

Date: January 7, 2010



**TO: Board Members – Vancouver Park Board**  
**FROM: General Manager – Parks and Recreation**  
**SUBJECT: Changes to Authority to Contract (“Standing Authorities”)**

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## RECOMMENDATION

*THAT the Board endorse the Procurement Policy and the Standing Authorities approved by Council and adopt the changes to the Procurement Policy for Park Board application as outlined in Appendix I.*

## POLICY

The Board has an established policy on signing authority for each level of staff and has a number of policies related to the procurement of goods and services

## BACKGROUND

The most recent change to signing authorities was approved by the Board in May 2000.

At the December 15, 2009 Council meeting, Council approved changes to the Council-Delegated Authority to Contract ("Standing Authorities") and a new procurement policy. They also requested that the City's Director of Finance take the Procurement Policy to the Park Board, Police Board and Library Board for endorsement and adoption as the procurement policy of each of these Boards. See Appendix II for a copy of the Council report; included in the Council report as Appendix A is the City's new Procurement Policy.

## DISCUSSION

The attached Council report (see Appendix II) outlines new limits on Council-delegated authority (commonly referred to as Standing Authorities) and a new Procurement Policy. Some of the changes such as advertising limits and the monetary limit for formal tender or Request for Proposal (RFP) are being made to comply with provisions in the Trade, Imports, Labour Mobility Act (TILMA).

The Procurement Policy comes into effective March 1, 2010 and the Standing Authorities related to Contracts and Procurement that were part of the current Standing Authorities will be superseded by the Procurement Policy at that time.

The changes in the City's Procurement Policy have been reviewed and parallel changes incorporated into the modified document attached in Appendix I for the Park Board application.

There are three main changes to the Standing Authorities and procurement processes: public tender limits, changes in the Standing Authorities for award of contracts and changes to the delegated authority for signing a contract. Details of each change are listed below.

The limits for Public Tender's are to be changed as follows:

- a) No Public Tender on Purchases \$75,000 (\$200,000 for Construction) or less
- b) Public Tenders Required for Purchases over \$75,000 (and for Construction over \$200,000)

And the advertising requirements for tenders are to be revised to posting the tender particulars on the BC Bid website with links to the City's and Board's website as applicable. Local advertising will be done at the discretion of the Manager of Supply Management where it is deemed appropriate.

These changes are being made to comply with provisions in the Trade, Imports, Labour Mobility Act (TILMA) and to update the advertising requirements to reflect best practices now in place.

The delegated authority limits and responsibilities for awarding a contract under the Vancouver Park Board's control are also to be changed. These changes apply to the award of contracts under the Vancouver Park Board's control following a public competitive procurement process for contracts.

The changes proposed are as follows:

- a) the Category Manager position for low bid or best value contracts to \$75,000
- b) the Chief Purchasing Official for best value contracts over \$75,000 to \$250,000
- c) the Park Board General Manager for best value contracts over \$250,000 to \$500,000
- d) the Bid Committee (as outlined in the Procurement Policy) for all contracts over \$500,000 to \$2,000,000
- e) the Vancouver Park Board for all contracts over \$2,000,000

and that the Park Board General Manager may further delegate all or a portion of their above noted authority to Board Directors and Managers.

These changes are detailed in Appendix I, which is the proposed new Procurement Policy for the Board and which parallels the new policy at the City.

The policy introduces 3 new authorities (Category Manager, Chief Purchasing Official, and Bid Committee), whose roles and responsibilities are outlined in the Park Board

Procurement Policy in Appendix I. The Category Manager and Chief Purchasing Official are new positions created for the move toward shared services in the management of the City's and Board's supply chain process. For contracts (\$500,000 to \$2,000,000) require the Bid Committee's approval, the Bid Committee would be composed of the City Manager, the City's Director of Finance and the Park Board General Manager. The Board continues to have control over the allocation of its budget, but decision-making on some procurement issues will be subject to city-wide review and controls as outline in the new Procurement Policy.

The final change is to the delegated authority for signing a contract which has been awarded. The proposed change is as follows:

- a) All contracts authorized by a Category Manager, the Park Board General Manager or the Bid Committee are to be signed by both that person and the Chief Purchasing Official or delegate, and all contracts authorized by the Chief Purchasing Official are to be signed by both the Chief Purchasing Official and the applicable Category Manager.
- b) All contracts awarded by the Council or Vancouver Park Board are to be signed by the Director of Legal services.
- c) All contracts that have any modification to the standard format for special circumstances will be signed by the Director of Legal Services in addition to the authorized signatory referred to above.

These changes are also integrated into the proposed Park Board Procurement Policy and should streamline the execution process for awarded contracts.

The proposed changes will provide greater financial, operational and administrative efficiencies to the procurement process while ensuring best value for the Board. Staff will be empowered to conduct the routine business of the Board within the constraints of the budget and the tendering policy.

## **SUMMARY**

It has been a long term practice of the Board to adopt the operating policies approved by City Council, with appropriate modifications for Board practices and services. Comparable Park Board policies have been prepared and are attached in Appendix I for the Board's approval.

The changes to the Standing Authorities outlined in the report and the Procurement Policy detailed in Appendix I take into account the inflationary increases in prices and the cost of doing business which have occurred since the last revisions to these Authorities, and reflect the best practices in procurement processes.

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