

**SUBJECT: CONTRACT AWARD LIMITS**

**RECOMMENDATION:**

**THAT the Board increase the contract award limits for the Purchasing Manager, and the General Manager, to \$100,000 and \$300,000 respectively, as approved by Council.**

**POLICY**

The Board has established the practice of adopting the City Administrative policies as approved by Council.

**BACKGROUND**

On March 28, 1996, Council received a staff report recommending changes to the current policies regarding the delegation of administrative authorities to senior staff. All of the recommendations were approved by Council including the recommendation that Council request the Park and Library Boards to adopt these revised authorities. In May of 1996 the Library Board approved this recommendation. On June 24, 1996, the Park Board adopted all of the revised authorities except that pertaining to contract awards which remains at the \$50,000 limit for award by the General Manager. The purpose of this report is to seek Board approval to increase this limit to that presently approved for all other City department heads as well as the Library staff as follows:

- for low bid or best value contracts up to \$100,000 to be awarded by the Board's Purchasing Manager or Director of Finance
- for low bid or best value contracts over \$100,000 and up to \$300,000 to be awarded by the General Manager. Concurrence of the Purchasing Manager or Director of Finance is required on all best value awards.
- for all contracts over \$300,00 to be awarded by the Board.

**DISCUSSION**

The award levels being proposed in this policy are at the current levels being followed in all other City departments. In addition the following restrictions apply:

- all purchases are by way of open competition with all awards to low

bidder or to the bidder providing best value to the Board.

- standard tender and contract documentation as approved by the Director of Legal Services is required.
- funding must be available in the approved budget.
- All awards over \$50,000 will be reported to the Board for information, on a monthly basis. This will keep the Board fully informed as to the status of the current projects as well as the contractors involved.

The proposed increase in the award levels will enable the administrative staff of the Board to conduct its business more efficiently by reducing the time involved in the contracting process. Senior staff will be empowered to conduct the routine business of the Board within the constraints of the budget and the tendering policy and will be accountable to the Board for their business decisions.

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