



Delegation Bylaw 2016
No. 1332
District of Mackenzie

Consolidated for Convenience Only

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The District of Mackenzie

District of Mackenzie Delegation Bylaw No. 1332, 2016

Consolidated for Convenience Only

Explanatory Note

Bylaw No. 1332 provides legislation for the delegation of powers, duties, and functions to its officers, employees, committees, or other bodies established by the local government.

Amending Bylaws:

Bylaw No. 1367 – Adopted August 28, 2017

Bylaw No. 1367 amends the Delegation Bylaw No. 1332, 2016 to delegate the power and function to agree to and to enter into a licence to use or occupy special events and Municipal park land, land held in the District and used as a park, and rode Grounds. This Bylaw also adds Schedules E and F.

Bylaw No. 1404 – Adopted November 26, 2018

Bylaw No. 1404 amends the Delegation Bylaw No. 1332, 2016 to change Schedule A Purchasing/Procurement Policy.

Bylaw No. 1421 – Adopted October 28, 2019

Bylaw No. 1421 amends the Delegation Bylaw No. 1322, 2016 to change Special Event Licences, removes Schedules E and F from the bylaw, and repeals Delegation Amendment Bylaw No. 1367, 2017.

Bylaw No. 1485 – Adopted June 27, 2022

Bylaw no. 1485 amends the Delegation Bylaw No. 1322, 2016 to replace the “AUTHORITY TO ISSUE PURCHASE ORDERS” section of Schedule “A” Purchasing/Procurement Policy, and amend the Purchasing guidelines Summary Based on Value Ranges table to align with the changes.

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DISTRICT OF MACKENZIE

BYLAW NO. 1332, 2016

A bylaw to provide for the delegation of powers, duties and functions.

WHEREAS PURSUANT TO PROVISIONS OF Section 154 of the Community Charter, Council may provide for the delegation of its powers, duties and functions, including those specifically established by the local government;

AND WHEREAS Council wishes to delegate to its officers and employees certain powers, duties and functions and deems it expedient to enact this bylaw under the provisions of Section 153 of the Community Charter;

NOW, THEREFORE, the Council of the District of Mackenzie, in open meeting assembled, enacts as follows:

TITLE

1. This Bylaw may be cited for all purposes as "District of Mackenzie delegation Bylaw No. 1332, 2016"

DEFINITIONS

2. In this bylaw:

- (a) "Charter" means the Community charter;
- (b) "Council" means the Council of the District of Mackenzie;
- (c) "District" means the District of Mackenzie, a municipality incorporated under the Local Government Act,
- (d) "Purchasing Policy" means District of Mackenzie Purchasing/Procurement Policy and supplemental Purchasing Procurement Procedures and Guidelines adopted by Council attached as Schedules "A" and "B" to this Bylaw, respectively.

DELEGATION OF PURCHASING POWER

3. Council hereby delegates to the officers and employees set out in the Purchasing Policy the powers, duties and functions of Council regarding the purchasing or acquisition of works or services on behalf and for the benefit of the District (collectively "Works or Services"), and signing authority for the purchase or acquisition of Works or Services, in

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accordance with, and within the restrictions of the Purchasing Policy, and subject to any other limitations on that delegated authority.

DELEGATION OF RECRUITMENT DISCIPLINING AND DISCHARGING EMPLOYEES

4. Council hereby delegates to the Chief Administrative Office the power, duty and function to appoint, assign responsibilities to, promote, and discipline all employees. Council hereby delegates the Chief Administrative Officer the power, duty and function to discharge all employees other than those employees designated by bylaw as officers of the District of Mackenzie.

DELEGATION TO AUTHORIZE LEGAL ADVICE AND PROCEEDINGS

5. Council hereby delegates to the Chief Administrative Officer the power to instruct counsel to commence or defend any action or proceeding in any court of law, or before any tribunal, arbitrator or any other person, for or on behalf of the District.

PURCHASE AND SALE AGREEMENTS

6. Council hereby delegates to the Corporate Officer the power to dispose of the Lands held by the District known the "Airport Subdivision" and the "Bell Place Subdivision" that are listed in Schedule "C" to this Bylaw for which Council has approved the minimum sale price, and on substantially the same terms and conditions contained in the Agreement of Purchase of Sale attached as Schedule "D" to this Bylaw;

SPECIAL EVENTS LICENCES

7. Council hereby delegates to the Director of Recreation Services or designate the power and function to agree to and to enter into a Special Event Agreement for any district park, land, or facility held by the District and used as a park or facility, for the purposes of a special event such as, but not limited to, a wedding, family reunion, picnic, or community event. The agreements will include all required documentation, insurance and information relating to each specific event such as liquor restrictions, security requirements, fees, equipment uses and timelines.

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28/10/2019

CLOSURE OF SKEENA DRIVE

8. Council hereby delegates to the Director of Leisure Services the power to temporarily close Skeena Drive in front of the Recreation Complex for the purposes of a special event such as the United Way Firetruck Pull, Cabin Fever and Spirit Square festivities.

SCOPE OF BYLAW

9. For clarity, subject to the Community charter, unless a power, duty or functions of Council has been expressly delegated by this bylaw or another District bylaw, all of the powers, duties and functions of Council remain with Council.

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DELEGATIONS TO PERSONS HOLDING POSITIONS

10. Where this bylaw delegates a power, duty or function to a named position, the delegation of the power, duty or function is to the person who from time to time holds the position and to any person who, from time to time, is the deputy of that person so appointed by Council

NO DELEGATION BY DELEGATE

11. For clarity, a person to whom a power, duty or function has been delegated under the bylaw has no authority to further delegate to another person any power, duty or function that has been delegated by this bylaw.

REPEAL

12. Bylaw No, 1199, 2007 cited as "District of Mackenzie Delegation Bylaw No. 1199, 2007" as amended is hereby repealed.

READ a first time this ____ day of _____, 2016.

READ a second time this ____ day of _____, 2016.

READ a third time this ____ day of _____, 2016

ADOPTED this _____ day of _____, 2016

I hereby certify the foregoing to be a true and correct copy of District of Mackenzie Bylaw No. 1332 cited as "District of Mackenzie Delegation Bylaw No. 1332, 2016".

Mayor

Corporate Officer

Corporate Officer

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SCHEDULE "A" OF BYLAW NO. 1332

Established by council on August 22,
2016 Amended by Council on
November 26, 2018 Amended by
Council on June 13, 2022.

POLICY: Purchasing/Procurement Policy

SECTION: Finance Policy #: FIN-001

EFFECTIVE DATE: Bylaw 1332 adopted on August 22, 2016

Resolution No. 29992

SUPERSEDES: Finance Policy 3.1

AUTHORIZED:

_____	_____
Pat Crook	Peter Weeber
Mayor	Chief Administrative Officer

Purpose

The purpose of this Policy is to ensure that the District obtains the best value for its expenditures while ensuring that all purchasing and procurement processes are characterized by the highest level of corporate and personal integrity; that the procurement process is open, transparent and fair; and that all qualified vendors are given the opportunity to compete for District business.

SCOPE:

This Policy only applies to purchases of goods and services that are within the operating or capital budget approved by Council for those goods and services, or where the purchase is within the amount specified for the goods and services in the District's Annual Financial Plan. Where a purchase does not fall within these parameters, final approval for that purchase must be authorized through Council resolution, unless an emergency situation exists, delivery or

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project deadlines dictate that time is of the essence, or where extraordinary circumstances or market conditions exist. See the “Exclusions and Restrictions” section of the Policy for more information.

The Policy applies to all departments and staff. It identifies those with the authority and the responsibility to acquire goods and services on behalf of the District and sets out the principles to be followed throughout the procurement process.

The Policy covers all District purchases for goods and services including capital expenditures and goods for resale, except where the Policy expressly states otherwise.

The Policy creates a distinction between purchases for goods and services made by purchase order and those made pursuant to a formal written contract. Different authorization and execution requirements apply to each.

ACCOUNTABILITIES:

Council and through delegated authority, the Chief Administrative Officer and other officers and employees, are authorized to commit the District to supply agreements, contracts, and other legally enforceable documents; for the implementation of this Policy for communicating its contents to the District Staff; and for ensuring that this Policy’s principles are understood and applied.

Management staff are responsible for ensuring that the Purchasing Policy is clearly understood and complied with within their departments.

All staff are responsible for ensuring this Policy is adhered to, and for following Purchasing/Procurement Procedures and Guidelines.

GENERAL POLICY:

Under this policy, Council delegates its powers, duties and functions regarding the purchasing or acquisition of works or services on behalf and for the benefit of the District in accordance with, and within the restrictions of the Policy and subject to any other limitations on that delegated authority.

Where appropriate, the acquisition of goods and services should be by a competitive bidding process. The circumstances in which competitive bidding should be used are stated in the Guidelines.

Competitive bids are encouraged to engage suppliers and obtain the best value for the District. It is important to remember that best value is related to more than just lowest cost. Best value can also include, but is not limited to: services included; freight costs; warranties; added value; suitability to the district operations; life cycle costs; and quality.

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Competitive bids can take many forms and may include but not be limited to quotes, expressions of interest, vendor qualifications, tenders, and requests for proposals. The Chief Administrative Officer must be consulted to determine the best form of bidding.

This Policy is subject to applicable legislation and Provincial directives (i.e. *The Agreement on Internal Trade* (AIT) and *The New West Partnership Trade Agreement* (NEPTA)). All expenditure dollar amounts indicated in this Policy are inclusive of PST and exclude GST because municipalities receive a full refund of all GST paid.

Local Preference:

Preference will be given to local suppliers where materials/services are equal but the cost does not exceed 10%. Local suppliers mean those operating within the immediate surrounding area of the District of Mackenzie. Although the District will always give consideration to local dealers; the main criteria for the purchase of specialized equipment for operational services will be price, availability, and timing. The preference stated in this paragraph will not apply to contracts with a procurement threshold that meets or exceeds the thresholds set out in applicable legislation or Provincial directives such as NWPTA or AIT.

EXCLUSIONS AND RESTRICTION:

As stated above, where a purchase for goods or services exceeds the Council approved operating or capital budget for those goods or services or the amount specified in the District's Annual Financial Plan for those goods and services, final approval for that purchase must be authorized through council resolution, unless an emergency situation exists, if delivery or project deadlines dictate that time is of the essence, or where extraordinary circumstances or market conditions exist.

Emergency situations are those that are the result of an event caused by accident, fire, explosion or technical failure or by forces of nature, or any other situations that pose an immediate threat and that result in the need to expend District resources:

- To protect human life, safety and health
- To protect property
- To protect the environment
- To protect the economic interest of the community

In such situations, the Chief Administrative Officer, the CAO's designate under the District of Mackenzie Officer Positions Bylaw No. 1275, 2012 ("Designate") or the Director whose department is to make the expenditure is authorized to approve that expenditure without regard to any restrictions placed on the delegation of authority contained in this Policy or the Purchasing/Procurement Procedures and Guidelines. *Emergency purchases that cannot be accommodated within the Five Year Financial Plan will be authorized by the CAO or Designate or the appropriate Director and reported to Council following the event.*

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AUTHORITY TO ISSUE PURCHASE ORDERS:

The authority delegated through this policy applies to the supply of all goods and services required by the District and purchased through purchase orders, except for:

- (1) Utilities and telephone services
- (2) Legal services
- (3) Insurance premiums
- (4) Grants
- (5) Wages and benefits
- (6) Travel expenses that require the submission of expense claim form
- (7) Requests for additions to the list of exempt purchases must be forwarded to the Chief Financial Officer

All purchase orders should be pre-numbered and issued in numeric sequence with those persons indicated below being responsible for the security and distribution of all purchase orders allocated to their departments.

The following are delegated the authority to approve contracts and the commitments for the provision of goods and services or other District activities, works or services in the ordinary course of business, and to approve payments pursuant to such contracts and commitment, to the maximum amounts, being the total monetary value of each contract or commitment inclusive of permitted renewals, set out below:

Position	Delegated Approval Authority Limit
Chief Administrative Officer	\$25,000
Chief Financial Officer	\$25,000
Director	\$25,000
Managers & Superintendent	\$5,000
Coordinator	\$5,000
Bylaw Enforcement Officer II	\$500
Lead Hand Mechanic	\$500

Purchase Orders greater than \$25,000

The authority to authorize and execute purchase orders in an amount over \$25,000 but less than \$75,000 is delegated as follows¹:

- The order must be initiated by a Director or the Chief Administrative Officer.

¹ Note that all capital projects (as defined in the District's Capital Asset Policy) require Council approval, either through the annual budget or through a resolution

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- If the Order is initiated by a Director, then it must be authorized and executed by the Director and by the Chief Administrative Officer or in his/her absence, the Chief Financial Officer.
- If the order is initiated by the Chief Administrative Officer it must be authorized and executed by the Chief Administrative Officer and the Chief Financial Officer. If the Chief Financial Office is not available then the Mayor must also authorize and execute the purchase order.

AUTHORITY TO AUTHORIZE AND EXECUTE CONTRACTS FOR GOODS AND SERVICES

The authority to authorize entry into a written contract other than through a purchase order (a "Contract") shall be delegated as follows.

The following Directors are delegated the authority to authorize entry into and to execute a Contract with a restriction of up to \$10,000 in total for each item or group of related items ordered on behalf of the District:

- (1) The Chief Administrative Officer or Designate,
- (2) The Corporate Officer,
- (3) The Chief Financial Officer
- (4) The Director of Leisure Services
- (5) The Director of Operations
- (6) The Fire Chief
- (7) The Head Librarian

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(collectively "Directors")

The authority to execute a Contract that has been approved by Council with a value of \$10,000 or greater is delegated to the Chief Administrative Officer or Designate.

PROHIBITIONS

The following activities are prohibited and are excluded from the scope of the authority delegated pursuant to this Policy:

- (1) The dividing of contracts or purchases to avoid the requirements of this Policy.
- (2) Committing the District without the appropriate authority to do so.
- (3) Purchase by the District of any goods or services for personal use by or on behalf of any member of Council, appointed officers, employees of the District or their immediate families unless permitted under a separate policy and where such purchase would not constitute a conflict of interest. Any such purchase must also be in accordance with the provisions of the *Community Charter*, particularly sections 106, 107, and 108.
- (4) Purchase by the District from any member of Council, appointed officers, employees of the District or their immediate families or from any other source that could result in a

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conflict of interest unless that conflict has been disclosed to and approved by the Corporate Officer. Any such purchase must also be in accordance with the provisions of the *Community Charter*, particularly sections 106, 17, and 108.

- (5) The purchase of any District-owned goods by a member of Council, appointed officers, employees of the District or their immediate families unless purchased through an authorized asset disposal process (e.g. auction) and unless the purchase would not result in a contravention of any provision of the *Community Charter*, particularly sections 106, 107, and 108.

PROCEDURES AND GUIDELINES

The Purchasing/Procurement Procedures and Guidelines are supplemental to this Policy and contain detailed procedures and guidelines to be followed by staff.

SCHEDULE "B" OF BYLAW NO. 1332



Purchasing Procurement Procedures & Guidelines

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OBJECTIVES

The District is committed to ensuring best value is received for funds expended. This document is to be read and used in conjunction with the District of Mackenzie Council Policy on Purchasing and Procurement.

Purchasing and procurement processes should be responsive, cost effective, and as open as possible to public scrutiny.

General objectives of these procedures and guidelines:

- (1) Provide processes to guide staff in purchasing and procuring a range of goods and services in the right quantity, quality, timeliness and value;
- (2) Create processes which follow policy and legal requirements but are simple and clear to users, suppliers and the public;
- (3) Promoted total value concepts – full costing which takes into account the full range of costs including acquisition, maintenance, replacement, environmental disposal, training and any other costs associated with goods or services;
- (4) Promote unstainable procurement best practices in the acquisition, use and disposition of goods, services, assets and infrastructure;
- (5) Allow for flexibility within limited to promote accountability and allow for unanticipated and unplanned circumstances.
- (6) Competitive bids can take many forms and may include but not be limited to request for quotes, expressions of interest, vendor qualifications, tenders (including the Master Municipal Construction Document (MMCD) and the Canadian Construction Documents Committee (CCDC2)), and requests for proposals. Competitive bids are encouraged to engage suppliers and obtain the best value for the District. It is important to remember the best value is related to more than just lowest cost. **Best value** can also include, but is not limited to: services included; freight costs; warranties; added value; suitability to the District's operations; life cycle costs; quality; etc. Where suitable given the form of competitive bid used, **evaluation criteria** will be listed in the competitive bid document and prior to receiving submissions the value of each of those criteria is to be established through weighting (defining the importance of each criteria against the others and assigning a percentage value – *for example only*.

Price (including life cycle costs)	60%
Experience and quality	20%
Timing for Completion	10%
Added Value	10%

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Each submission will be evaluated in the same manner using the pre-established criteria and weightings. The District's Chief Administrative Officer can guide departments in setting criteria for evaluation of competitive bids.

The District's Chief Administrative Officer should be consulted to determine the best form of bidding and has the authority to determine the best form of bidding, taking into account the recommendations contained in this Policy.

The District, while conducting day to day business with suppliers, will temporarily suspend purchasing goods and services from suppliers, will temporarily suspend purchasing goods and services from suppliers that have outstanding business licence fees as of purchasing goods and services from suppliers that have outstanding business licence fees as of March 1st of each year until such time as the outstanding business licence fees are paid in full.

These Guidelines are subject to applicable legislation and Provincial directives (i.e. *The Agreement on Internal Trade* (AIT) and *The New West Partnership Trade Agreement* (NWPTA)).

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

INTRODUCTION

Procurement is the complete action or process of acquiring or obtaining goods and services from outside the District by means of: receiving, purchasing, constructing, and negotiating directly with the source of supply. The District operates on a decentralized purchasing model. It is the responsibility of Directors and Managers to ensure their department's purchasing practices are in conformance with the District's purchasing policy and procedures.

Purchasing is the acquisition of goods or services through a financial transaction. Anyone who has been delegated the authority to purchase goods and services is responsible for ensuring budgeted funds are available in duly authorized accounts before making commitments for goods and services.

Authority – persons undertaking procurement actions must have formal authorization to do so. Through the Purchasing/Procurement Policy, Council provides the authorization for staff to perform and oversee various steps of the procurement process as outlined on the schedule of *Purchasing Guidelines Summary Based on Value Ranges* on page 12. All goods and services are to be acquired in accordance with this Policy unless authorized on an exception basis by Council.

Competition – the District believes that the methods of procurement for goods and services should be competitive where possible to:

- Reduce costs or increase value to the public through marketplace competition;
- Encourage innovation and efficiencies;
- Demonstrate the application of fair selection criteria that focuses on best total value.

The level of external competition required for District purchases is based on the dollar value, the complexity and nature of the specific purchase. Consideration should be given to the administrative costs associated with different types of competitive processes so that the cost of the process of procurement does not exceed the value of the goods or services. The Chief Administrative Officer will provide guidance on the best method of procurement based on the nature, urgency and type of goods or services required and has the authority to determine the best method of procurement, taking into consideration the recommendations contained in this Policy.

As set out in within the Purchasing/Procurement Policy, only authorized individuals have the authority to commit to the expenditure of District funds. Expenditures are subject to compliance with operational and capital budget approval by Council.

Documentation – all steps in the procurement process should be recorded in writing where practical and are subject to the Records Management Retention Policy. The District is subject to the *Freedom of Information and Protection of Privacy Act* legislation. Therefore, our procurement decisions may be subject to public scrutiny from time to time. It is critical that staff not only follow our stated policies and procedures but are able to demonstrate our compliance. Any information disclosed to bidders or third parties is to be vetted through the District Administration to ensure compliance with District obligations under the *Freedom of Information and Protection of Privacy Act*.

These procedures and guidelines are designed to assist District staff in meeting the District's stated procurement objectives and to protect the District and its staff against potential litigation and perceived or actual conflicts of interest.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES PURCHASING/PROCUREMENT PROCESSES

Critical Procedures to Remember:

1. Wherever possible, the Purchasing/Procurement Policy should be adhered to, Deviance from the Purchasing/Procurement Policy or these procedures/guidelines must be approved by the Chief Administrative Officer who may only issue such an approval in an emergency situation, or if delivery or project deadlines dictate that time is of the essence, or when extraordinary circumstances or market conditions exist.
2. Expenditures are to be supported by Council approved budgets. Where a budget does not exist, and the purchase is an emergency or is urgent, the Chief Administrative Officer or designate under the District of Mackenzie Officer Positions Bylaw No. 1275, 2012 ("Designate") or a Director may approve the expenditure in accordance with the District's Purchasing/Procurement Policy.
3. All expenditure dollar amounts indicated in the Purchasing/Procurement Procedures and Guidelines are inclusive of PST and exclude GST, because municipalities receive a full refund of all GST paid.
4. All purchases/procurement decisions should consider life cycle costs as well as sustainability principles.
5. Any deviance for capital projects over \$10,000 is to be reported to Council.
6. In order to provide transparency and meet the intent of the North American Free Trade Agreement (NAFTA), the Agreement on Internal Trade (AIT), and the New West Partnership Trade Agreement (NWPTA), the following advertising procedures shall be followed.

Post on BC Bid website

-\$75,00+ for goods or services

-\$100,000+ for construction

Civic Info BC website and appropriate print advertising are also options.

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SINGLE SOURCE¹

Single Source refers to a procurement of goods and services from one supplier despite there being competitors in the market. Single Source procurement is discouraged unless a valid business case can be made, such that entering into a competitive bid process would be detrimental to District operations or where the value of the goods is low and the administrative costs would exceed any benefit derived from competitive bids.

For purchases of goods and services for between \$5,000 and \$10,000 in total for each item or group of related items, Single Source Purchases must be approved by the Chief Administrative Officer or a Director or Manager responsible for the budget from which they purchase will be expended. For purchases of goods and services for more than \$10,000 in total for each item or group of related items, Single Source Purchases must be approved by the Chief Administrative Officer. The Chief Administrative Officer must ensure that any Single Source purchase meets the requirements of all applicable legislation and trade agreements, including the New West Partnership Trade Agreement and the Agreement on Internal Trade.

While the Chief Administrative Officer or Director or Manager responsible for a budget has the authority to approve Single Source Purchases, some examples of Single Source situations that may be acceptable include, where:

- A supplier is current supplying the same product and is familiar with operations in a way that would save the District time or money in procurement. A specific example would be where a contractor has implemented a software system and is aware of the system set up, and where additional services are required to enhance that system and competitors would need to spend additional time making themselves familiar with the District's system, which could add time and costs to the services.
- A supplier has supplied a product and the District is procuring an enhancement to the product and warranty could be effected.
- There is high demand for the services or goods and the District is in need of securing a source, or a supplier to provide the product or service of a superior quality.
- A supplier has recently been awarded a contract based on a competitive bid for the same good or service.
- There is an urgent need or emergency and time is of the essence.
- The purchase is low in value and the cost of staff time to acquire bids would exceed any potential savings that could be achieved through competitive bids.
- A supplier has provided a unique opportunity of value to the District (i.e. free product to be the pilot customer).

¹ Any Single or Sole Source purchase exceeding \$750,000 for goods or services, or \$100,000 for construction should be posted to BC Bid as an Intent to Award.

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SOLE SOURCE

Sole Source refers to a procurement of goods and services from one supplier due to the lack of competitors in the market, or where only one supplier can provide that particular good or service. A sole source can be considered where alternatives cannot be considered, or where alternatives could present higher total costs to the District.

Without limiting the above, an example of a sole source is where a supplier holds a trade mark or patent and other competitors do not exist.

For purchase of goods and services for between \$5,000 and \$10,000 in total for each item or group of related items, Sole Source Purchases must be approved by the Chief Administrative Officer or a Director or Manager responsible for the budget from which the purchase will be expended. For purchases of goods and services for more than \$10,000 in total for each item or group of related items, Sole Source Purchases must be approved by the Chief Administrative Officer. The Chief Administrative Officer must ensure that any Sole Source purchase meets the requirements of all applicable legislation and trade agreements, including the New West Partnership Trade Agreement and the Agreement on Internal Trade.

SUSTAINABLE PURCHASING/PROCUREMENT

The District is committed to Sustainability and wherever practical any purchases or procurements of goods or services should consider the short and long term effects on:

Economic, Environmental and Social Sustainability

Benefits of Sustainable Purchasing/Procurement can include:

- **Financial savings** – e.g. energy water, resource efficient products
- **Achieve local environmental and health goals** – e.g. using non-toxic products; reducing emissions by purchasing locally grown/manufactured products
- **Achieve local social goals** – e.g. employment generation; create expectations of suppliers for providing ethical workplace conditions
- **Drive Innovation** – e.g. encouraging our suppliers to think “green” and develop environmental practices that help reduce, reuse or recycle, including working with suppliers to reduce packaging
- **Improve public image and increase legitimacy** – demonstrates the District’s commitment to sustainability through our own business practices
- **Contribution to global sustainability** – working back through the supply chain globally to insist on reduced carbon emissions, ethical workplace environments, and sustainable practices incorporated into all our global supplier businesses

(headings above from: ICLEI 2009, Procura Rd-73 campaign)

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

Developing Specifications and Competitive Bids with Sustainability in Mind

When developing specifications for goods and services, staff can consider factors such as:

- The use of non-toxic substances and renewable materials
- Energy and water consumption during use of goods and equipment
- Disposal, reuse and recycling options at the end of life
- Working conditions in the service delivery
- Products that have been certified Free Trade or certified eco friendly with Eco Labels by accredited certifiers
- Nationally recognized energy efficient building standards (LEED, CSA, others)

However, such factors must be included in the evaluation criteria or specifications used in the competitive bidding process if the factors are to be taken into account when awarding the contract.

Caution – Be careful not to include in your specifications things like ‘products must be Energy Star’ as this is only one type of rating. It is better to state “products must be energy efficient. Describe any national or international energy efficiency standards that your products meet.”

The following are clauses that may be included in competitive bids documents and bidders should be required to sign off that they have complied:

- 1) The District expects that each supplier has an will comply with any applicable legislation pertaining to the environment. In Canada these include: *Canadian Environmental Protection Act, 1999 (Canada), Fisheries Act (Canada), Transportation of Dangerous Goods Act (Canada/BC), Environmental Management Act (BC), and any local regulations and bylaws.*

It is also appropriate to ask suppliers to enerally describe their sustainability of environmental policies and practices and include sustainability in the criteria for evaluating bids.

The following are examples of contract performance clauses that can be used in a competitive bid document, or contract document (of course the conditions must be suitable to include these clauses):

“Products are to be delivered in bulk instead of individually packaged units.”

“The contractor must use reusable containers when delivering products.”

“The contractor must collect the packaging materials and used products that they supply for recycling or reuse.”

“All products must indicate the quantity that should be used in order to avoid overuse.”

“The services will have to be carried out in compliance with [insert recognized environmental or other standard including energy saving standards].”

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

RESPONSIBILITIES

DEPARTMENTS

Directors and Managers are responsible to ensure that their staff understand and comply with the Purchasing/Procurement Policy and the Purchasing/Procurement Procedures and Guidelines, as well as all applicable legislation and trade agreements

Directors and Managers are responsible to:

- (1) Ensure that all purchases are performed in accordance with the District's policies and procedures unless the policy or procedure has been specifically waived by the Chief Administrative Officer in accordance with the Purchasing/Procurement Policy, or these Guidelines.

All staff are responsible to:

Conduct all business transactions in an ethical and professional manner. Other

Staff responsibilities will include:

- Monitoring compliance with this policy
- Maintaining records of business transactions as required
- Disposing of surplus assets and scrap according to Sale of Used Items to the Public Policy
- Analyzing bids according to criteria established prior to the receiving of bids or opening of sealed bids
- Review of – WorkSafeBC clearances where required
- Review of – Insurance Requirements where required

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

PURCHASING GUIDELINES SUMMARY BASED ON VALUE RANGES

Anyone given responsibility for initiating or approving a purchase under this schedule is accountable and responsible to ensure that proper and adequate budget authorities exist and that the purchase does not violate any District policy, legal or statutory requirements. Note that this chart is a summary only. Staff should review the applicable sections of the Guidelines in every case.

Authorities and Responsibilities for All Goods & Services, & Construction	VALUES			
	\$0-5,000 (See page 14)	\$5,000-\$25,000 (See page 15)	\$25,000 – 75,000 (goods and services) Up to \$100,000 Capital Construction/Project (See pages 16-17)	\$75,000+ (goods and services) \$100,00+ Capital Construction/Project (See page 8-19)
Goods & Services Acquisition Authority	<ul style="list-style-type: none"> • <i>Maximum limit of \$500</i> -BE Officer II Lead Hand Mechanic/Mechanic • <i>Maximum limit of \$5,000</i> - Directors - Building Inspectors - Managers - Executive Assistant - PW Admin Coord. (Refer to Policy) 	<ul style="list-style-type: none"> • Directors (Refer to Policy) 	<ul style="list-style-type: none"> • Initiated by Chief Administrative Officer or a Director (Purchase Order must be authorized by two of the following authorities: CAO, CFO, Director or Mayor – Refer to Policy for conditions) 	<ul style="list-style-type: none"> • Initiated by Chief Administrative Officer or a Director <p>(Purchase Order must be authorized by two of the following authorities: CAO, CFO, Director or Mayor – Refer to Policy for conditions)</p> <p>Further Council Approval required when these expenditures are to be committed</p>
Contract Signing Authority	<ul style="list-style-type: none"> • Directors (Refer to Policy) 	<ul style="list-style-type: none"> • Directors (Refer to Policy) 	<ul style="list-style-type: none"> • Chief Administrative Officer upon approval from Council Refer to Policy) 	<ul style="list-style-type: none"> • Chief Administrative Officer upon approval from Council (Refer to Policy)
Competition	<ul style="list-style-type: none"> • Now written quotes required although 2 or 3 verbal quotes are suggested 	<ul style="list-style-type: none"> • Three or more written or verbal quotes • Verbal quotes must include an e-mail confirmation 	<ul style="list-style-type: none"> • Minimum of Three Written Quotes. Invitation to Tender/RFP/RFQ or other suitable process (e.g. other processes: Expression of Interest, Request for Qualification with appropriate contract language or enter into an agreement) • When the minimum of three written quotes are not available, there should be an explanation of “Non-Compliance.” • Advertising is an option. 	<ul style="list-style-type: none"> • Invitation to Tender/RFP/RFQ or other suitable process (e.g. other processes: Expression of interest, Request for Qualification with appropriate contract language to enter into an agreement • Must Advertise on BC Bid
Required Documentation	<ul style="list-style-type: none"> • Email, notes of verbal quotes • Invoice Signoff • Purchase Order • Purchasing Card • Contract or Purchase Agreement, if applicable 	<ul style="list-style-type: none"> • Email, notes of written/verbal quotes • Invoice Signoff • Purchasing Order • Contract or Purchase Agreement, if applicable 	<ul style="list-style-type: none"> • Depends on purchase type for Goods and Services • Copy of written quotes • Invoice signoff, Purchase Order or Contract for Capital Construction/Project • Tender/RFP/RFQ or other document • Contract or Purchase Agreement, as applies • Summary of Evaluation of Competitive Bids • Invoice Signoff, Purchase Order, or copy of contract if applicable (Refer to Guidelines) 	<ul style="list-style-type: none"> • Tender/RFP/RFQ or other suitable process (see above) document • Contract or Purchase Agreement, as applies • Summary of Evaluation of Competitive Bids • WorkSafe BC, Insurance, Safety Standards (Refer to Guidelines)
Other Purchase Types	Exclusions ** Approved Single Source ** Approved Sole Source ** Co-operative Ventures **Emergency Purchases ** Special Category Expenditures (se relevant pages)			

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DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

Definitions

Goods & Services Acquisition Authority:	“Goods and Services Acquisition Authority” means an officer or employee who has been granted purchase order authority or authority to authorize a written contract under the District’s Purchasing/Procurement Policy.
Contract Signing Authority:	“Contract Signing Authority” means the officer or employee to whom Council delegates the authority to execute a contract that has been approved pursuant to the Purchasing/Procurement Policy a Council resolution, or another bylaw or enactment

Goods and Services Acquisition Authority Restrictions

The purchase of goods and services must only occur if the purchase has been approved pursuant to the Purchasing/Procurement Policy, approved by council or approved pursuant to another bylaw or enactment. For certainty, as stated elsewhere in this Purchasing/Procurement Procedure and Guidelines and the Purchasing/Procurement Policy, if a purchase exceeds the Council approved budget, final approval must be authorized through a Council Resolution, except in an emergency situation. See the “Exclusion and Restriction” section of the Purchasing/Procurement Policy for more detail.

Cooperative Ventures

This policy provides the authority to the authorized Directors and Managers to participate in cooperative purchasing.

The District will participate with other government agencies or public authorities in cooperative acquisition ventures where it is in the best interest of the District to do so and will follow the procedures set out by the agency responsible for the venture and not those detailed herein.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

\$0 - \$5,000 ALL GOODS AND SERVICES

This category represents a large number of orders small in value. Managing these expenditures allows for expedient procurement as outlined in day to day and sundry expenses by providing a convenient and less burdensome method of procuring low value goods and services, i.e. consumables, small cleaning tasks, small repairs, operational in nature.

Goods and Services Acquisition Authority:

As per the Purchasing/Procurement Policy.

Contract Signing Authority:

Chief Administrative Officer or Director as per the Purchasing/Procurement Policy.

Competition:

While no written quotes are required, the purchaser should make all reasonable efforts to ensure the District receives value. Multiple verbal quotations are encouraged unless the administrative costs of obtaining these quotes would exceed any potential savings that could accrue to the District.

Documentation:

Compliance with the District Purchasing/Procurement Policy is documented by way of:

- Written contract or invoices/receipts submitted with the Purchase Order;
- Business licences where applicable.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

\$5,000 - \$10,000 ALL GOODS AND SERVICES

These are purchases that are of medium value and require a quote process unless Sole Source or Single Source Purchasing has been approved. This category represents day to day operational expenditures and some capital expenditures. The limit allows for expedience while ensuring a standard process, i.e. consulting contracts, equipment repairs, emergency goods and services.

Goods and Services Acquisition Authority:

As per the Purchasing/Procurement Policy.

Staff should not commit via a verbal, written, or implied agreement prior to the issuance of a written contract or purchase order.

Contract Signing Authority:

Chief Administrative Officer or Director as per the Purchasing/Procurement Policy.

Competition:

Unless Single Source or Sole Source purchasing has been approved in accordance with these Guidelines, a minimum of three written or verbal quotes are to be attached to the purchase order or written contract. The staff requesting the expenditure must be the person responsible for the acquisition.

Documentation:

Compliance with the District Purchasing/Procurement Policy and Purchasing/Procurement Procedures & Guidelines is documented by way of:

- Minimum three or more verbal or written quotations. Verbal quotes must include an email confirmation
- Business licences where applicable
- Prime contractor agreements and verification of Safety programs
- Invoice/Receipts submitted with Purchase Order or written contract.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

\$10,000 - \$75,000, ALL GOODS AND SERVICES UP TO \$100,000 CAPITAL CONSTRUCTION/PROJECT

These are purchases that are large in value and require a competitive bid process to ensure the purchases are best value and competitive unless Single Source or Sole Source purchasing has been approved.

Goods and Services Acquisition Authority:

As per the Purchasing/Procurement Policy.

Staff should not commit via a verbal, written, or implied agreement prior to the issuance of a contract, OR Council approval.

Contract Signing Authority:

Chief Administrative Officer upon Council approval of contract as per the Purchasing/Procurement Policy

Competition:

Goods and Services:

- The requester must obtain a minimum of three written quotes;
- Proof of sufficient effort to comply with minimum of three written quotes must be included;
- When the minimum of three written quotes are not available, there should be an explanation of "Non-Compliance". Examples of "Non-Compliance" could be:
 - Sole Source supplier;
 - Vendor base insufficient to provide suitable number of quotes.

Capital Construction/Project:

- Competitive bid documents should provide sufficient detail in order achieve the required outcomes and mitigate risk and liability, and documents should include criteria to measure best value;
- The Chief Administrative Officer should be consulted on the most suitable form of competitive bid process.

Submissions and Receipt of Tenders/Quotations

- Instructions should state that:
 - Tenders and quotations will be date stamped and sealed
 - Any tender or quotation received after the specified closing time will be returned to the party tendering, unopened with reasons for the rejection
 - The District reserves the right to accept any part of any tender or quotation unless it is clearly stated on the offer that part of the offer may not be accepted
 - Faxes will not be accepted for bids on tenders unless it is an addendum to the original bid
 - Electronic mailing bids will not be accepted for quotations or tenders

**DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT
PROCEDURES & GUIDELINES**

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

Documentation:

Compliance with the District's Purchasing/Procurement Policy and Purchasing/Procurement Procedures & Guidelines is documented by way of:

Goods and Services:

- Minimum three written quotations;
- Contracts committed to by the Chief Administrative Officer or designate.

Capital Construction/Projects:

- Summary of evaluation of competitive bids;
- Contract or purchase agreement committed by the Chief Administrative Office or designate.

The authorizing signature on contracts reflects:

- Consulting – MMCD agreement or applicable agreement approved by the Chief Administrative Officer;
- Construction requires MMCD Agreement, CCDC2 or applicable agreement approved by the Chief Administrative Officer.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

\$75,000+, ALL GOODS AND SERVICES \$100,000+ CAPITAL CONSTRUCTION/PROJECT

These are purchases that are large in value and are higher risk. Unless Single Source or Sole Source Purchasing has been approved, these require comprehensive bid documents including specifications, terms and conditions and an extensive competitive bid process to ensure all aspects of risk are identified and administered through contractual obligation and management. Any purchase must meet the requirements of all applicable legislation and trade agreements, including the New West Partnership Trade Agreement and the Agreement on Internal Trade.

Goods and Services Acquisition Authority:

As per the Purchasing/Procurement Policy. Purchases in excess of \$75,000 for goods and services or \$100,000 for construction are most often identified in the annual approved budget and therefore approved by Council. Further Council approval is required when the expenditures are to be committed.

Contract Signing Authority:

Chief Administrative Officer upon Council approval of contract as per the Purchasing/Procurement Policy.

Competition

The competitive process used by the District is generally a Request for Tender (RFT) or a Request for Proposal (RFP), depending on the nature of the goods and services or construction to be provided. Other means are through alternative competitive bid processes such as Expression of Interest (EOI) or specified negotiations. The District has developed standard document templates for each of these competitive processes. There are also other competitive bid processes for pre-qualifying bidders and determining market interest. The Chief Administrative Officer should be consulted on the most suitable form of competitive bid document.

- In order to provide transparency and meet the intent of NAFTA, AIT, TILMA, NWPTA, the following advertising procedures shall be followed:
 - \$75,000+ goods and services or
 - \$100,000+ construction – post on BC Bid website. May also post on Civic Info BC website and appropriate print advertising.

Documentation:

Compliance with the District's Purchasing/Procurement Policy and Purchasing/Procurement Procedures & Guidelines is documented by way of:

- A standard District document for an RFT or a RFP amended to include specific conditions and the project specifications as outlined by the requesting department and stated criteria for bid evaluation;
- Summary of the evaluation of bids or proposals against the stated evaluation criteria, established prior to the receipt of bids;
- Final signed contract with the successful bidder;

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

- Appropriate documentation of insurance and WorkSafeBC Compliance, Safety standards, business licence, permits if required and any other applicable documents required for the project or purchase;
- Construction requires Master Municipal Construction Document (MMCD) Contract, Canadian Construction Documents Committee 2 (CCDC2) or applicable agreement approved by the Chief Administrative Officer;
- Consultant requires MMCD Agreement, Architect approved agreement, District consultant contract or applicable agreement approved by the Chief Administrative Officer.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

SPECIAL CATEGORY EXPENDITURES

The following are specific procurement recommendations for specific categories of expenditure.

(1) Audit and Accounting Services

The District shall, at least every five years, invite proposals from accountants for the provision of audit services to the District.

In order to be qualified for appointment as the District's auditors, accountants must meet the following requirements:

- a. The auditor shall be a member, or a partnership whose partners are members, in good standing of the Canadian Institute of Chartered Accountants, or the Certified General Accountants' Association of British Columbia;
- b. The auditor must be able to provide all services that are outlined in the service specification to be prepared at the time of calling for proposals;
- c. The auditor must have, in the opinion of the Chief Financial Officer, sufficiently qualified and competent staff to conduct the audit;
- d. The auditor shall have the capability and resources to provide additional accounting and management services should the need for them arise;
- e. The auditor must be independent from the Mayor, any member of Council, Officer, Director and Manager.

In general, proposals for audit services shall be evaluated on:

- a. The extend of services which the accountant is able to provide;
- b. The convenience and quality of the service to be provided;
- c. The quoted cost of audit services
- d. The stability of the firms presenting proposals as evidenced by their past history and affiliation;
- e. The expertise o the firms presenting proposals in the field of municipal accounting as evidenced by their experience and references.

In calling for proposals, the District shall allow sufficient time for the auditors to interview District staff and evaluate the accounting systems in place at the District.

Auditor appointments shall be for a period of three years with the option of an extension for a further two years if the District and the auditors are mutually agreeable.

The Chief Financial Officer may enter into engagements with additional services on a need basis and additional accounting and management services may be contracted for without inviting proposals.

(2) Banking Services

The district shall, at least every five years, review the banking services which they require and invite proposals from local banks in Mackenzie on the provision of such services.

In order to be qualified for appointment as the District's Bank, banks must meet the following requirements:

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

- a. The bank must be federally chartered and inspected, or governed by the B.C. Credit Union Act;
- b. The bank must have a branch located within the boundaries of the District;
- c. The bank must be a member of the Canadian Clearing House Association and its operations must comply with the Association's standards;
- d. The bank must be a member of the Canadian eposit Insurance corporation;
- e. The bank must be able to provide all services that the Chief Financial Officer deems necessary
- f. In general, the banks shall be evaluated on:
 1. The convenience and quality of service available;
 2. The extent of service available;
 3. The cost of banking services;
 4. The bank's arrangements for security of deposits;
 5. The interest rates provided for surplus funds

(3) Insurance Services

The District is a subscriber of the Municipal Insurance Association of B.C. and is committed to the Association as is set forth in the Reciprocal Insurance Exchange Agreement. The coverage provided is for bodily injury, personal injury and/or property damage liability, errors and omission liability and supplementary payments.

The District shall, every three years, go through an RFP process, to select and Insurance Broker for its Property, Crime, Boiler and Machinery insurance procurement. The Broker service selection process will include the following items or evaluation:

- ü Completeness of submission and project appreciation
- ü Outline of experience, including resume, experience in the municipal insurance sector and related certifications.
- ü Risk management and claims management services provided.
- ü References and current municipal clients

Council will make the final decision, based on the Chief Financial Officer's recommendation in the selection of an Insurance Broker for the Property, Crime, Boiler and Machinery insurance procurement.

The Insurance Broker will provide annual quotes to the District of Mackenzie for the Property, Crime, Boiler and Machinery insurance premiums, highlighting key or superior working related to the proposed policies. The Chief Financial Officer shall report the findings to Council for their discussion and approval of the type and amount of insurance coverage and the cost to the District.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES CAPITAL PROJECT PLANNING AND PROCUREMENT

In addition to the Purchasing/Procurement Policy and the requirements under this Purchasing/Procurement Procedures and Guidelines, the following recommended procedures apply to Capital Projects exceeding \$75,000.

Governance

Capital projects will adhere to the relevant legislation and policies as indicated herein. Roles and responsibilities and approval levels are as defined in the Purchasing/Procurement Policy and this document. Each competitive bid document, or direct contract for capital purchases, will include a Disclosure of Interest (Conflict of Interest) (see Appendix A)

Risk Management

Each capital project should identify any risks, financial or otherwise, and specify a plan to identify how to manage those risks (See Appendix B for an example risk assessment form).

Planning

Capital needs are identified in long term planning and annual budgeting processes, unless there is an emergency. When a capital need is identified, staff are to consider delivery options (e.g. the project needs external resources such as suppliers or contractors and must go through a competitive bid process; or the project could be funded through grants; or the Province or another level of government; or the private sector, may be responsible for the capital project; or an option for capital procurement, and all avenues for acquisition should be considered. The method of acquisition and delivery is to be analyzed to ensure best value to the taxpayers when considering other factors such as timeliness, risk and quality.

For these capital purchases, a business case should be prepared to provide analysis and recommendations. Questions to consider in business case development include but are not limited to:

- Reasons for capital project consideration
- Total estimated costs
- Total available funds
- Life cycle value
- Risks
- Is this a suitable time for capital procurement, and can it be delayed without creating hardship to the District (immediate or long term financial or other).

Capital plans should be presented to Council, and a supporting business case should accompany the plan either in verbal or written form (depending on the complexity and value of the project). These plans may be presented during budget preparation or individually as projects become necessary to consider.

Once approved by Council, the project supervisor should develop an implementation plan which may include more detailed drawings/specification development, more accurate cost estimates, a procurement process, staff involvement and timelines for completion.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

Procurement

Procurement for capital projects requires open, fair and competitive public bid solicitation as identified in the Purchasing/Procurement Policy and in this Purchasing/Procurement Procedures & Guidelines. See Objectives (clause 6) about evaluation criteria. Recommended competitive bid processes are included in the Purchasing Guidelines Summary Based on Value ranges table (page 12).

Consultants (e.g. engineers, architects, etc.) should also be selected by competitive bid. Where a consultant is required to establish plans/specifications, they may be engaged to perform the competitive bid process for the project as well. If the consultant is performing the competitive bid process, this process should be diligently overseen by the project supervisor to ensure compliance with applicable organizational policies and procedures (including the Purchasing/Procurement Policy and this document) and any applicable legislation.

Contact Management

Contracts can take many forms and must be determined based on the capital construction/project needs. If tendered through an MMCD or CCDC2, or Request for Proposal (RFP_ template, these documents include the contract forms. Other contracts include Agreements (or contracts) for Services, or specially developed contracts for specific projects. Where a contract is developed for a specific project, the contract should be reviewed by legal counsel and the Municipal Insurance Agency. Contracts can only be entered into by authorized individuals.

The standard documents (MMCD, CCDC2, RFP) all include conditions including invoicing and payment, insurance and performance bonds where required. CCDC2 can accommodate supplementary conditions to match project needs.

All change orders and contract amendments are to be handled as identified in the contract documents. Change orders and amendments should be signed by the person with authority in the organization to commit the district (see Purchasing Authorities). Signed copies should be filed with the project tender/contract file, and copies provided to Accounts Payable where applicable. The project supervisor will employ cost-management mechanisms, such as ensuring change orders for additional work are actually required.

Significant changes in scope – increases or decrease, must be reported to Council. Once a capital project has been approved by Council, and additions, deletions or other significant changes to the project scope should be approved by Council. Where a competitive bid has resulted in a cost higher than budgeted, only Council can approve the award, and appropriate amendments must be made to the five-year financial plan. Where a competitive bid has resulted in a cost lower than budgeted, Council must approve any additions to the project that can be accommodated in the approved budget. Council may decide to use the savings for a different purpose.

New contracts will include a clause that allows for the temporary suspension of the contract if there are outstanding business licence fees as of March 1st of each year.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

Budget and Cost Management

In addition to the original budget estimate, staff should further define the capital project budget prior to competitive bidding. Once an award has been made for the procurement/purchase, ongoing analysis is required by the project supervisor to ensure the project is exceeding, or significantly less than, the budget, the Chief Administrative Officer and the Chief Financial Officer must be made aware of the situation and Council should be notified. Invoices must be signed by at least the project supervisor and the Chief Administrative Officer or the Chief Financial Officer prior to payment.

Monitoring and Reporting

Council will be advised of proposed capital projects through the business planning and budgeting process, or through another mechanism such as a special Council report. All capital projects (as defined in the District's Capital Asset Policy) require Council approval, either through the annual budget or through a resolution.

Once bids are received, the director or Chief Administrative Officer will present to Council a report on the results of the competitive bid process and recommendations for award. When the award recommendation is to other than the low bidder on a tender, or other than the high evaluation score on an RFP or expression of Interest (EOI), reasons for that recommendation are to be reported to Council. Awarding of a contract for a capital project (as defined in the District's Capital Asset Policy) require Council approval, either through the annual budget or through a resolution.

As projects proceed, especially when the project takes longer than two months to complete, Council should be updated on capital construction/project progress, including but not limited to, budget to actual estimates, estimates on any additional or reduced costs, new risks and contractor performance. As identified above, any significant changes to scope or cost (either exceeding or lower than the budget) are to be reported to Council as soon as this is known.

Approval standards are identified under Purchasing Authorities and Budget and Cost Management in this section.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

Project Evaluation

Once a capital project is complete, the Director of the applicable department will prepare a report for the file, and if applicable and recommended by the Chief Administrative Officer, to Council which includes the following:

Project Performance:	The success of the project and why, alternatively the problems associated with the project and how they were dealt with or could be handled/avoided in future projects.
Contractor Evaluation:	The success of the contractor and why, alternatively the problems associated with the contractor and how they were dealt with or could be handled or sufficient reasons to be avoided in future projects.
Long Term Value:	Over the life of the asset, the long-term performance of the asset is to be assessed to determine the extent to which value for money was achieved. These assessment should be documented and filed (hard copy and/or electronic) with the asset files for future consideration.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

SURPLUS ASSET DISPOSAL

The District recognizes that assets purchased for its use will eventually become surplus to its needs. These assets are deemed surplus due to:

- Ø Obsolescence
- Ø Worn out
- Ø Too costly to maintain
- Ø No longer used

All surplus assets estimated to have a monetary value shall be disposed of by the Finance Department upon the chief Administrative Officer's approval, in the manner which will receive the best possible return to the District. Except for trade-ins, surplus assets valued in excess of \$10,000 shall be referred to Council stating reasons for disposal. Once council approval is received the Director responsible for the asset will dispose of the surplus assets in a manner that will receive the best possible return to the District.

- i. All surplus assets shall be sold on an "as is/where is" basis. No warranties or guarantees are to be offered or implied in the sale of the surplus assets.
- ii. It is the responsibility of each Director and Manager to notify the Chief Financial Officer, in writing, of surplus assets. Where applicable, the list must contain make, model and serial number. The Chief Financial Officer will provide this information to Council via the Council reading file.
- iii. Prior to disposition, a list of surplus assets will be circulated to all District departments to see if they can be of use in another department
- iv. When deemed to be in the District's best interest, surplus assets will be traded in on replacements.
- v. Proceeds from the sale of surplus assets will be credited back to the appropriate fund.
- vi. The sale of surplus assets to members of Council, appointed officers, employees or their immediate families is prohibited unless the assets have also been made available for the general public to purchase through a competitive bidding process.
- vii. The Chief Financial Officer will determine the value of the asset.
- viii. If there is no interested part in a surplus asset, the asset will be donated to a local charity.

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

APPENDIX A

Disclosure of Interest

In accordance with the approved policy of the District, all proponents shall, as a condition of supplying goods and services to the District as a result of this proposal make full disclosure of any business relationships within the last FIVE (5) years including any donations/gifts in excess of ONE HUNDRED Dollars (\$100.00), with any members of the District and Council, or immediate relatives of any members of the District and Council.

If the proponent fails to disclose an interest and/or the interest is falsely or insufficiently reported, the District reserves the right to terminate or cancel any Agreement of any kind which may have been entered into with a proponent.

As part of the proposal process, completion and return of the Disclosure of Interest form is mandatory. Sign and return the form even if there is nothing to disclose.

If additional space is required, please add an attachment to this form.

Disclosure

Company Name _____

Authorized Signature _____ Date _____

Print Name _____ Print Title _____

DISTRICT OF MACKENZIE PURCHASING/PROCUREMENT PROCEDURES & GUIDELINES

Risk Assessment Form

Capital Project Name:

District staff project supervisor:

Risk factors should be clearly defined in the table below. Examples of risk include but are not limited to:

- | | |
|----------------------|---|
| Financial Risk | Are funds budgeted and available? |
| Staff Risk | Is this project depending
Do we have staff available to supervise and monitor the project?
What impact will this have on other projects/staffing levels? Do we have the staff with sufficient expertise?
Are there any conflicts of interest?
Have we supplied Council with justification for the project (e.g. business case)? |
| Public Risk | Are there any physical risks for the public during implementation of the project (e.g. construction risks)? |
| Timing Risk | Is this project subject to a timing commitment (e.g. must be completed by a certain date to qualify for grant funding; weather conditions during certain seasons could result in additional costs or postponement of completion)? |
| Competitive Bid Risk | Have we competitively bid this project?
Are there any risks with the preferred supplier/contractor?
<ul style="list-style-type: none"> - Can they provide the personnel to complete the project? - Are they financially viable? - Have they provided appropriate insurance/permits/worksafe BC? |

Risk Factor	IF Present, specific details, if none, state "none"	Plan to Address

Schedule C to Bylaw No. 1332

Lands known as the "Airport Subdivision" and the "Bell Place Subdivision"

PID 029-358-205	Lot 1, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-213	Lot 2, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-230	Lot 4, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-256	Lot 6, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-264	Lot 7, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-272	Lot 8, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-281	Lot 9, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-299	Lot 10, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-302	Lot 11, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-311	Lot 12, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-329	Lot 13, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-337	Lot 14, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-345	Lot 15, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-353	Lot 16, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-361	Lot 17, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-370	Lot 18, District Lot 3673, Cariboo District Plan, EPP36375
PID 029-358-388	Lot 19, District Lot 3673, Cariboo District Plan, EPP36375

PID 029-238-773	Lot 1, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-781	Lot 2, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-790	Lot 3, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-820	Lot 6, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-838	Lot 7, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-846	Lot 8, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-854	Lot 9, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-862	Lot 10, District Lot 12479, Cariboo District, Plan EPP35189
PID 029-238-871	Lot 11, District Lot 12479, Cariboo District, Plan EPP35189

Schedule D to Bylaw 1332

OFFER TO PURCHASE / PURCHASE CONTRACT

THIS AGREEMENT dated for reference this _____ day of _____, 20__.

BETWEEN:

DISTRICT OF MACKENZIE

P.O. Bag 340
Mackenzie, BC V0J 2C0

(the "**Vendor**")

OF THE FIRST PART

AND:

[NAME OF PURCHASER]

[address of purchaser]

(the "**Purchaser**")

OF THE SECOND PART

W H E R E A S:

- A. The Vendor is the owner of freehold title to the Lands.
- B. The Vendor has agreed to sell and the Purchaser has agreed to purchase all of the Vendor's right, title, and interest in and to the Lands on the terms and conditions set out in this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1.0 DEFINITIONS

1.1 In this Agreement the following terms shall have the following meanings:

"**Agreement**" means this Agreement, including its Recitals and Schedules.

"**Closing Date**" means _____, 20____, or such earlier date as the parties may agree in writing.

"**Contaminants**" means any explosives, radioactive materials, asbestos materials, urea formaldehyde, chlorobiphenols, hydrocarbon contaminants, underground or above ground tanks, pollutants, contaminants, hazards, corrosive or toxic substances, special waste, hazardous waste or waste of any kind or any other substance the storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or release into the environment of which is prohibited, controlled, regulated or licensed under Environmental Laws.

"**Deposit**" means the sum of _____ Dollars (\$_____).

"**Environmental Laws**" means any and all statutes, laws, regulations, orders, bylaws, permits and other lawful requirements of any federal, provincial, municipal or other governmental authority having jurisdiction over the Lands, now or hereafter in force with respect in any way to the environment, health or occupational health and safety, product liability or transportation of dangerous goods, including all applicable guidelines and standards with respect to the foregoing as adopted by any of those governmental authorities from time to time and the principles of common law and equity.

"**Lands**" means the land situate in Mackenzie, British Columbia legally described as _____, Cariboo District.

"**Permitted Encumbrances**" means all liens, charges, and encumbrances listed in the title search attached as Schedule "A", together with the exceptions and reservations listed in the *Land Title Act*.

"**Purchase Price**" means the sum of _____ Dollars (\$_____ _____) excluding Federal Goods and Services Tax ("GST"), Property Transfer Tax, or like charges.

2.0 PURCHASE AND SALE

2.1 The Purchaser agrees to purchase from the Vendor, and the Vendor agrees to sell to the Purchaser, on the terms and conditions contained in this Agreement, a good and marketable freehold title to the Lands, free and clear of all liens, charges and encumbrances, except for the Permitted Encumbrances.

2.2 The Purchase Price

The Purchaser will pay the Purchase price to the Vendor as follows:

- (a) as to _____ Dollars (\$_____) by payment of the Deposit to the Purchaser's solicitor in trust on execution of this Agreement;
- (b) as to the balance of the Purchase Price, by payment to the Vendor's solicitor on or before the Closing Date in accordance with Article 6.0.

2.3 Tender

Tender or payment of monies by the Purchaser to the Vendor under this Agreement must be by bank draft, certified cheque, or Solicitor's or Notary's trust cheque.

2.4 Application of Deposit

The Deposit will be:

- (a) paid to the Vendor:
 - (i) on the Closing Date on account of the Purchase Price, if the Vendor and the Purchaser complete the sale and purchase of the Lands on the Closing Date; or
 - (ii) upon the default of the Purchaser, if the Purchaser is in default under this Agreement, unless the Vendor has waived in writing the default.
- (b) paid to the Purchaser:
 - (i) upon the default of the Vendor, and the Deposit so paid to the Purchaser will be without prejudice to any other right or remedy of the Purchase, if the Vendor is in default of its obligation to complete the sale of the Lands hereunder, unless such default is waived in writing by the Purchaser or the Purchaser has elected to complete the purchase of the Lands without prejudice to any other right or remedy of the Purchaser.

2.5 Adjustments

The Vendor and Purchaser will make any adjustments to and including the Closing Date with respect to real property taxes, utilities, rents, and all other items normally adjusted between a vendor and purchaser on the sale of similar property as of the Closing Date.

3.0 **VENDOR'S REPRESENTATIONS AND WARRANTIES**

3.1 The Vendor represents and warrants to the Purchaser that as of the date of this Agreement and the Closing Date:

- (a) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (b) the Vendor is the registered and beneficial owner of the Lands, and has good and marketable title to the Lands free and clear of all liens, charges, and encumbrances except for the Permitted Encumbrances;
- (c) no lien under the *Builders Lien Act* exists or is claimed with respect to the Lands nor any part of the Lands.

3.2 Except as expressly stated in section 3.1, the Vendor makes no representations or warranties with respect to the Lands. Without limitation, the Vendor makes no representations or warranties with respect to:

- (a) the compliance of the Lands with Environmental Laws, or the presence or absence of any Contaminants;
- (b) the sub-surface and soil conditions of the Lands and their suitability for the Purchaser's intended use of the Lands;
- (c) the availability of local government services that may be required for the Lands;
- (d) the zoning regulations or other municipal bylaws, or any statute or regulation of a governmental authority having jurisdiction that apply to the Lands or to the Purchaser's intended use of the Lands.

4.0 **CONDITIONS**

4.1 Conditions Precedent – Vendor

The obligation of the Vendor to complete the purchase and sale of the Lands on the

Closing Date is subject to the following conditions precedent being satisfied on or before [date to be inserted]:

(a) **[Vendor to insert any conditions precedent]**

4.2 The conditions precedent in section 4.1 may not be waived. If such conditions precedent are not fulfilled within the time therein provided then the Purchaser's obligation to purchase the Lands and the Vendor's obligation to sell the Lands will be at an end.

4.3 Conditions Precedent – Purchaser

The obligation of the Purchaser to complete the purchase of the Lands on the Closing Date is subject to the following conditions precedent being satisfied or waived by the Purchaser on or before the dates set out below:

(a) **[Purchaser to insert any conditions precedent]**

4.4 The conditions precedent in section 4.3 are for the Purchaser's sole benefit and each may be waived unilaterally by the Purchaser, at the Purchaser's election. If the Purchaser does not give the Vendor notice of the satisfaction or waiver of all of such conditions precedent within the time therein provided then the Purchaser's obligation to purchase the Lands will be at an end.

5.0 RISK/POSSESSION

5.1 The Passing of Risk

The Lands are at the risk of the Vendor until completion of the closing under section 6.0.

5.2 Possession

The Purchaser shall have the right to vacant possession of the Lands on the Closing Date, subject only to the Permitted Encumbrances, upon completion of the sale and purchase of the Lands.

6.0 CLOSING PROCEDURE

6.1 The Closing

The closing of the purchase and sale of the Lands will occur on the Closing Date.

6.2 Vendor's Documents

On or before the Closing Date, the Vendor's solicitor will prepare the following for execution by the Purchaser:

- (a) a certificate regarding GST registration and status; and
- (b) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

6.3 Purchaser's Documents

On or before the Closing Date, the Purchaser's solicitor will deliver to the Vendor the following:

- (a) a duly executed registrable Form A Freehold Transfer (the "**Transfer**") transferring the Lands to the Purchaser free and clear of all liens, charges, and encumbrances except for the Permitted Encumbrances;
- (b) a certificate regarding GST registration and status;
- (c) the Purchaser's and Vendor's Statements of Adjustments; and
- (d) such other documents and assurances as may be reasonably required by the Vendor to give full effect to the intent and meaning of this Agreement.

6.4 Delivery of Closing Documents

The closing documents referred to in section 6.2(a) to 6.2(b) will be executed by the Purchaser and delivered to the Vendor's solicitors at least three (3) days before the Closing Date.

The closing documents referred to in section 6.3(a) to 6.3(c) will be executed by the Vendor and delivered to the Purchaser's solicitors at least three (3) days before the Closing Date.

6.5 Payment in Trust

On or before the Closing Date the Purchaser will pay to the Purchaser's solicitors in trust the balance of the Purchase Price under section 2.2(b), as adjusted under section 2.5.

6.6 Registration

Promptly following the payment in section 6.5 and after receipt by the Purchaser's solicitors of the documents and items referred to in section 6.2 and receipt by the Vendor's solicitors of the documents referred to in section 6.3, if any, the Purchaser will cause the Purchaser's solicitors to file the Transfer.

6.7 Closing

Promptly following the filing referred to in section 6.6 and upon the Purchaser's solicitors being satisfied, after conducting a post application search, that in the normal course of the Land Title Office's registration procedures the Purchaser will have a good and marketable freehold title to the Lands subject only to the Permitted Encumbrances, the Purchaser will cause the Purchaser's solicitors to make available to the Vendor's solicitors a trust cheque for the balance of the Purchase Price under section 2.2(b), as adjusted under section 2.5, plus the Deposit.

6.8 Concurrent Requirements

It is a condition of this Agreement that all requirements of this article 6.0 are concurrent requirements and it is specifically agreed that nothing will be completed on the Closing Date until everything required to be paid, executed and delivered on the Closing Date has been so paid, executed and delivered and until the Purchaser's solicitors have satisfied themselves as to the Purchaser's title under section 6.7.

6.9 Discharge of Vendor's Encumbrances

The Purchaser acknowledges and agrees that if the Vendor's title to the Lands is subject to any financial encumbrances which is required to be discharged by the Vendor, the Vendor will not be required to clear title before the receipt of the net sales proceeds but will be obligated to do so within a reasonable time following closing and the Purchaser will cause its solicitors to pay the balance of the adjusted Purchase Price to the Vendor's solicitors in trust on their undertaking to discharge any such financial encumbrance in accordance with the Canadian Bar Association (BC Branch, Real Property Section) Standard Undertakings.

6.10 Election

If on the Closing Date the Vendor is in default in any material respect under any of the covenants and agreements to be observed or performed by the Vendor under this Agreement, the Purchaser may elect not to complete the purchase of the Lands under this Agreement or to complete the purchase of the Lands under this Agreement, in either case without prejudice to any rights or remedies the Purchaser may have in respect of the Vendor's breach or default.

6.11 Financing

If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the Purchase Price on the Closing Date, may wait to pay the Purchase Price to the Vendor until after the Transfer and new mortgage documents have been lodged for registration in the Land Title Office, but only if, before such lodging, the Purchaser has: (a) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration; and (c) made available to the Vendor, a Lawyer's or Notary's undertaking to pay the Purchase price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings.

7.0 MISCELLANEOUS

7.1 Time

Time is of the essence of this Agreement and the transactions contemplated in this Agreement notwithstanding the extension of any of the dates under this Agreement.

7.2 Relationship of the Parties

Nothing in this Agreement shall be construed so as to make the Purchaser a partner of the Vendor for any purpose and this provision shall survive the Closing Date or the termination of this Agreement.

7.3 Notice

Unless otherwise specified herein, any notice required to be given under this Agreement by any party will be deemed to have been given if mailed by prepaid registered mail, or sent by facsimile transmission, or delivered to the address of the other party set forth on the first page of this Agreement or at such other address as the other party may from time to time direct in writing, and any such notice will be

deemed to have been received if mailed or faxed, 72 hours after the time of mailing or faxing and, if delivered, upon the date of delivery. If normal mail service or facsimile service is interrupted by strike, slow down, force majeure or other cause, then a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice must utilize any other such services which have not been so interrupted or must deliver such notice in order to ensure prompt receipt thereof.

7.4 Further Assurances

Each of the parties shall, at the expense of the other party, execute and deliver all such further documents and do such further acts and things as the other party may reasonably request from time to time to give full effect to this Agreement.

7.5 Non-merger

None of the provisions of this Agreement shall merge in the transfer of the Property or any other document delivered on the Closing Date, and the provisions of this Agreement shall survive the Closing Date.

7.6 Payment of Fees

Each party shall pay its own legal fees. The Purchaser shall be responsible for all registration fees payable in connection with the registration of the transfer of land referred to in paragraph 6.6.

7.7 Site Profile

The Purchaser hereby waives any requirement under the *Environmental Management Act* that the Vendor provide a site profile with respect to the Lands.

7.8 Goods and Services Tax

The Purchase Price does not include GST. On the Closing Date, the Purchaser will pay to the Vendor, in addition to the Purchase Price, the amount of GST eligible in respect of the transactions contemplated in this Agreement or, if the Purchaser is registered for GST purposes on the Closing Date, the Purchaser may self-assess the GST and account directly to the Canada Revenue Agency therefor, if the Purchaser provides the Vendor with a certificate signed by an officer of the Purchaser confirming the Purchaser's registration number and the Purchaser's registered status.

7.9 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the parties, their respective heirs, executors, administrators, and other legal representatives and, to the extent permitted in this Agreement, their respective successors and assigns.

7.10 No Derogation from Statutory Powers

Nothing in this Agreement shall be interpreted as prejudicing or impairing the Vendor in the exercise of any statutory legislative powers under the *Local Government Act*, the *Community Charter* or any other enactment all of which may be exercised as if this Agreement had not been executed. Provided that the foregoing shall not restrict or limit the rights and remedies of the Purchaser resulting or arising from a breach or non-performance of the terms of this Agreement by the Vendor.

7.11 Extended Meanings

Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

7.12 Headings

The headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

7.13 Applicable Law

This Agreement shall be governed by and interpreted in accordance with the laws of British Columbia.

7.14 Waiver

Except as may be specifically agreed in writing, no action or failure to act by a party to this Agreement shall constitute a waiver of any right or duty afforded any of them under this Agreement nor shall any such action or failure to act constitute an approval of or acquiescence in any breach of this Agreement.

7.15 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of the Agreement and contains all of the representations, warranties, covenants and agreements of the respective parties, and may not be amended or modified except by an instrument in writing executed by all parties. This Agreement supersedes all prior agreements, memoranda, and negotiations between the parties.

7.16 Schedules

Schedules attached to this Agreement form part of this Agreement.

8.0 OFFER

8.1 This Offer to Purchase/Purchase Contract is open for acceptance by the Vendor, in the manner indicated below, until but not after 4:00 p.m. Vancouver local time on _____, 20 and if not accepted on or before such time and date will be absolutely null and void. This Offer to Purchase/Purchase Contract may be accepted by the Vendor executing this Offer to Purchase/Purchase Contract returning same to the Purchaser, and when accepted, will constitute a binding agreement of sale and purchase of the Property.

The Purchaser has executed this Offer to Purchase/Purchase Contract this _____ day of _____, 20____.

[NAME OF PURCHASER], by its)
authorized signatory(ies):)
)
_____)
Name:)
)
_____)
Name:)

9.0 ACCEPTANCE

9.1 The Vendor hereby accepts the above Offer to Purchase/Purchase Contract and covenants and agrees with the Purchaser to complete the sale of the Lands on the terms and conditions set forth above.

The Vendor has executed this Offer to Purchase/Purchase Contract on this _____ day of _____, 20____.

DISTRICT OF MACKENZIE, by its)
authorized signatory(ies):)
)
_____)
Name:)
)
_____)
Name:)