

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
		REVIEW PERIOD:	3 - 5 years

PURPOSE

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

The Library, in the performance of the duties and responsibilities assigned to it, must engage in the procurement of goods and services. In achieving the maximum economy, efficiency and effectiveness (Best Value) in the performance of this function, the Library has endorsed certain fundamental principles it considers applicable to public purchasing. The purpose of this Policy is to identify the Purchasing Principles and Best Practices guiding the procurement process in order to achieve Best Value for purchases while establishing an appropriate balance between fiscal controls and operational flexibility.

The Library shall procure in a manner that obtains best value and/or price, manages risk, treats suppliers with fairness, and complies with applicable policies and governing regulations.

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 delegates the authority to procure on their behalf goods and services 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 procurement 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. Except as outlined in this section, the Library Board grants to the Director of Library Services the authority to make or enter into any contracts on behalf of the Library for which funding has been provided in the Library's annual operating or capital budgets or authorized by the Board and funded by Library surplus. Contracts for goods and services for the Library shall be executed in the name of the North Vancouver District Public Library. Contracts or other agreements must be limited to a term of five years or less.
2. Expenditures to be 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 greater than or equal to \$25,000. A Director's report explaining the rationale for by-passing the competitive bidding process must accompany the request for approval. Any request for a waiver must consider the total value for all years under a contract, including any extension options. Any request for a waiver over \$75,000 must first be discussed with the District Supplies and Risk Management Department to ensure compliance with 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.

In the absence of Board availability to approve, the Director of Library Services will consult the Chief Financial Officer. The Chief Financial Officer or delegate will determine 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 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 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 between \$2,000 and \$4,999 must be supported by a Library issued Purchase Order, and purchases \$5,000 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