



Date: January 4, 2005

TO: Board Members - Parks and Recreation

FROM: General Manager - Parks and Recreation

SUBJECT: Implementation and Updating of Purchasing Policies for the Vancouver Park Board

RECOMMENDATION

That the Board approve the implementation and/or updating of the following Purchasing Policies:

- *Contracting for Goods and Services*
- *Consultants – Hiring*
- *Consultants – Contracts*
- *Energy Efficiency Purchasing Policy*

POLICY

With the exception of the Energy Efficiency Purchasing policy, all other policies listed are our current standard practice. They have been in place for many years and are in alignment with the comparable City of Vancouver Purchasing Policies. The Energy Efficiency Purchasing Policy is new, as there is no current applicable Board policy, but is also in alignment with the comparable City of Vancouver policy which was recently adopted.

BACKGROUND

Policies for contracting for goods and services, for hiring consultants, and for the administration of consultants contracts

The proposed policies regarding the contracting for goods and services, and the hiring of consultants have been standard practice of the Park Board for many years, but have never been formalized as written policy. The proposed policies are in alignment with the applicable City of Vancouver policies.

Energy Efficiency Purchasing

In December 2003, Council requested City staff to report back on opportunities to establish an Energy Efficient Purchasing Policy. This policy would support other City initiatives in respect of conservation and environmental stewardship. This would also aid the City in meeting its corporate greenhouse gas reduction target of 20% below 1990 levels by the year 2010.

City staff researched other organizations for best practices in terms of energy efficiency and noted the common recommendations to draw on the Energy Star® and Natural Resources Canada's Office of Energy Efficiency guidelines. They did not find policies which referred to other standards related to energy efficient equipment, supplies or appliances.

At the November 2, 2004 Council meeting, Council "adopted on consent" the following:

A. THAT Council approve adoption of the Energy Efficiency Policy as follows:

THAT Purchasing Services, after consultation with the Environmental Services Manager and the Office of Sustainability, implement a policy that ensures the City purchases energy efficient equipment, supplies, and appliances wherever possible. This would require that product specifications require compliance with:

- i) Energy Star® guidelines and recommendations
- ii) Natural Resources Canada Office of Energy Efficiency (NRCOEE) guidelines and recommendations.

B. THAT Council ask the Vancouver Park Board, Vancouver Public Library, and the Vancouver Police Department to implement this policy where applicable to their needs.

DISCUSSION

Each proposed policy is discussed separately below.

Contracting for Goods and Services

This policy outlines administrative authority levels when contracting for goods and services (not including consultants). This was previously outlined in an administrative report entitled "Changes to Administrative Authorities" and approved by City Council on March 28, 1996. The administrative authority levels in this policy are the same levels being followed in all other City departments.

For purchases less than \$50,000, informal bids are to be obtained and the contract awarded to the supplier or contractor that gives the highest value based on quality, service and price and that meets all licencing, insurance and WCB requirements.

For purchases over \$50,000 and up to \$100,000, sealed Quotations or Requests for Proposals are to be used and a minimum of three bids should be returned for evaluation and award.

For purchases over \$100,000, Tenders or Requests for Proposals are to be advertised, and a minimum of three bids should be returned for evaluation and award.

The policy also outlines the responsibilities of the Purchasing Manager in contracting for Goods and Services, including the documentation required, and the process for advising potential suppliers of the opportunity to provide bids, both of which vary with the amount of the contract. As well, it outlines which purchases the policy does not apply to, and the responsibilities of other Park Board staff involved in the purchasing process. Again, these are in alignment with City of Vancouver policy.

The following internal controls also apply to contracting for goods and services:

1. All purchases are by way of open competition with all awards to low bidder or to the bidder providing the best value to the Board;
2. Standard contract documentation as approved by the Director of Legal Services is required;
3. Funding must be available in the approved budget; and
4. All contracts over \$300,000 will be awarded by the Board.

Consultants - Hiring

This policy outlines the authority levels, selection process and required documentation when hiring a consultant. The authority levels are lower than the standard contracting for goods and services.

For consultant contracts up to \$5,000, Directors may approve the appointments and select based on suitable qualifications and on a rotational basis.

For consultant contracts above \$5,000 and up to \$30,000, the General Manager may approve the appointments and selects based on a minimum of three proposals from firms with suitable levels of experience. If appropriate, the three firms shall be selected on a rotational basis.

For consultant contracts above \$30,000, Board approval is required for appointment. The General Manager selects a consultant following a two stage process, which involves a Call for Expressions of Interest and a Call for Proposals from at least three consultants.

Consultants - Contracts and General Information

This policy outlines the required contract details and the authority to approve and execute a contract when hiring a consultant. The authority levels are lower than the standard contracting for goods and services.

Written contracts are required in all cases, and must include the service to be provided, the time frame in which to provide the service, terms of payment (including timing of payments and responsibility for payments to sub-consultants), a maximum contract amount, and any indemnification or insurance require to protect the Board.

Contracts which are in a pre-approved Legal Services form and which do not exceed \$30,000, must be approved and executed by the General Manager.

All contracts that exceed \$30,000 and all contracts, regardless of amount, which are not in pre-approved Legal Services form must be approved and executed by the Director of Legal Services.

All other City departments follow similar policies for the hiring of and contracting with consultants, as revised by City Council on March 28, 1996.

The statements and processes listed in the above policies regarding the contracting for goods and services, and the hiring of consultants have been standard practice of the Park Board for many years. They are in alignment with the applicable City of Vancouver policies.

Energy Efficiency Purchasing Policy

It is recommended that the Vancouver Park Board approve an Energy Efficiency Purchasing Policy in accordance with the City of Vancouver Energy Efficiency Purchasing Policy recently approved by City Council on November 2, 2004.

Once approved, this will ensure that the Vancouver Park Board purchases energy efficient equipment, supplies and appliances wherever possible. It will require that product specifications be compliant with Energy Star® guidelines and recommendations, as well as Natural Resources Canada Office of Energy Efficiency (NRCOEE) guidelines and recommendations. These criteria will be included in all materials specifications involving the purchase of supplies or equipment by the Vancouver Park Board.

This policy will apply to a wide spectrum of products, initially as listed below, but this list will be added to as new products are approved:

- **Appliances:** washers, dishwashers, dehumidifiers, fridges and freezers. The Park Board has approximately 250 units in total.
- **HVAC Equipment:** room and central air conditioning units, forced air and gas-fired furnaces, residential boilers, air source and ground source heat pumps, ceiling fans, ventilating fans and programmable thermostats.
- **Office Equipment:** computers, monitors, printers, mailing machines, scanners, fax machines and photocopiers. The Park Board has approximately 525 computers and monitors, 200 printers, and 50 scanners throughout the system. Fax machines and photocopiers are in most of our offices, and total about 80 units. Mailing machines are in two locations only.
- **Lighting and Signage:** compact fluorescent light bulbs, exit signs, and traffic signals. There are an extremely high number of light bulbs used within the Park Board system. The Park Board also has approximately 3000 exit signs.
- **Transformers:** commercial and industrial transformers.

- **Consumer Electronics:** televisions, VCRs, DVDs, cassette decks, CD players, clock radios, stereo amplifiers, receivers, table radios and tuners. Quantities of these units are not available, however, most Park Board facilities will have a number of these items.
- **Windows and sliding glass doors.**

Where the Vancouver Park Board has an existing contract for any items listed above, the Energy Efficiency Purchasing Policy will be utilized upon expiration of those contracts.

SUMMARY

Staff recommend the Board approve the proposed policies for contracting for goods and services, for hiring consultants, and for the administration of consultants contracts, as they are aligned with the signing authorities approved by the Board and City Council, and reflect the current practice.

Staff recommend adoption of the Energy Efficiency Purchasing policy for the Vancouver Park Board, in accordance with Policy AF-013-01 approved by Council on November 2, 2004.

Prepared by:
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