufacture.
- To subscribe to work for honesty and truth in buying and selling and to denounce all forms and manifestations of commercial bribery.
- To accord a prompt and courteous reception, so far as conditions will permit, to all who call on a legitimate business mission.
- To co-operate with all organizations and individuals engaged in activities designed to enhance the development and standing of materials management.
- To not solicit or accept sponsorship or advertising from companies whose reputation could prove detrimental to the City's public image and/or whose main business is derived from:
 - (1) The sale of tobacco; or
 - (2) Pornography; or
 - (3) The support of, or involvement in the production, distribution, and sale of weapons and other life-threatening products.
- To not allow advertising, either directly or through third party arrangements that:
 - (1) Convey a negative religious message that might be deemed prejudicial to religious groups
 - (2) Promote alcohol and other addictive substances, at venues geared primarily to children.
 - (3) Present demeaning or derogatory portrayals of individuals or groups or contain anything, which, in light of generally prevailing community standards, is likely to cause deep or widespread offence.

4. Objectives

The transaction objectives of the City include the following:

- (1) To purchase the best evaluated product or service for the currency expended.

- (2) To ensure that as many suppliers and buyers as practicable are given the opportunity to bid.
- (3) To perform all transactions in the most cost effective manner while adhering to current trade practices.
- (4) To review transaction practices to ascertain if the cost of goods and services may be reduced by purchasing in bulk quantities.
- (5) To provide financial control over the expenditure of funds through the use of purchase orders approved by authorized signing authorities. All expenditures must have prior budget approval or be authorized by council resolution.
- (6) To provide financial control over the sale of goods and services through the use of contracts approved by authorized signing authorities. All sales must have prior approval by delegated staff or be authorized by council resolution.
- (7) To incorporate, wherever possible, sustainability and the City's sustainable purchasing objectives as outlined in section 5 herein, as integral evaluation components in supply selection.
- (8) To ensure compliance with the City's policies, bylaws, and collective agreements, and all other territorial and federal laws and regulations that apply.
- (9) To minimize the total cost of ownership

5. Sustainable Purchasing

The City of Whitehorse recognizes that, through its engagement with the public market, it has the power to bring about environmental and social improvements both locally and globally while maximizing economic benefits. Therefore the City shall, where practical, specific environmentally preferred products and services in all procurement actions related to goods, services and construction.

This policy is intended as a framework for ongoing commitment to the Whitehorse Strategic Sustainability Plan. In order to advance its goals of becoming a more sustainable community, the City of Whitehorse will consider the following objectives while purchasing:

- (1) Reduce greenhouse gas and ozone depleting emissions;
- (2) Improve energy and water efficiency;
- (3) Improve use of renewable resources;
- (4) Improve reuse and recycling of materials (waste reduction & diversion);
- (5) Improve hazardous/toxic waste management; and
- (6) Use economic, natural, and human resources most efficiently.

Sustainable purchasing will be implemented through the development of tools and procedures on a commodity-specific basis.

Third party certifications will be used to select environmentally preferable products and services during the purchasing process.

The concept of life-cycle costing will be considered when feasible. Life cycle costing considers the full costs and benefits of the product or service to the City, including acquisition, use and disposal.

6. Signing Authorities

Operating and Maintenance Expenditures

Delegated signing authorities approved by the City Manager are authorized to enter into purchasing agreements in any amount up to the unencumbered balance of their operating and maintenance budgets in conformance with the guidelines as laid out in the Policy.

Capital Expenditures

All expenditures of \$100,000 or less are authorized by the City Manager or as delegated to signing authorities, with the exception of Calls for Proposals for consulting services which may only be approved up to \$50,000.

Sales of Assets, Services and Advertising

All sales of \$100,000 or less are authorized by the City Manager or as delegated to signing authorities.

Sponsorship Support at the Canada Games Centre, the Mount McIntyre Recreation Centre and Takhini Arena

Certain suppliers will be designated as official sponsors to the City's indoor recreation facilities through sponsorship donation. Sponsorship from these suppliers will be governed by an official sponsor's agreement and may override the competitive bidding procedures with respect to purchases within the Canada Games Centre, the Mount McIntyre Recreation Centre, and Takhini Arena. Adherence to the City's sustainable purchasing objectives will be encouraged.

Council Authority

A council resolution is required prior to the award of any contract in excess of \$100,000 and any consulting services contract in excess of \$50,000. During budget approval meetings or subsequent thereto, council may request specific approval requirements for an individual project or transaction.

Advertising for public bids shall be done in a minimum of local City newspapers and the City of Whitehorse website, unless waived by council.

7. Bidding Process

The City will utilise a bidding process unless waived by approval of council or as the result of a bona fide emergency situation as defined in section 8 of this policy. The bidding process shall be determined as follows:

All Purchases with the exception of Proposals for Consulting Services:

- (1) Transactions up to \$5,000 will be left to the discretion of the Departmental Managers or authorized delegates;
- (2) Quotations (solicited from suppliers) - all transactions between and including \$5,000 to \$30,000. Quotations for transactions up to \$30,000 may be waived by authorization of the City Manager;
- (3) Publicly advertised quotations – all transactions between and including \$30,000 to \$50,000; and
- (4) Formal public tenders or proposals - all transactions anticipated to be greater than \$50,000.

Proposals for the Purchase of Consulting Services

- (1) Transactions up to \$30,000 to be left to the discretion of the Department managers or authorized delegates;
- (2) Quotations (solicited from suppliers) - all transactions between and including \$30,000 - \$50,000. Quotations for transactions up to \$50,000 may be waived by the authority of the City Manager; and
- (3) Formal public proposal for all transactions anticipated to be greater than \$50,000. Any and all proposed tender awards by authorized signing authorities to bidders other than the lowest bidder for purchases and the highest bidder for sales shall require prior approval of council.

8. Bona Fide Emergency

For the purposes of this policy, the definition of a "bona fide emergency" includes the development of:

- (1) a situation which may endanger the health and/or safety of any City employee or member of the public; and/or
- (2) a situation which may jeopardise City property and/or assets OR property and/or assets of members of the public.

9. Disposal of City Assets

The City Manager or authorized delegate shall provide authority for all disposal reports. Disposal of City assets, provided they have not been deemed garbage, shall be made either via a public bidding process or as directed by City Council. The City Manager may approve donations to bona fide non-profit organisations up to a best-estimated value not to exceed \$2,000.00. Requests for donations exceeding this amount shall be recommended to City Council for authorization.

10. Amendment of Established Limits

The City Manager or authorized delegate has the authority to amend the limits established in this policy by up to 10% dependant on the circumstances surrounding the purchase. All instances where this amendment occurs must be documented and forwarded to council and to the Manager of Financial Services.

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