



COUNCIL AGENDA REPORT

DATE:	August 26, 2016	COUNCIL MEETING DATE:	September 6, 2016
DEPARTMENT:	Finance		
SUBJECT:	Local Purchasing Practices		

PURPOSE:

To provide background and information related to the District of Chetwynd’s purchasing policies and practices.

SUMMARY/BACKGROUND:

During the period of January 1, 2015 to July 31, 2016 (19 months), the District’s accounts payable department processed approximately \$22,172,000 in expenses. If we exclude expenses that by their nature do not have a competitive element, such as other government transfers, payroll deductions, legislated items, refunds to customers, single suppliers, long term agreements, Council and staff travel and training and advertising where the primary decision is based on which publication you want to advertise, (a total of approximately \$9,805,000), the total remaining expenses is approximately \$12,367,000.

The remaining amount includes expenditures related to projects that were tendered and open to anyone to bid on. The District is required by legislation to tender large projects across Provincial boundaries and cannot exclude companies from other Provinces based on their location. Tender projects, including road resurfacing, equipment replacement, municipal hall and medical clinic construction and the sewer lagoon project, totaled approximately \$8,134,000, leaving approximately \$4,233,000.

Of the remaining \$4,233,000 approximately 48.5% or \$2,056,300 was spent on business located in Chetwynd.

The largest local business suppliers include Aim Trucking, Aim Ventures, Chetwynd Chamber of Commerce, Chetwynd River Rock Sand and Gravel, Chetwynd Petroleum, Chetwynd Home Hardware, Dawson Co-op Cardlock and Peace Valley Industries.

The largest amounts spent with business or individuals not within the District of Chetwynd include Golder and Associates and Urban Systems for engineering, Moch Electric Ltd., Fred Surridge Ltd. Commercial Aquatic Supplies, Distributors North and Northern Lites Technology Ltd.



District personnel follow Council’s Purchasing Policy when making purchases on behalf of the municipality. Staff understand the principle of spending ‘taxpayers dollars’, and ‘apply a common sense approach’ when making all such acquisitions (i.e. appropriate level of administrative time is allocated in making purchases for the District).

Staff seek out the most beneficial deals for the municipality (i.e. the “Principle of Best Buy”) in making purchases and take all factors into account (i.e. access, urgency, quality, shipping costs, etc.).

In addition to the supporting local businesses through purchases, the District’s commercial tax rate is below both the Provincial average and the average for Municipalities with similar annual operating expenses. Please see attached.

RECOMMENDATION(S):

THAT the report titled Local Purchasing Practices be received for information.

<p style="text-align: center;">SUBMITTED BY:</p> <p style="text-align: center;"> _____ Department Head</p>	<p style="text-align: center;">REVIEWED AND APPROVED FOR SUBMISSION TO COUNCIL BY:</p> <p style="text-align: center;"> _____ Chief Administrative Officer</p>
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			Municipal Tax Rates (2015)
Name	Jurisdiction type	Total Operating Expenditures	Business
Osoyoos	Town	5,965,684	3.2332
Oliver	Town	5,843,043	4.1691
Pemberton	Village	4,028,277	5.4834
Coldstream	District	4,766,473	6.4852
Peachland	District	4,958,298	7.0385
Armstrong	City	6,025,956	7.1803
Tofino	District	4,356,696	8.7037
Elkford	District	4,179,732	9.2802
Grand Forks	City	7,403,415	9.3184
Invermere	District	6,492,567	9.6418
100 Mile House	District	4,320,110	10.0850
Chetwynd	District	7,140,772	10.0957
Rossland	City	5,089,099	11.9346
Duncan	City	5,539,449	12.0848
Spallumcheen	Township	5,848,453	12.5664
Tumbler Ridge	District	5,986,437	12.7984
Golden	Town	5,296,033	13.0785
Vanderhoof	District	5,928,274	13.5274
Masset	Village	5,337,651	15.7726
Hope	District	6,892,389	16.1408
Burns Lake	Village	4,747,793	16.3196
Port Hardy	District	5,629,879	16.6356
Houston	District	6,464,999	20.7500

Provincial average - municipalities with expenditures \$4 million to \$7.99 million 10.9706

Provincial average - all municipalities 11.6446