

Notice of Meeting and Meeting Agenda Finance Committee

Wednesday, May 3, 2017

9:30 AM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

D. Howe (Chair), K. Williams (Vice Chair), M. Alto, S. Brice, B. Desjardins, A. Finall, C. Hamilton,
L. Helps, M. Hicks, C. Plant, S. Price, J. Ranns, D. Screech

1. Approval of Agenda

2. Adoption of Minutes

2.1. [17-369](#) Minutes of the April 5, 2017 Finance Committee Meeting

Recommendation: That the minutes of the April 5, 2017 Finance Committee meeting be adopted as circulated.

Attachments: [Minutes](#)

3. Chair's Remarks

4. Presentations/Delegations

5. Committee Business

5.1. [17-323](#) Capital Regional District Grants Update

Recommendation: That the Finance Committee recommend to the Capital Regional District Board: That this report be received for information.

Attachments: [Staff Report: CRD Grants Update](#)
[Appendix A: Grants Dashboard](#)

5.2. [17-307](#) Insurance Renewal (Excluding Property) for 2017

Recommendation: That the Finance Committee receive this report for information.

Attachments: [Staff Report: Insurance Renewal 2017](#)

5.3. [17-339](#) Investment Policy Update

Recommendation: That the Finance Committee recommend that the Capital Regional District Board: That the changes to the Investment Policy that incorporates Responsible Investing as a key objective be approved.

Attachments: [Staff Report: Investment Policy Update](#)
[Appendix A: Updated Investment Policy](#)
[Appendix B: 2013 Investment Policy](#)

5.4. [17-336](#) Capital Regional District Investment Portfolio Annual Update

Recommendation: That the Finance Committee recommend to the Capital Regional District Board:
That this report be received for information.

Attachments: [Staff Report: Investment Portfolio Annual Update](#)

5.5. [17-371](#) Delegation Bylaw and Procurement Policy

Recommendation: That the Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be introduced and read a first and second time;
2. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be read a third time;
3. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be adopted
4. That the Procurement Policy, attached as Appendix D, be adopted.
5. That the Consultants Policy, attached as Appendix B, be repealed.

Attachments: [Staff Report: Delegation Bylaw and Procurement Policy](#)

[Appendix A: Consolidated Bylaw 2864](#)

[Appendix B: CRD Consultants Policy](#)

[Appendix C: New Bylaw 4186](#)

[Appendix D: Proposed Procurement Policy](#)

[Appendix E: Apprvl to Proceed-Delegation of Auth BL Amend](#)

[Appendix F: Delegation Bylaw-Blacklined Final Version](#)

5.6. [17-374](#) 2017 Federal Budget Impact on Tax Exemptions

Recommendation: That the Finance Committee recommend to the Capital Regional District Board:
That this report be received for information.

Attachments: [Staff Report: 2017 Federal Budget Impact on Tax Exemptions](#)

[Appendix A: Highlights BC Budget 2017](#)

[Appendix B: Highlights Federal Budget 2017](#)

6. New Business**7. Adjournment**

Next Meeting: June 7, 2017

To ensure quorum, please advise Pat Perna (pperna@crd.bc.ca) if you or your alternate CANNOT attend.

Meeting Minutes

Finance Committee

Wednesday, April 5, 2017

9:30 AM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT:

Directors: D. Howe (Chair), K. Williams (Vice Chair), S. Brice, A. Finall (9:37), C. Hamilton, M. Hicks, C. Plant, S. Price, J. Ranns (9:35), D. Screech

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; A. Donaldson, Acting Senior Manager, Financial Services; E. Gorman, Deputy Corporate Officer; P. Perna, Committee Clerk (Recorder)

ABSENT: Directors M. Alto, L. Helps B. Desjardins

The meeting was called to order at 9:30 am.

1. Approval of Agenda

**MOVED by Director Plant, SECONDED by Director Williams,
That the agenda for the April 5, 2017 Finance Committee Agenda be approved as amended to include a verbal update on the Federal and Provincial Government Budget under Committee Business.
CARRIED**

2. Adoption of Minutes

- 2.1. [17-278](#) Minutes of the March 1, 2017 Finance Committee Meeting

**MOVED by Director Williams, SECONDED by Director Plant,
That the minutes of the March 1, 2017 Finance Committee meeting be adopted as circulated.
CARRIED**

3. Chair's Remarks - None.

4. Presentations/Delegations - None.

5. Committee Business

- 5.1. [17-264](#) 2017 Financial Plan Presentation Update

N. Chan advised that the Financial Plan Presentation, presented at the March 22, 2017 Special Board meeting, was amended to split the Electoral Areas, which were previously grouped together; however, no financials were changed.

Discussion ensued on surplus carry forward and provision of assessed values on each municipality.

Director Ranns arrived at 9:35.

**MOVED by Director Williams, SECONDED by Director Screech,
That the Finance Committee recommend to the Capital Regional District Board:
That the 2017 CRD Financial Plan Presentation Update be received for
information.**

CARRIED

5.7. 17-346 Highlights of the Federal and Provincial Budget Updates - Verbal Report

N. Chan provided highlights of the BC 2017-18 Budget, which was released February 21, 2017 and the Federal 2017-18 Budget, which was released March 22, 2017. He advised that he would circulate the highlights to the committee members. A copy of the highlights is also available on file in the Legislative and Corporate Services Department.

**MOVED by Director Finall, SECONDED by Alternate Director Wergeland,
That the Federal and Provincial Budget Update verbal report be received for
information.**

CARRIED

5.2. [17-263](#) Capital Regional District (CRD) Grants Update

N. Chan provided an overview of the report.

**MOVED by Director Williams, SECONDED by Alternate Director Wergeland,
That the Finance Committee recommend to the Capital Regional District Board:
That this report be received for information.**

CARRIED

5.3. [17-254](#) Pre-Approval for 2017 Regional Orthophotography Project Expenditure

N. Chan provided an overview of the report and described Orthophotography and why it is done.

Discussion ensued on the following:

- how municipalities will be charged
- fees based on the detailed amount of coverage in the photography and the need of the particular municipality
- disadvantages if a municipality does not participate

**MOVED by Director Screech, SECONDED by Director Williams,
That the Finance Committee recommend to the Capital Regional District Board:
That the Chief Financial Officer execute an agreement for the 2017 Regional
Orthophotography Project up to a value of \$250,000.**

CARRIED

5.4. [17-248](#) Community Works Fund Request - Pender Islands Community Hall Solar Panel Project

N. Chan provided an overview of the report.

MOVED by Director Williams, **SECONDED** by Director Screech,
 That the Finance Committee recommend to the Capital Regional District Board:
 That funding of \$15,000 from the Southern Gulf Islands Community Works Fund to purchase and install solar panels on the Pender Islands Community Hall be authorized.
CARRIED

5.5. [17-230](#) Fees and Charges Update for Utilities within the Three Electoral Areas

N. Chan provided an overview of the report and details of the bylaws.

MOVED by Director Hicks, **SECONDED** by Director Williams,
 That the Finance Committee recommend to the Capital Regional District Board:
 a) That Bylaw No. 4170 cited as "Southern Gulf Islands and Juan de Fuca Electoral Areas Utilities and Street Lighting Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 5, 2017" be introduced and read a first and second time, read a third time and adopted.
 b) That Bylaw No. 4171 cited as "Salt Spring Island Liquid Waste Disposal Local Service Area Fees and Charges Bylaw No. 1, 1996, Amendment Bylaw No. 11, 2017" be read a first and second time, read a third time and adopted.
 c) That Bylaw No. 4172 , cited as "Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 6, 2017" be introduced and read a first and second time, read a third time and adopted.
CARRIED

5.6. [17-228](#) Remuneration for CRD Directors Serving as Chair of Arts Commission

N. Chan provided an overview of the report.

MOVED by Director Plant, **SECONDED** by Director Williams,
 That the Finance Committee recommend to the Capital Regional District Board:
 That effective January 1, 2017, and while the Arts Commission Chair is appointed by the CRD Board Chair, the CRD Board Remuneration Policy be amended to:
 a. provide a CRD Director the equivalent remuneration paid to a Standing Committee Chair when appointed as Chair of the Arts Commission; and,
 b. remove the per-Commission meeting payment while the CRD Director serves as Arts Commission Chair.
CARRIED

6. New Business - None.

7. Adjournment

MOVED by Director Finall, **SECONDED** by Director Plant,
 That the April 5, 2017 Finance Committee meeting be adjourned at 10:07 am.
CARRIED

 Chair

 Recorder

**REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 3, 2017**

SUBJECT **Capital Regional District Grants Update**

ISSUE

This report provides an update since the previous Finance Committee meeting.

BACKGROUND

The Capital Regional District (CRD) Grants Dashboard (Appendix A) summarizes grant calls and agreements in progress, as well as grants awarded since January 1, 2015.

Grants / Contributions Awarded

Infrastructure Planning Grant (\$10,000)

The CRD, in collaboration with Oak Bay, Saanich, and Victoria, applied for funding to undertake the Bowker Creek Initiative – Daylighting Feasibility Study. Each jurisdiction is contributing matching funding, and is securing up to \$10,000 (the IPG grant maximum amount) for a pooled maximum IPG grant of \$40,000 to be administered by the CRD. This funding will help offset the total of cost of the project estimated at \$60,000–\$80,000.

New Grant Opportunities Announced

Emergency Preparedness (CEP)

The Union of BC Municipalities (UBCM) will be administering a new \$32 million funding program to enhance the resiliency of local governments and their residents in responding to emergencies. The Community Emergency Preparedness Fund was announced as part of the \$80 million emergency preparedness funding from the Ministry of Transportation & Infrastructure announced on March 15. The program will include funding for:

- Emergency operations centres and training
- Emergency social services
- Evacuation route planning
- Flood risk assessment, flood plain mapping and flood mitigation plans
- Structural flood mitigation

UBCM is working with the Province to design each funding stream and develop program materials.

Green Municipal Fund – Climate and Asset Management Network

Announced on April 6, this program provides peer-learning opportunities, grant funding and training to help local governments better integrate climate and sustainability goals into asset management approaches. Network participants can benefit from funding of up to \$175,000 along with workshops and knowledge-sharing activities with colleagues from local governments across Canada.

GRANTS FORECAST

Major opportunities forthcoming include: another round of community infrastructure funding either late 2017 or early 2018 under New Building Canada; and details of the Green Municipal Fund – Municipal Asset Management Program, anticipated sometime in May.

RECOMMENDATION

That the Finance Committee recommend to the Capital Regional District Board:
That this report be received for information.

Submitted by:	Amber Donaldson, MA, CPA, CMA, A/Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

RF

Appendix A: CRD Grants Dashboard

Grants Administration Dashboard ➤ Externally Sourced Grant Funding

STATUS LEGEND: Work in Progress (Red cell =delay) Board Resolution Needed Application Done Project Done (Amber cell =payment pending) Application Declined Links to information

Grant Program Links	Application Deadline	Project	Status	Board Resolution	Comments	Grant Ask	% of Total Project Cost
Provincial Investment in Affordable Housing	15-Jun-16	3816 Carey Road Affordable Housing Project		8-Jun-16		\$ 6,000,000	36%
Green Municipal Fund	Ongoing intake	Zero Emissions Fleet Initiative		12-Oct-16		\$ 349,706	34%
Affordable Rental Innovation - CMHC	Ongoing Intake	Regional Housing First Program - Affordable Rental Housing		14-Dec-16		\$ 30,000,000	100%
BC Canada 150 Celebrating BC Communities	10-Feb-17	Goldstream Powerhouse Preservation		NA		\$ 24,000	60%
Investment Agriculture Foundation	10-Feb-17	Agriculture Land Use Inventory and Water Demand Modeling		NA		\$ 29,100	43%
BC Ministry of Energy and Mines - Alternative Energy	NA	EV and E-Bike Charging Station Needs Analysis and Toolkit		NA		\$ 20,000	47%
BC & Yukon Swim To Survive	Ongoing Intake	Swim To Survive Program 2016 - Panorama Recreation		NA	Grant will be awarded; total amount being confirmed.	\$ 5,340	100%
TOTAL GRANT ASKS IN PROGRESS (EXCLUDING CORE AREA LIQUID WASTE MANAGEMENT)						\$ 36,428,154	

GRANT APPLICATIONS IN PROGRESS







FOR DIRECT ACCESS TO: (1) Grant calls in progress, see page 3; (2) Grants forecast, see page 4

















Grants Administration Dashboard ➤ Externally Sourced Grant Funding

STATUS LEGEND: Work in Progress (Red cell =delay) Board Resolution Needed Application Done Project Done (Amber cell =payment pending) Application Declined Links to information

Grant Program Links	Dept	Project Deadline	Project	Status	Lead	Project Cost (Estimate)	Grant Award
Climate Action Rebate Incentive Program	F&T	NA	F&T Risk and Facilities Management projects		Risk and Facilities Management (Reporting instruction for 2017)	\$ 66,959	\$ 66,959
Community Wellness Grant (Island Health)	PPS	NA	For community population health initiatives.		Health and Capital Planning Strategies, Community Health	\$ 186,667	\$ 186,667
BC Community Energy Leadership Program	PPS	30-Mar-16	1070 Kings Rd. Building Boiler Replacement		Capital Region Housing Corporation - Project Completed	\$ 74,235	\$ 20,780
Pacific Institute for Climate Solutions, Uvic	IWS	30-Mar-16	Research on climate adaptation re: watershed area		Watershed Protection Division	\$ 10,000	\$ 10,000
BC Asset Management (AM) Planning Program	PES	30-May-16	Regional Parks Asset Management		Regional Parks	\$ 25,465	\$ 10,000
BC Asset Management (AM) Planning Program	F&T	31-Aug-16	To develop AM tools for all CRD facility groups.		Facilities and Risk Management	\$ 24,000	\$ 10,000
BC Asset Management (AM) Planning Program	F&T	31-Aug-16	IT Systems Assessment For Asset Management		Information Technology	\$ 20,000	\$ 9,850
Age-Friendly Communities	PES	31-Dec-16	Reducing the Barriers to Low Income Seniors		Capital Region Housing Corporation	\$ 20,000	\$ 20,000
Federal Gas Tax - Strategic Priorities Fund	PPS	31-Dec-16	SSI and SGI Integrated Service Plan		SGI Planning	\$ 50,000	\$ 50,000
UBCM - Strategic Wildfire Prevention Initiative	PPS	31-Jan-17	Piers Island FireSmart Protection Project		Protective Services	\$ 10,000	\$ 10,000
New Horizons for Seniors	PES	31-Jan-17	Community Arts and Health Project		Panorama Recreation Centre	\$ 25,000	\$ 25,000
Infrastructure Planning Grant (2015)	Finance	31-Mar-17	Asset Management Framework Development		Financial Services	\$ 15,000	\$ 10,000
BC Hydro Custom Incentive Program	PPS	31-Mar-17	SEAPARC Lighting Retrofit		SEAPARC	\$ 270,525	\$ 35,752
BC Ministry of Energy and Mines - Contribution	F&T	30-Apr-17	Fuel Cell Electric Vehicle Project - Feasibility Analysis		Risk and Facilities Management	\$ 15,000	\$ 30,000
Trans-Canada Trail Foundation	PPS	30-Jun-17	Sooke Hills Wilderness Regional Trail		Regional Parks	\$ 1,935,000	\$ 650,000
Bike BC 2016	PES	20-Jul-17	E&N Rail Trail Phase 1 - Maplebank to Hallowell		Regional Parks	\$ 2,600,000	\$ 1,000,000
BC Rural Dividend	SSI	15-Dec-17	SSI Rural Accelerator		SSI Administration and SSI Community Economic Development Commission	\$ 90,080	\$ 72,080
Canada 150 Community Infrastructure Grant	PES	31-Dec-17	Panorama Arena Floor and Dasherboards		Panorama Recreation Centre	\$ 1,300,000	\$ 500,000
Age-Friendly Communities	PPS	31-Dec-17	Community Map - Connecting Older Adults		Health and Capital Planning Strategies, Community Health	\$ 20,000	\$ 20,000
BC Hydro Sustainable Communities Program	PES	31-Dec-17	Stepping Up with the BC Energy Step Code		Environmental Protection Division - Climate Action	\$ 39,250	\$ 19,625
BC Fleet Champions Program	F&T	27-Jan-18	EV Suitability Assessment - Data Loggers		Risk and Facilities Management	\$ 60,880	\$ 60,880
Island Health Community Wellness Grant	PES	31-Mar-18	Physical Literacy Opportunities for Youth		Panorama Recreation Centre	\$ 17,649	\$ 10,640
Island Health Community Wellness Grant	PPS	31-Mar-18	Walk and Wheel to School Week		Regional and Strategic Planning	\$ 18,560	\$ 12,000
Victoria Foundation Community Grants	PPS	31-Mar-18	Active Transportation and Healthy Communities		Regional and Strategic Planning (Project acronym: ATHCP)	\$ 444,790	\$ 100,000
Canada Cultural Spaces Fund	F&T	31-Mar-18	Royal Theatre Upgrade		Financial Services - SM	\$ 812,000	\$ 400,000
Clean Water Wastewater Fund	IWS	31-Mar-18	Port Renfrew Water Service Water Main		IWS - Infrastructure Engineering	\$ 628,634	\$ 488,103
Real Estate Foundation of BC	PPS	31-Mar-18	Active and Safe Routes To School (part of ATHCP)		Regional and Strategic Planning (Grant amount included in ATHCP budget of \$444k)		\$ 50,000
Infrastructure Planning Grant (2017)	PES	31-Mar-19	Bowker Creek Daylighting Feasibility Study		Stormwater-Harbours & Watershed: 10K for CRD; 40kpooled based on 10K grant for each of CRD, Oak Bay, Saanich, Victoria)	\$ 80,000	\$ 40,000
BC Disaster Mitigation Program	PPS	31-Mar-19	Port Renfrew / Pacheedaht FN Tsunami Warning		Protective Services	\$ 550,000	\$ 550,000
Homelessness Partnering Strategy	PPS	2019	To fund a variety of housing projects		Regional Housing (The project cost includes grant contribution only; the amount shown increases the 2014-2019 agreement to \$3,962,767.	\$ 793,652	\$ 793,652
GRANTS AWARDED SINCE JANUARY 1, 2015						\$ 10,221,906	\$ 5,273,988

Grants Administration Dashboard ➤ Externally Sourced Grant Funding

STATUS LEGEND:  Work in Progress (Red cell =delay)  Board Resolution Needed  Application Done  Project Done (Amber cell =payment pending)  Application Declined  Links to information

Grant Program Links	Launch Date	Application Deadline	Resolution Needed	Departments Alerted		Status
Community Emergency Planning Fund	15-Mar-17	TBC	TBC	Pending		To be administered by UBCM; program details under development
Connect to Innovate	15-Dec-16	20-Apr-17	Depends on \$ value	T&I, PPS, SSI		Grant alert sent.
Strategic Wildfire Prevention Program	Ongoing	28-Apr-17	Yes	PPS		Ongoing item; staff scan continuously for suitable opportunities.
Active Communities Grant (click on Grant Application Process at the bottom of the webpage)	16-Feb-17	15-May-17	TBC	All		Grant alert sent end of February; grant details to be released in March through BC Healthy Communities Society.
BC Rural Dividend Program (Intake 3)	21-Mar-17	31-May-17	Yes	PPS, SSI		Grant alert sent.
Federal Gas Tax - Strategic Priorities Fund	08-Mar-17	01-Jun-17	Yes	All		Grant alert sent.
Green Municipal Fund - Climate and Asset Management	06-Apr-17	15-Jun-17	Yes	F&T, IWS, PES		Grant alert sent.
Investment Agriculture Foundation	Ongoing	07-Jul-17	Depends on \$ value	PPS		Ongoing item; staff scan continuously for suitable opportunities.
Infrastructure Planning Grant	Ongoing	12-Jul-17	Yes	IWS, PES, PPS		Grant alert sent; grant proposal submitted to the CRD Board for endorsement (on Feb. 8 2017 agenda: deferred to Feb. 22, 2017)
National Disaster Mitigation Program (Floods)	22-Mar-17	01-Aug-17	Yes	PPS		Grant alert sent.
CEV Specialty-Use Vehicle Incentive	30-Jan-17	31-Mar-18	Depends on \$ value	T&I - Facilities Management		Grant alert sent; deadline is the date posted or whenever the money runs out - whichever comes first.
Municipalities for Climate Change Program	15-Mar-17	Ongoing intake	Depends on \$ value	All		Grant alert sent.
Green Municipal Fund	Ongoing	Ongoing intake	Yes	F&T IWS PES PPS		Ongoing item; staff scan continuously for suitable opportunities. Immediate focus is successful pursuit of Zero Emissions Initiative
Infrastructure Planning Grant	Ongoing	12-Jul-17	Yes	IWS, PES, PPS		Grant alert sent; grant proposal submitted to the CRD Board for endorsement (on Feb. 8 2017 agenda: deferred to Feb. 22, 2017)
Western Economic Diversification: Call for Proposals	Ongoing	Next Deadline TBA	Yes	T&I, IWS, PES, PPS		Grant alert sent; follow-up in progress.
Connecting British Columbia Program	17-Jun-16	Ongoing intake	Depends on \$ value	Referred to IT for review		Referred to IT for review given the work conducted in the past to explore ways on increasing connectivity in the Electoral Areas.
BC Francophone Affairs Program	12-Sep-16	Ongoing intake	No	PPS, PES		Grant alert sent; follow-up in progress.

GRANT CALLS IN PROGRESS

STATUS LEGEND: 🔄 Work in Progress (Red cell =delay) ◆ Board Resolution Needed ✔ Application Done ★ Project Done (Amber cell =payment pending) ✖ Application Declined Links to information

Funding Sources / Plans	Description	Possible Timing	Links
Federal Budget Highlights 2017	Federal Budget 2017 highlights provide perspective on upcoming priorities which may relate to grant opportunities.		March 22, 2017 federal government budget highlights
Provincial Budget Highlights 2017	Throne speech of February 15, 2017 highlights provide perspective on upcoming priorities which may relate to grant opportunities.		February 15, 2017 provincial government throne speech highlights
Federal Infrastructure Funding	A variety of budget commitments relate directly to CRD's mandate in the following areas: Climate Action, Asset Management, Water and Wastewater, Affordable Housing, Recreation and Cultural infrastructure. The website link in the right-most cell provides an overview of infrastructure funding programs. Additionally, links to media coverage providing insight on senior level government direction and timeline are listed.	Known programs are included in the grants forecast below. Additional information will be released in the near term as noted on the website (see web link listed at the top of the right-most cell).	The experimental infrastructure bank will partner with private investors to fund infrastructure projects that may not otherwise be built for years. Ph 2 of Federal Infrastructure Funding to be expanded - details in early 2017 Federal Infrastructure Funding Website (aligns with 2016 Budget) Small communities won't miss out on next wave of infrastructure funding (Sept. 20, 2016)
Federation of Canadian Municipalities (FCM) - Federal funding for Green Initiatives (\$75 million)	The Federal Government has announced \$75 million in funding to help local governments reach climate action objectives. This funding will be dedicated to new programming that will provide a suite of grants to support studies, plans and pilot projects to enable better planning, analysis and decision-making related to municipal capital investments. These financial supports will be complemented by capacity-building initiatives such as peer learning groups, case studies, workshops, conferences and webinars.	Program application details forthcoming; for the MAMP, the application package is expected to be available in May, 2017.	FCM-GMF Municipal Asset Management Program (\$50 million) FCM-GMF upcoming Climate Innovation Program (\$175 million)
BC On The Move - Bike BC	Under the BC on the Move 10-Year Transportation Plan, BikeBC will award approximately \$18 million province-wide to support infrastructure projects over the period from 2015-2017. The 2016 round of funding was announced February 12, 2016 (see Proposal Assessment section).	2017 Bike BC funding call occurred in the fall of 2017. Timing of future calls unknown.	BC On the Move - 10 Year Transportation Plan

FUNDING INITIATIVES: ONGOING SCAN

GRANTS FORECAST

See website links in the right-most column for program information available to date. Note that typically, infrastructure grants will require SHOVEL READY projects (e.g: Asset plan is current; design drawings and environmental assessments are complete; matching funding - usually 50%- is assigned.)

- [FCM-GMF upcoming Climate Innovation Program](#)
- [Bike BC \(2017 round closed in Dec, 2016; probability of future calls unknown\)](#)
- [Gas Tax - Strategic Priorities Fund \(2nd Intake announced March 8; online Intake begins in April/17\)](#)
- [New Building Canada - Small Communities Fund \(3rd Round; generic grant information\)](#)
- [Green Initiatives and Infrastructure \(Preview of forthcoming initiatives\)](#)
- [Energy Innovation - Clean Energy Innovation](#)
- [UBCM Asset Management Program \(3rd, generic grant information\)](#)



Making a difference...together

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 3, 2017**

SUBJECT Insurance Renewal (Excluding Property) for 2017

ISSUE

The purpose of the report is to provide the Committee with information on the non-property insurance renewal for the Capital Regional District.

BACKGROUND

The CRD obtains insurance coverage to protect the organization from any potential liabilities. These policies include Commercial General Liability, Marine Liability, Crime and Accidental Death & Dismemberment (AD&D) coverage for CRD Directors, commission members and volunteers.

Typically liability and other insurance policies are marketed by our Insurance Broker to determine best rates and coverage. The following table provides the April 15, 2017 information on the various insurance policies and premiums. There has been no material change in the policies coverage from the prior year.

The insurance premiums are budgeted and paid for by the applicable CRD services. The costs drivers determine the specific methodology for distributing the premiums to the services.

Policy type	2017 Premium	2016 Premium	Comments
Commercial General Liability	\$85,500	\$90,000	Slightly lower premium from prior year
Crime	\$ 5,200	\$ 5,200	No change from prior year
Volunteer AD&D	\$ 2,672	\$ 2,812	2016 based on 1840 volunteers and 2017 based on 1717 volunteers.
Group AD&D	\$ 4,799	\$ 4,940	2016 based on 674 Board appointed positions. 2017 based on 645 Board appointed positions
Non Firefighting Activities CGL & Property Insurance	\$ 6,380	\$ 6,380	8 volunteer fire departments
Small Craft Harbours Liability	\$24,000	\$25,000	12 docks

ALTERNATIVES

1. That the committee receive this report for information.
2. That the committee request further information on the insurance programs.

CONCLUSION

The CRD obtains a number of insurance policies to protect the organization from any potential

liabilities. Coverages are similar to the prior year and the rates are consistent with the prior year with the exception of Commercial General Liability and the Small Craft Harbours Liability in which we experienced a reduction due to a good loss history.

RECOMMENDATION(S)

That the Finance Committee receive this report for information.

Submitted by:	Nancy Moore, CRM, Manager Risk & Insurance
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

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Making a difference...together

REPORT TO FINANCE COMMITTEE MEETING OF WEDNESDAY, MAY 3, 2017

SUBJECT Investment Policy Update

ISSUE

Update the Capital Regional District (CRD) Investment Policy to better reflect current market conditions and include considerations for Responsible Investing (RI).

BACKGROUND

The CRD Investment Policy was approved by the CRD Board of Directors in September 2013 in accordance with legislation and industry standards. Since 2013 a number of market and judicial changes have occurred, including the movement of some credit unions toward federal insurance on deposits. Furthermore, the CRD has adopted a corporate Climate Action Strategy that commits to integrate climate change considerations into management and operational decision making. In addition, the Finance Committee has identified a desire for staff to bring forward an investment policy with a triple bottom line approach in consideration of risk tolerance. These considerations can be incorporated into the CRD Investment Policy through Responsible Investing. The Responsible Investment Association (RIA) (Canada's membership association for Responsible Investing) defines RI as "the integration of environmental, social and governance factors (ESG) into the selection and management of investments." In recent years, RI has come to encompass ethical investing, socially responsible investing, sustainable investing, green investing, community investing, mission-based investing and more recently, impact investing.

The CRD is legislated by the *Local Government Act* with regard to allowable investment types; these are incorporated in the CRD Investment Policy (see Appendix A), along with policy objectives to align long term financial requirements (safety of principal, liquidity, and return on investment). The Investment Policy objectives have been updated to include RI when making investment decisions.

The majority of CRD investments are held in Municipal Finance Authority money market funds, chartered banks and British Columbia credit unions. Within these facilities, funds are pooled and therefore it is not possible to determine where CRD-specific monies are used. Currently, there are limited opportunities in Canada to invest strictly using the RIA's RI criteria, namely those that are considered green, fossil fuel free, and that meet environmental, social and governance standards. In Canada, RI investments are generally mutual funds, which are prohibited under section 183 of the *Community Charter*. Furthermore, RI investments to date have not offered the same historic or guaranteed rates of return as non-RI investments.

A 2017 market scan revealed two opportunities for the CRD to invest in green bonds, through the Province of Ontario. A long-term bond maturing January 2023 with a rate of 1.70% per year and a shorter term bond maturing October 2018 with a rate of 0.84%. Comparatively, the current market rate for 5-year GICs is between 1.96% and 2.11%, while the CRD holds a general bank account with RBC yielding a maximum of 1.4% and 1-year GICs between 1.61% to 1.70%.

ALTERNATIVES

Alternative 1

That the Finance Committee recommend to the Capital Regional District Board:

That the changes to the Investment Policy that incorporates Responsible Investing as a key objective be approved.

Alternative 2

That the Finance Committee refer this report back to staff for additional information.

IMPLICATIONS

Investments that fit the criteria for RI are primarily limited to mutual funds in the Canadian market and often have lower rates of return than non-RI investments. In order for the CRD to invest in RI, changes are required either to the Community Charter to allow for investments in mutual funds, or changes within the investment industry to put greater emphasis on RI.

Furthermore, section 183 of the *Community Charter* also limits geographic distribution of investments. Limiting investment to facilities within the RI framework opens exposure and volatility related to asset mix and diversification.

Recent studies have shown that investors are putting greater importance on investing in products that fit their personal values, including those that address environmental, social, and governance risks. The investment industry will continue to adapt to these changing demands and offer more products that fit within the RI criteria.

As outlined, RI options generally yield a lower rate of return than market. In order for RI to be considered as a viable option, guidelines are required when evaluating against market options. The policy proposes an allowable differential of up to 5% between RI or green investment options and maximum available returns. When RI opportunities are within 5% of market rates, RI facilities will be exercised.

CONCLUSION

The proposed changes to the Investment Policy will allow staff more flexibility to invest excess funds with organizations that put a greater focus on RI, and realign the Investment Policy with legislative requirements and market conditions. These recommended changes will also allow the CRD to include RI as an investment objective when evaluating where to invest excess funds.

Staff will continue to work with investment brokers to look for opportunities to invest in RI funds as they become more readily available and fit within the restrictions of the *Local Government Act*.

RECOMMENDATION

That the Finance Committee recommend that the Capital Regional District Board:

That the changes to the Investment Policy that incorporates Responsible Investing as a key objective be approved.

Submitted by:	Amber Donaldson, MA, CPA, CMA, A/Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

AD:ngm

Attachments: Appendix A Updated CRD Investment Policy
Appendix B 2013 CRD Investment Policy



Making a difference...together

**CAPITAL REGIONAL DISTRICT
LEGISLATIVE POLICY**

Section	Finance	
Subsection	Policies	
Title	INVESTMENT POLICY	

1. Purpose

The purpose of the investment policy of the Capital Regional District (CRD) is to provide the framework for investment portfolio management. It is the policy of the CRD to invest CRD funds in a manner that will provide the optimal blend of investment security and return while meeting the short and long term cash flow demands and comply with the statutory requirement of the *Local Government Act*.

2. Scope

The investment policy applies to all cash operating funds, capital funds and reserve funds.

3. Objectives

The investment of funds must reflect a conservative management philosophy based on **four** fundamental objectives, in the following order of priority:

3.1 Safety of Principal

Investments shall be made to ensure preservation of capital within the portfolio. Preservation of capital is accomplished through placement of funds with creditworthy institutions and through portfolio diversification. Diversification is required to minimize potential losses on individual securities and to maximize the yield from a blend of financial products.

3.2 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

3.3 Return on Investment

The investment portfolio shall be designed with the objective of **maximizing returns subject to the risk constraints and liquidity requirements of the CRD.**

3.4 Responsible Investing

Where possible, socially responsible investing (SRI) and green investing criteria will be applied to the selection of investments. The CRD investment program will consider SRI products that adhere to statutory requirements and meet the objectives laid out in this policy. Organizations that adopt a socially responsible investment platform are preferred. Where SRI and green investments are within 5% of maximum available returns, SRI or green facilities will be exercised.

4. Standard of Care

4.1 Prudence

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments will not be made for speculation. Foremost will be consideration for the safety of capital. Staff must be aware of reasonably foreseeable risks, trends and fluctuations in the market, and be able to recognize unreasonable risks whilst ensuring the liquidity of the investment portfolio.

4.2 Ethics and Conflict of Interest

Staff responsible for investing shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

4.3 Delegation of Authority

Authority to manage the CRD investment program is granted to the Chief Financial Officer and is derived from Section 237 of the *Local Government Act* as follows:

Section 237: One of the officer positions established under section 234 must be assigned the responsibility of financial administration, which includes the following powers, duties and functions investing funds, until required, in investments referred to in section 183 of the *Community Charter* (investment of municipal funds).

5. Credit Risk Monitoring

In addition to in-house monitoring, the CRD make use of the credit analysis available through its financial institutions, brokers, and credit rating institutions. This includes, but is not limited to the Dominion Bond Rating Service (DBRS), Standard & Poor's (S&P), and Moody's. It must be recognized that the use of any credit analysis is an assessment and not a guarantee for safety of principal.

6. Authorized and Suitable Investments

Money held by the Capital Regional District may be invested or reinvested according to section 183 of the Community Charter subject to the following conditions:

6.1 Investments in securities of a chartered bank or savings institution or any province must:

- i) Have a DBRS rating of R-1 (low) or higher for Short term debt and a rating of A- for Long term debt or Bonds or comparable ratings of another rating organization, indicating equal or superior credit quality (see Appendix 1 of the policy).

6.2 Investments in credit union deposits must carry adequate insurance protection through that credit union's respective insurance corporation.

6.3 Investments shall be held in the name of the CRD by approved institutions.

6.4 Investments in any one security issue shall not exceed 10% of that security issue.

6.5 Investments with any one financial institution shall not exceed 20% of the District's maximum annual investment portfolio. Due to market fluctuations, maximum percentages may be exceeded at a point in time. Securities need not be liquidated to rebalance the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

6.6 The percentage limits specified in items 6.4 and 6.5 do not apply to investments made in securities of Canada or provincially backed deposits.

6.7 All investments are to follow the constraints laid out per this Investment Policy. If an investment opportunity exists that lies outside of the constraints governing this policy, the Chief Financial Officer can make a recommendation to the Finance Committee to act on the opportunity. Any such investments must comply as an eligible investment defined in the Local Government Act. A maximum investment allocation not exceeding 20% of the total portfolio will be permitted.

7. Investment Parameters

7.1 Diversification

The CRD will diversify its cash reserve investments by security type and institution, taking into consideration the impact on return on investment.

7.2 Maturity

To the extent possible the CRD shall attempt to match its investments with anticipated cash flow requirements. However, because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio shall be continuously invested in readily available funds to meet ongoing obligations. Long term investments may be acquired if the maturity is related to a specific program, and is made to coincide as nearly as practicable with the expected use of the funds attached to that program.

8. Competitive Bids

The CRD shall solicit competitive verbal quotations for the purchase and sale of securities when it is prudent to do so. This policy recognizes that, from time to time, offerings of value may require immediate action. Under such circumstances competitive bids may not be sought provided that value can be substantiated by market data information services.

9. Authorized Investment Dealers and Financial Institutions

A list of approved investment dealers and financial institutions authorized to provide investment services will be maintained. All qualified bidders for investment transactions will be members in good standing of the Investment Industry Regulatory Organization of Canada (IIROC), Mutual Fund Dealers Association (MFDA) or the B.C. Securities Commission.

10. Safekeeping and Custody

All security transactions entered into by the CRD shall be conducted on a delivery versus payment basis. The Chief Financial Officer must be satisfied that physical possession of the security is in possession or held by a custodial service.

11. Policy Review

This policy shall be reviewed periodically by the Chief Financial Officer to ensure congruence with changing activities of the CRD, market conditions, technology, evolving regulatory standards and private industry best practices. In addition, to insure periodic Finance Committee review, this policy will be reconsidered each time the CRD tenders its banking services.

12. Reporting

The Chief Financial Officer must report to the Finance Committee annually. The report must identify investment holdings and any deviations from policy.

Approval Date:	September 22, 2013	Approved By:	Board
1. Amendment Date:	[Month/dd/2017]	Approved By:	
2. Amendment Date:		Approved By:	
3. Amendment Date:		Approved By:	
Next Review Date:		Reviewed By:	
Supersedes:	Investment Policy approved by Finance & Administration Committee, Nov 28, 2001		

Appendix 1
 Credit Quality Ratings

	<i>Moody's</i>		<i>Standard & Poor's</i>		<i>DBRS</i>		<i>Grade</i>
Highest Quality	Aaa	P-1	AAA	A-1+	AAA	R-1 (high)	Investment Grade
	Aa1	P-1	AA	A-1	AA (high)	R-1 (high)	
High Quality	Aa2	P-1	AA	A-1	AA	R-1 (middle)	
	Aa3	P-1	AA	A-1	AA (low)	R-1 (middle)	
Upper Medium Grade	A1	P-1	A	A-2	A (high)	R-1 (low)	
	A2	P-1	A	A-2	A	R-1 (low)	
	A3	P-1	A	A-2	A (low)	R-1 (low)	
Medium Grade	Baa1	P-2	BBB	A-3	BBB (high)	R-2 (high)	
	Baa2	P-2	BBB	A-3	BBB	R-2 (middle)	
	Baa3	P-3	BBB	A-3	BBB (low)	R-2 (low)	
Speculative	Ba1	NP	BB	B	BB (high)	R-3	Speculative Grade
	Ba2	NP	BB	B	BB	R-4	
	Ba3	NP	BB	B	BB (low)	R-4	
Highly Speculative	B1	NP	B	B	B (high)	R-4	
	B2	NP	B	B	B	R-5	
	B3	NP	B	B	B (low)	R-5	
Substantial Risk	Caa1	NP	CCC	C	CCC	R-5	
	Caa2	NP	CCC	C	CCC	R-5	
	Caa3	NP	CCC	C	CCC	R-5	
Extremely Speculative	Ca	NP	CC	C	CC	R-5	
Possibly in Default	C	NP	R	R	C	R-5	
Default			D	D	D	D	



Section	Finance	
Subsection	Policies	
Title	INVESTMENT POLICY	

1. Purpose

The purpose of the investment policy of the Capital Regional District (CRD) is to provide the framework for investment portfolio management. It is the policy of the CRD to invest CRD funds in a manner that will provide the optimal blend of investment security and return while meeting the short and long term cash flow demands and comply with the statutory requirements of the *Local Government Act*.

2. Scope

The investment policy applies to all cash operating funds, capital funds and reserve funds.

3. Objectives

The investment of funds must reflect a conservative management philosophy based on three fundamental objectives, in the following order of priority:

3.1 Safety of Principal

Investments shall be made to ensure preservation of capital within the portfolio. Preservation of capital is accomplished through placement of funds with creditworthy institutions and through portfolio diversification. Diversification is required to minimize potential losses on individual securities and to maximize the yield from a blend of financial products.

3.2 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

3.3 Return on Investment

The investment portfolio shall be designed with the objective of maximizing market rate of return subject to the investment risk constraints and liquidity requirements of the CRD.

4. Standard of Care

4.1 Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments will not be made for speculation. Foremost will be consideration for the safety of capital. Staff must be aware of reasonably foreseeable risks, trends and fluctuations in the market, and be able to recognize unreasonable risks whilst ensuring the liquidity of the investment portfolio.

4.2 Ethics and Conflict of Interest

Staff responsible for investing shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

4.3 Delegation of Authority

Authority to manage the CRD investment program is granted to the Treasurer and is derived from Section 199 of the *Local Government Act* as follows:

Section 199: One of the officer positions established under section 196 must be assigned the responsibility of financial administration, which includes the following powers, duties and functions investing funds, until required, in investments referred to in section 183 of the *Community Charter* (investment of municipal funds).

5. Credit Risk Monitoring

In addition to in-house monitoring, the CRD make use of the credit analysis of the Dominion Bond Rating Service. It must be recognized that the use of any credit analysis is an assessment and not a guarantee for safety of principal.

6. Authorized and Suitable Investments

Money held by the Capital Regional District may be invested or reinvested according to section 183 of the *Community Charter* subject to the following conditions:

6.1 Investments in securities of a chartered bank or savings institution or any province must:

- i) Have a Dominion Bond Rating Service (DBRS) rating of R-1 mid or higher for Short term debt and a rating of AA for Long-term debt or Bonds or comparable ratings of another rating organization, indicating superior credit quality (See Appendix 1 of the policy).
- ii) Be purchased directly from the chartered bank, savings institution or province or from an investment dealer who is a member of the Investment Dealers Association who will act as an agent for the institutions with the approved DBRS rating.

6.2 Investments in credit union deposits must be covered by the *Financial Institution Act* of the Province of British Columbia which provides unlimited deposit insurance protection on all deposits in British Columbia credit unions.

6.3 Investments shall be held in the name of the CRD by approved institutions.

6.4 Investments in any one security issue shall not exceed 10% of that security issue.

6.5 Investments with any one financial institution shall not exceed 20% of the District's maximum annual investment portfolio.

6.6 The percentage limits specified in items 6.4 and 6.5 do not apply to investments made in securities of Canada, the Province, the Municipal Finance Authority of British Columbia (MFA) or pooled investments funds under section 16 of the *Municipal Finance Authority Act*.

7. Investment Parameters

7.1 Diversification

The CRD will diversify its cash reserve investments by security type and institution, taking into consideration the impact on return on investment.

7.2 Maturity

To the extent possible the CRD shall attempt to match its investments with anticipated cash flow requirements. However, because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio shall be continuously invested in readily available funds to meet ongoing obligations. Long term investments may be acquired if the maturity is related to a specific program, and is made to coincide as nearly as practicable with the expected use of the funds attached to that program.

8. Competitive Bids

The CRD shall solicit competitive verbal quotations for the purchase and sale of securities when it is prudent to do so. This policy recognizes that, from time to time, offerings of value may require immediate action. Under such circumstances competitive bids may not be sought provided that value can be substantiated by market data information services.

9. Safekeeping and Custody

All security transactions entered into by the CRD shall be conducted on a delivery versus payment basis. The Treasurer must be satisfied that physical possession of the security is in possession or held by a custodial service.

10. Policy Review

This policy shall be reviewed periodically by the Treasurer to ensure congruence with changing activities of the CRD, market conditions, technology, evolving regulatory standards and private industry best practices. In addition, to insure periodic Finance and Corporate Services Committee review, this policy will be reconsidered each time the CRD tenders its banking services.

11. Reporting

The Treasurer must report to the Finance & Corporate Services Committee annually. The report must identify investment holdings and any deviations from policy.

Board Resolution Approval Date:	September 11, 2013	Approved By:	Board
1. Amendment Date:		Approved By:	
2. Amendment Date:		Approved By:	
3. Amendment Date:		Approved By:	
Next Review Date:		Reviewed By:	
Supersedes:	Investment Policy approved by Finance & Administration Committee, Nov. 28, 2001.		

Appendix 1

Dominion Bond Rating Service (DBRS) ratings on credit quality

Commercial Paper and Short Term Debt	Commercial Paper and Short Term Debt	Bond and Long Term Debt	Bond and Long Term Debt
DBRS Symbol	Credit Quality	DBRS Symbol	Credit Quality
R-1 (high)	Highest	AAA	Highest
R-1 (mid)	Superior	AA	Superior
R-1 (low)	Satisfactory	A	Satisfactory
R-2 (high)	Adequate	BBB	Adequate
R-2 (mid)	Adequate	BB	Speculative
R-2 (low)	Adequate	B	Highly Speculative
R-3 (high)	Speculative	CCC	Very Highly Speculative
R-3 (mid)	Speculative	CC	Very Highly Speculative
R-3 (low)	Speculative	C	Very Highly Speculative
D	In Arrears	D	In Arrears
NR	Not Rated		



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**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 3, 2017**

SUBJECT **Capital Regional District Investment Portfolio Annual Update**

ISSUE

Provide an update on Capital Regional District (CRD) investments held and rates of return for the period ended December 31, 2016.

BACKGROUND

The CRD follows a policy of investing surplus public funds according to guidelines set out in the *Local Government Act* and the CRD Investment Policy.

The CRD Investment Policy applies to the investment activities for all funds maintained by the CRD including operating funds, capital funds and reserve funds. The types and terms of investments purchased are structured to meet the goals of security, income maximization and availability of funds when they are forecasted to be required. The policy also provides the minimum ratings of investment vehicles that can be purchased. Currently, investments in chartered banks or savings institutions must be R-1 Mid or higher for short-term and a rating of AA for long-term. Both ratings achieve a superior market rating on all investments. Municipal Finance Authority (MFA) external credit ratings are very high. It is presently rated Aaa "Stable" by Moody's and AAA "Stable" by both Fitch and Standard & Poor's.

The Investment Policy followed by the CRD meets the statutory requirements under the *Local Government Act* and provides criteria to ensure the CRD's capital is preserved and rate of return maximized while maintaining sufficient liquidity. Investments are continuously monitored to ensure that they will continue to be appropriate during future economic and financial conditions to achieve CRD objectives.

The CRD invests its net working capital, primarily the annual requisition, in a mix of vehicles including its general bank account and term deposits or bankers acceptances of various financial institutions. In practice, sufficient funds are maintained in the general bank account to meet immediate needs. At December 31, 2016, the general bank account had a balance of \$ 74 million, along with \$117 million invested in both short and long-term investments, as outlined in Table 1 below.

Table 1: Investment and Bank Balances

	Balance
Investments	
MFA Term Bond	39,343,487
MFA Intermediate	20,844,326
Scotia - Bank of Nova Scotia GIC	10,000,000
National Bank - Bank of Nova Scotia	10,020,040
Hollis Wealth – Coast Capital Savings GIC	10,000,000
First Wealth – Island Savings GIC	27,000,000
Total Investments	\$117,207,854
General Bank Account	74,175,400
Total Investments and Bank	\$191,383,253

As per the CRD Investment Policy, the CRD generally invests longer term funds (primarily reserve funds, where the funds are not likely to be needed for a number of years) in MFA Bond Funds to minimize interest and credit risk and provide liquidity not otherwise available in the long-term investment market.

As part of the overall portfolio management process staff regularly monitor the market trends through Bank of Canada interest rate announcements and reports, Government of Canada bond rates and other key metrics. Additionally, staff communicates with the MFA on regular market developments and receives outlook reports provided by Phillips, Hager & North Investment Management (PH&N).

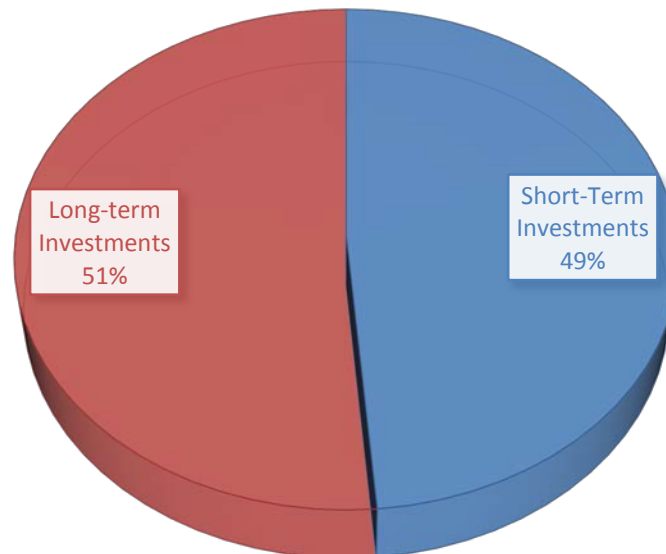
It is important to note that the MFA pooled investment funds are managed externally by PH&N, an organization recognized for an outstanding track record of long-term performance.

FINANCIAL IMPLICATIONS

Portfolio Holdings

Table 1 summarizes the mix of investments in the CRD investment portfolio at December 31, 2016. Total investments of \$117M are distributed 49% and 51% between short-term and long-term investments respectively. Investments with maturities less than two years are classified as short-term. All short-term investments at December 31 were held in Superior rated Guaranteed Investment Certificates (GICs) yielding interest upon maturity. The GICs held during the year and at year end were issues by both chartered banks and credit unions. Long-term investments are held in the MFA intermediate and bond fund earning a 3 year blended compounded annual return of 1.98%.

INVESTMENTS BY TERM



Rates of Return

Placements of funds are made throughout the year in accordance with the CRD Investment Policy based on cash flow and market rate analysis. The evaluation of short-term rates are inclusive of CRD's primary banking agreement with the Royal Bank of Canada (RBC), which provides a tiered rate of return based on balance; as shown in Table 2 below.

Table 2: Banking Agreement Tiered Rates

RBC 2016 Deposit Rates	
Description	2016 Rates *
Tier 1: 0-\$20,000,000	0.95
Tier 2: \$20,000,001-49,999,999	1.35
Tier 3: > \$50,000,000	1.40

* Tier 1 = variable rate (RBC Prime -1.75%); Tier 1 and 2 = fixed rate as listed

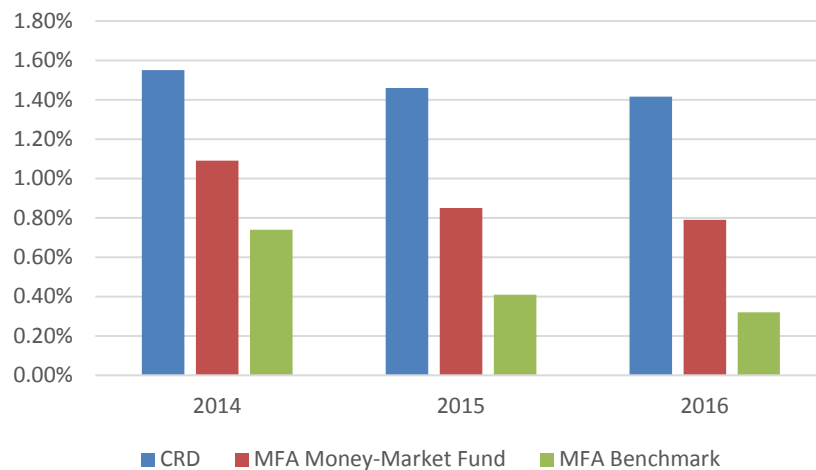
Overall, market rates in 2016 remained stable as the Bank of Canada left the overnight lending rate constant throughout the year. Rates on short-term instruments remained at the lower levels that were present in late 2015 while there were slight improvements to rates on longer term maturities. There were no significant re-investment of long-term funds in 2016. The MFA rates fell significantly from prior years due mainly to the 13-year lows related to commodity prices for oil and political uncertainty both in the US and Britain.

2016 Performance

While the Bank of Canada rate remained stable throughout 2016, short-term GICs averaged a lower rate in 2016 compared to 2015. CRD earnings decreased from 1.46% in 2015 to 1.42% in 2016 on short-term investments, but more monies were carried through the year yielding a higher interest income.

The summary charts below demonstrate short-term and long-term investment earnings yields for the past three years. The charts indicate the rates earned by the CRD, the bond and money market rates in MFA BC pooled investment funds and the benchmark FTSE TMX indices for treasury bills and bonds. The CRD rate of return outpaces both the benchmark and MFA returns with short-term placements but is closely aligned for long-term rates with the benchmark. All long-term placements are currently with MFA, and thus the graph depicts the rates being equal for CRD and MFA. The long-term rate graph also shows how the spread between the MFA rate and the benchmark rate increased from 0.06% in 2015 to 0.62% in 2016. The MFA pooled fund rates are net of administration fees.

Short-term investment earning yields



Long-term investment earning yields

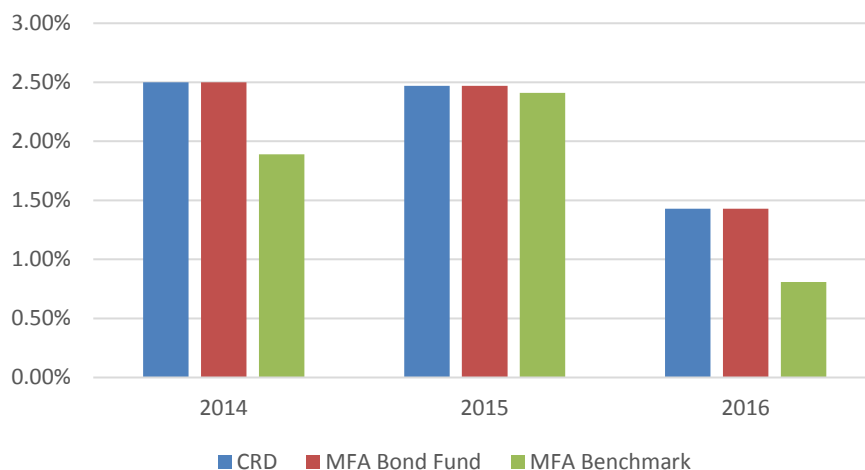


Table 3 shows the three year trend on interest income. While rates decreased overall from 2015 to 2016, interest income increase because higher monies were carried through the year. Interest income is distributed annually on a pro-rata basis to reserve accounts and monies held in trust if applicable.

Table 3: Investment Income 3-Year Trend

	2014	2015	2016
Interest Income	\$ 2,237,678	\$ 2,112,187	\$2,238,393
Effective Rate	1.55%	1.46%	1.42%

CONCLUSION

Overall, the portfolio of investments reflects the CRD investment principles requiring security, liquidity and return. Investments have been made in keeping with statutory requirements under the *Local Government Act* and investment returns were in line with expectations for the year ended December 31, 2016.

RECOMMENDATION

That the Finance Committee recommend to the Capital Regional District Board:

That this report be received for information.

Submitted by:	Amber Donaldson, MA, CPA, CMA, A/Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

AD:ngm



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**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 3, 2017**

SUBJECT Delegation Bylaw and Procurement Policy

ISSUE

To adopt a new bylaw to replace Bylaw No. 2864, Capital Regional District Delegation Bylaw No. 1, 2001 (the “Delegation Bylaw”), and adopt an updated procurement policy.

BACKGROUND

Section 263 of the *Local Government Act* provides that the CRD Board may, by bylaw, delegate its powers, duties and functions. In 2001, the CRD adopted the Delegation Bylaw (Appendix A), which is the primary mechanism used by the Board to delegate its authority to staff. The following table is a summary of the authority delegated to staff in the Delegation Bylaw:

Authority	Delegate (and limit)
To make agreements regarding works and services	CAO – no limit, subject to the approved financial plan CFO – no limit, subject to the approved financial plan
Purchase of goods and services	CAO - \$200,000 CFO/GMs - \$100,000 CAWTP Project Director - \$100,000 Other staff/volunteers – up to \$50,000
Land agreements	CAO/CFO/GMs - \$100,000
Grant agreements	CAO/CFO/GMs - \$100,000
Provincial Emergency Program Agreements	Fire Chiefs – no limit, subject to the approved financial plan

The purchasing limits have remained the same since the bylaw was passed in 2001, with the exception of the CAO’s limit being increased from \$100,000 to \$200,000 in 2007. The limit for land agreements (\$100,000) has not increased since adoption. Since 2001, the CAO and the CFO have had the authority to enter into agreements with respect to works and services without a dollar limit, provided that the agreements are consistent with the adopted financial plan. In practice, agreements that are above the \$200,000 limit are brought forward to the Board for approval. The broad agreement authority is often exercised by the CAO on direction from the Board to negotiate and finalize agreements above the threshold.

CRD staff operate under an administrative procurement policy that ensures provincial trade agreement obligations and best practices are met when purchasing goods, services and construction. The policy is built upon the authorities and limits set out in the Delegation Bylaw and supports a decentralized purchasing model where staff in operating departments and divisions are responsible for purchasing, rather than a centralized department. The hiring of consultants is conducted under a Board-approved consultants’ policy that was first adopted in 1998 (Appendix B).

The proposed bylaw balances the need for both Board oversight and corporate control with operational efficiency. It consolidates the various amendments made to the Delegation Bylaw since it was adopted and increases the purchasing limit for the GMs and CFO to \$500,000 and

up to \$100,000 for authorized staff, the land agreement limit for the CAO to \$500,000 and the grant agreement authority for the GMs and the CAO to \$500,000. The proposed bylaw also aligns the CAO's purchasing limit with the existing authority to enter into agreements by specifying that the authority to purchase is up to \$5 Million, provided that the purchases are consistent with the financial plan.

The proposed bylaw also includes increases to the purchasing limits of the Core Area Wastewater Treatment Project Director and Deputy Director (\$3 Million and \$1.5 Million, respectively) and Program Manager (\$100,000). The CAWT Project Board is expected to consider a report on the delegated authority limits of the Project Director and Deputy Project Director at its meeting of May 2, 2017. The bylaw has been drafted to reflect staff recommendations that will be made to the Project Board at the May 2 meeting (the staff report is attached at Appendix E).

ALTERNATIVES

Alternative 1:

That the Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be introduced and read a first and second time;
2. That Bylaw No. 4186 Capital Regional District Delegation Bylaw No. 1, 2017, be read a third time;
3. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be adopted
4. That the Procurement Policy, attached as Appendix D, be adopted.
5. That the Consultants Policy, attached as Appendix B, be repealed.

Alternative 2:

That the Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4186 be referred back to staff with additional direction to bring back changes for the Board's consideration.
2. That the Procurement Policy attached as Appendix D, amended to reflect the current Delegation Bylaw provisions, be adopted.

Alternative 3:

That the matter be referred to staff for additional information.

FINANCIAL IMPLICATIONS

Alternative 1

Delegation Bylaw

There are no direct financial implications associated with adopting the bylaw changes. All procurements will be consistent with the Board-approved financial plan and the Board procurement policy, which incorporates industry best practices.

Procurement Policy

There are no direct financial implications associated with the adoption of the procurement policy. The policy is based on the administrative policy that currently guides staff and it is drafted to ensure compliance with the *Community Charter*, the *Local Government Act*, the Agreement on

Internal Trade (AIT), the New West Partnership Trade Agreement and public sector procurement standards and competitive bidding law.

It is recommended that the Board repeal the Consultant's Policy (Appendix B) as the limits and thresholds set out in the policy are not aligned with those found in the relevant trade agreements and industry standards. The Policy also does not address sustainable purchasing or reflect the Board priorities related to climate change. On repeal, the hiring of consultants would fall under procurement of services in the new procurement policy.

The procurement policy includes a section on responsible procurement that underscores a commitment to the purchase of environmentally and socially responsible goods and services (as will be discussed further below in the Environmental Implications section). One of the underlying procurement objectives set out in the policy is to attain best value, which is defined as the optimal combination of total cost, performance, environmental and social sustainability, reduced carbon dependency and reduced waste.

There are circumstances in which procuring socially and environmentally responsible goods and services may result in higher costs. Staff will incorporate environmentally and socially responsible criteria into individual procurements where possible, and will ensure that either the procurements remain within the Board-approved budget or that a Board-approved financial plan amendment for the procurement is obtained. The approach set out in the policy is consistent with local government practices in the province, including those recommended by the Government Finance Officers' Association.

GOVERNANCE IMPLICATIONS

Delegation Bylaw

The changes to the delegation bylaw are intended to strengthen the Board's ability to engage in effective policy governance. The bylaw authorizes the execution of operational and capital procurement at a staff level, enabling the Board to spend less of its time on administrative, day-to-day operational detail, and more time on strategic issues and broad policy work informed by the vision and objectives articulated in the strategic priorities and corporate plan. The volume of materials on Board agendas will be reduced as the administrative details associated with contract approval will remain at a staff level.

Increased delegation does not mean the Board will be removed from operational and capital procurement oversight. Under the proposed approach, the Board will continue to be engaged in the following ways:

1. Through the annual budgeting process, the Board will approve the financial plan, including the capital plan;
2. The Board will approve sources of funding for projects and operational procurements through the financial plan approval process and related loan authorization and security issuing bylaw approvals and processes;
3. Each year, a list of capital projects will be brought to the relevant Board Standing Committees for review and approval. For each project, staff will highlight the project budget and proposed procurement approach. The Board (through the Standing Committees) will be given the opportunity to provide direction regarding the approach and to designate specific projects that it wishes to take a more active role in. For those designated projects, Board approvals will be obtained in the major steps of the procurement.
4. The procurements will be conducted in accordance with the policy framework approved

by the Board, including procurement-related policies, guidelines and directions.

5. The Chief Administrative Officer will, in conjunction with the Board Chair, develop a method for periodic reporting on the status of capital projects and operational procurements. This reporting will be in addition to the regular updates provided by staff to Commissions with delegated or administrative authority.

Larger local governments like the CRD that manage a large number of capital projects and a high volume of procurement transactions require higher delegated purchasing and approval authority to conduct business efficiently. The City of Victoria, Central Okanagan Regional District, and the City of Kelowna have delegated the CAO unlimited purchasing authority provided the expenditure is compliant with the procurement policy and within the approved budget. The GVRD and City of Vancouver have delegated authority limits of \$5 million and \$2 million dollars to their CAO and City Manager respectively. The \$5 million dollar purchasing limit for the CAO recommended in the proposed bylaw is consistent with the approach taken by comparable local governments.

Rising property values throughout our region justify an increase in delegated authority for land and land use transactions to \$500,000 for the CAO. By comparison, the GVRD has delegated its CAO authority to make short-term land use transactions (including leases of less than 5 years in term, licenses, rights of way and similar rights) up to \$2,500,000 and long-term land use transactions (such as fee simple acquisitions or disposals and leases over 5 years) up to \$500,000. The lower limit acknowledges that long term acquisitions typically involve an element of negotiation and may necessitate ongoing capital expenses that are best within the purview of the Board.

Procurement Policy

The Board's adoption of a procurement policy is critical to ensuring that the Board objectives in procurement are met and that staff consistently follow appropriate procedures and rules. The policy facilitates the increased level of delegated authority by providing delegated staff with a clear set of guidelines and principles to guide decision-making and approach.

The proposed procurement policy includes a guideline appendix that sets out procurement steps and guidelines in some detail. The guideline was added to reflect the decentralized procurement structure at the CRD and provide additional framework for departmental and divisional staff in the absence of a centralized procurement division.

ENVIRONMENTAL IMPLICATIONS

Delegation Bylaw

There are no direct environmental implications associated with the changes to the delegation bylaw.

Procurement Policy

As outlined above, the procurement policy includes a commitment to environmentally and socially sustainable purchasing.

In November of 2016 the Board adopted the Corporate Climate Action Strategy (the "Strategy"). The Strategy highlights seven goals that are meant to work towards achieving the Board's strategic priorities to integrate a climate lens into decision-making and accelerate corporate mitigation and adaptation activities. One of the actions set out in the Strategy (action 2-10) is to

“update the procurement policy to align procurement and vendor selection with the CRD’s corporate climate policy, and develop supporting decision criteria and matrix.” The language set out in the procurement policy aligns with the goals of the Strategy and confirms a preference for environmentally sustainable products and services. As noted above, under the proposed procurement policy staff will include responsible criteria and matrices into procurements where possible.

Alternative 2

Under Alternative 2, the CRD Board would confirm the existing delegated authority limits and adopt the procurement policy as amended to reflect the current limits. There are no direct financial or governance implications associated with this alternative as it confirms and reflects existing practice. There are indirect financial implications related to responsible procurement as well as environmental implications associated with adoption of the procurement policy. Those implications are outlined above as they apply equally to Alternative 1.

CONCLUSION

The Delegation Bylaw requires updating and the proposed changes are intended to strengthen the Board’s ability to engage in effective policy and strategic governance and increase operational efficiency. Along with an increase in delegated authority, it is recommended that the Board adopt a procurement policy that guides staff in all aspects of procurement and confirms the Board’s commitment to economic, environmental and social sustainability.

RECOMMENDATION

That the Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be introduced and read a first and second time;
2. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be read a third time;
3. That Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017, be adopted
4. That the Procurement Policy, attached as Appendix D, be adopted.
5. That the Consultants Policy, attached as Appendix B, be repealed.

Submitted by:	Kristen Morley, BA, JD, Manager, Bylaw & Contract Administration
Concurrence:	Brent Reems, MA, LLB, Senior Manager, Legislative & Corporate Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

BR

- Attachments: Appendix A: Bylaw No. 2864, Capital Regional District Delegation Bylaw No. 1, 2001
Appendix B: CRD Consultants’ Policy
Appendix C: New Bylaw No. 4186, Capital Regional District Delegation Bylaw No. 1, 2017
Appendix D: Proposed Procurement Policy
Appendix E: Project Board Report: Delegation of Authority

APPENDIX A

CAPITAL REGIONAL DISTRICT BYLAW NO. 2864

(As amended by Bylaw Nos. 2894, 3211, 3271, 3431, 3706, 3845, 3894)

Consolidated version authorized in accordance with Bylaw No. 3014,
CRD Consolidation Authorization Bylaw No. 1, 2002

CAPITAL REGIONAL DISTRICT DELEGATION BYLAW NO. 1, 2001

**A Bylaw to Delegate Powers, Duties and Functions
of the Capital Regional District Board**

For reference to original bylaws and amendments, or for further details,
please contact Legislative Services, Capital Regional District,
PO Box 1000, 625 Fisgard Street, Victoria, BC, V8W 2S6

**CAPITAL REGIONAL DISTRICT
BYLAW NO. 2864**

**A BYLAW TO DELEGATE POWERS, DUTIES & FUNCTIONS OF THE
CAPITAL REGIONAL DISTRICT BOARD**

WHEREAS under section 176. (1) (e) and 192 (1) of the *Local Government Act* the Board may, by bylaw adopted by at least two thirds of the votes cast, delegate its powers, duties and functions, including those specifically established by an enactment, to its officers and employees, its committees or its members, or to other bodies established by the Board;

AND WHEREAS the Board of the Capital Regional District wishes to delegate certain powers, duties and functions;

NOW THEREFORE, the Regional Board of the Capital Regional District in open meeting assembled hereby enacts as follows:

Definitions

1. In this Bylaw

- (a) "Act" means the *Local Government Act*;
- (b) "District" means the Capital Regional District, a regional district incorporated under the *Local Government Act*;
- (c) "Board" means the Board of the Capital Regional District;
- (d) "Charge" means a charge as defined in the *Land Title Act* (British Columbia); *(BI 2894)*
- (e) "Land and Land Use Agreement" means an instrument, deed or other agreement affecting title to or granting a right in relation to the use of real property and improvements including:
 - i. a transfer of a fee simple interest in real property;
 - ii. the creation, modification, assignment or release of a charge;
 - iii. a licence or permit; and *(BI 2894)*
- (f) "Project Director" means the Project Director of the CRD Core Area Wastewater Treatment Program. *(BI 3894)*

Delegation Includes Deputy or Acting

- 2. (1) A delegation of a power, duty or function under this bylaw includes a delegation to a person who is from time to time the deputy of the delegate or is appointed by the Board to act in the capacity of the delegate in the delegate's absence.
- (2) A delegation of a power, duty or function under this bylaw to the Project Director includes his or her deputy or to a person appointed by the Core Area Wastewater Treatment Program Commission to act in the capacity of the Project Director in the Project Director's absence. *(BI 3894)*
- (3) For certainty, a delegation of authority under subsections (2) or (3) includes a delegation to a person appointed to a position held on an interim basis. *(BI 3894)*

Delegation of Purchasing Power

- 3. (a) The Board hereby delegates to the District's Chief Administrative Officer and General Manager Corporate Services all of the powers, duties and functions of the Board under section 176(1)(a) of the Act to make agreements respecting the District's activities, works or services, but subject to the approved annual financial plan.

- (b) The Board hereby delegates to the District's officers, employees, and volunteers, the authority to acquire and purchase goods and services on behalf of the District, subject to the District's purchasing policies and procedures, and the following signing authority limitations:
 - i. for the Chief Administrative Officer: \$200,000,
 - ii. for the General Manager Corporate Services, General Manager Environmental Sustainability, General Manager Parks and Community Services, General Manager Planning and Protective Services, and General Manager Integrated Water Services: \$100,000, (BI 3706)
 - iii. for the Project Director: \$100,000.00, and (BI 3894)
 - iv. for all other staff and volunteers, subject to the approval of the applicable General Manager and/or the General Manager Corporate Services, the lesser of \$50,000 or the amount listed on their approved signing authority form held by the Corporate Services department. (BI 3431, 3894)

Delegation of Authority in Relation to Land and Land Use Agreements

- 4. (a) The Board hereby delegates to the District's officers and employees listed below all of the powers, duties and functions on behalf of the Board under section 176 (1)(d) of the Act to acquire, hold, manage and dispose of land or improvements or any interest or right in or with respect to that property in connection with the District's activities, works or services, but subject to the approved annual financial plan, the District's purchasing policies and procedures, and the following signing authority limitations:
 - i. for the Chief Administrative Officer, General Manager Corporate Services, General Manager Environmental Sustainability, General Manager Parks and Community Services, General Manager Planning and Protective Services, and General Manager Integrated Water Services: \$100,000. (BI 3431, 3706)
- (b) The power delegated under section 4 (a) includes the power to execute Land and Land Use Agreements on behalf of the District and all agreements, instruments and documents, including amendments. (BI 2894)
- (c) The power delegated in section 4 (a) includes the power to agree on behalf of the District to the creation of covenants registrable under s.219 of the *Land Title Act*. (BI 2894, 3271)

Delegation to Commissions and Committees

- 5. (1) The Board hereby delegates to the Board Commissions listed below, all of the powers, duties and functions of the Board under section 176 (1) (a) and 176 (1) (b) (i) of the Act to make agreements respecting the District's activities, works or services relating to the service administered by the Commission to the extent that such authority is not delegated under section 3, provided that the revenue or expenditure is included in the approved annual financial plan: (BI 3431, 3706)
 - (a) Regional Water Supply Commission
 - (b) Juan de Fuca Water Distribution Commission
 - (c) Saanich Peninsula Water Commission
 - (d) Saanich Peninsula Wastewater Commission (BI 3706)
 - (e) Peninsula Recreation Commission (BI 3431)
- 5. (2) The Board hereby delegates to the Board Commissions listed below, all of the powers, duties and functions of the Board on behalf of the District under section 176 (1)(d) of the Act to acquire, hold, manage and dispose of land or improvements or any interest or right in or with respect to that property in connection with the operation of any service or services administered by the Commission to the extent that such authority has not been delegated under section 4 of this bylaw, provided that the revenue or expenditure is included in the approved annual financial plan and subject to the District's purchasing policies and procedures: (BI 3431, 3706)

- (a) Regional Water Supply Commission
 - (b) Juan de Fuca Water Distribution Commission
 - (c) Saanich Peninsula Water Commission
 - (d) Saanich Peninsula Wastewater Commission (BI 3706)
 - (e) Peninsula Recreation Commission (BI 3431)
5. (3) (a) Where a Commission is delegated the authority under this section, the Commission Chair and the applicable General Manager are authorized to execute an agreement approved by the Commission. (BI 3431, 3706)
- (b) In the case of a delegation of authority to the Core Area Wastewater Treatment Program Commission under the Core Area Wastewater Treatment Commission Bylaw No. 1, the Commission Chair and the Project Director are authorized to execute an agreement approved by the Commission. (BI 3894)
6. The Board hereby delegates to the Electoral Area Services Committee the powers, duties and functions of the Board:
- (a) under sections 57 and 58 of the *Community Charter*, including the power to hold a hearing in relation to the matter; (BI 3706)
 - (b) to agree on behalf of the District to the modification, assignment or release of covenants registrable under section 219 of the *Land Title Act*. (BI 2894, 3271)

Delegation of Authority in Relation to Grant Applications

7. (1) Subject to subsection (2), the Board hereby delegates to the District's officers and employees listed below all of the Board's powers, duties and functions under section 176(1)(a) and 176(1)(b) to make grant applications and enter into agreements respecting the receipt and use of grants:
The Chief Administrative Officer and all General Managers, to a maximum of \$100,000 where this is consistent with the approved financial plan of the Capital Regional District. (BI 3706)
7. (2) The authority under subsection (1) does not include authority delegated under section 5(1) of this Bylaw. (BI 3706)

Delegation to Fire Chiefs

8. The Board hereby delegates to the District's Fire Chiefs, for fire departments operating under the authority of the Board, all of the powers, duties and functions of the Board under section 176(1)(a) of the Act to make agreements to participate as required in the Ministry of Forests' "Operating Guidelines for Wildfire Suppression with Local Governments" and with the Provincial Emergency Program for road rescue services, but subject to the approved financial plan. (BI 3211, 3271, 3706)

Delegation of Contract Signing Authority—Electoral Areas

9. An Electoral Area Director is authorized to execute a contract approved by the Board in place of the Board Chair where the contract affects only the interests of the Electoral Area represented by that Director. (BI 3706)

Delegation of Authority in Relation to Appointments of Officials under the *Environmental Management Act*

10. The Board hereby delegates to the Board Chair all of the Board's powers, duties and functions to appoint, and to rescind appointments of, a Deputy Sewage Control Manager and a Municipal Sewage Control Officer under Section 29 of the *Environmental Management Act*. (BI 3845)

Scope of Bylaw

11. For clarity, subject to the Act, unless a power, duty or function of the Board has been expressly delegated by this Bylaw or another District bylaw, all of the powers, duties and functions of the Board remain with

the Board.

(BI 3706, 3845)

No Delegation by a Delegate

- 12. For clarity, a person to whom a power, duty or function has been delegated under this Bylaw has no authority to further delegate to another person any power, duty or function that has been delegated by this Bylaw. (BI 3706, 3845)

This Bylaw may be cited as "Capital Regional District Delegation Bylaw No. 1, 2001".

READ A FIRST TIME this	14th	day of	February	2001
READ A SECOND TIME this	14th	day of	February	2001
READ A THIRD TIME this	14th	day of	February	2001
ADOPTED by 2/3 of the votes cast this	14 th	day of	February	2001

Christopher Melville Causton
Chair

Carmen Ida Thiel
Secretary

This Bylaw is a copy of *Capital Regional District Delegation Bylaw No. 1, 2001*, consolidated under section 139 of the *Community Charter* and is printed on the authority of the Corporate Officer of the CRD.



Sonia Santarossa, Corporate Officer

APPENDIX B



P O L I C Y

SUBJECT:	<i>Consultants</i>	
EFFECTIVE:	October 1998	APPROVED BY: Board
REVISION DATE:	Revised by Corporate Planning Committee 27/10/05	
PAGE 1 OF 11		

PURPOSE

To obtain consulting services that represent the best value for money.

POLICY

- 1) For projects under \$35,000, consultants will be selected from the consultants list based on specific expertise and hourly rates.
- 2) Where the required level of effort is not clear, a budget will be set out in the Request for Proposals.
- 3) Since the value of consulting services is highly dependent on the qualifications, experience and knowledge of the consultant, for projects over \$35,000 selection will be based 50% on expertise and 50% on quoted price. Points distribution should be specific to the project.
- 4) For assignments of \$35,000 or more, each consultant proposal will be evaluated by a team of three or more people using selection criteria provided in the Request for Proposal, as set out in Appendix A and Appendix B of this policy. An overall merit ranking for each proposal will be produced.
- 5) A list of qualified consultants will be maintained by each Department. The list will be updated regularly after advertising locally.
- 6) Consultants will be selected in accordance with the following table:

POLICY AND PROCEDURE FOR ENGAGING CONSULTANTS	
0 - \$35,000	Consultants will be selected from the consultant list based on hourly rates, and specific expertise for the assignment. Work will be shared between consultants as far as possible.
\$35,000 - \$100,000	For unusual assignments, written proposals will be solicited by advertising and for routine assignments by invitation to at least three consultants on the consultant list. Proposals will be evaluated as described in Appendix A and Appendix B. A copy of this policy, including a project specific

POLICY AND PROCEDURE FOR ENGAGING CONSULTANTS

	evaluation form, will be provided as part of the proposal call information package.
\$100,000 +	<p>For unusual assignments, consultants will be invited by advertising to submit credentials for evaluation and short listing prior to a proposal call. For routine assignments, written proposals will be solicited by advertising (without a credential call).</p> <p>Proposals will be evaluated as described in Appendix A and Appendix B. A copy of this policy, including a project specific evaluation form will be provided as part of the proposal call information package.</p>

- 8) In situations where only one consultant is identified for a consulting task, which is estimated to be in excess of \$35,000 in total for all phases of the work, the approval for the appointment of the consultant will be obtained from the applicable committee/commission.

Approved by the CRD Board 10 November 1992

Amended by the CRD Board 10 June 1998

Amended by the CRD Board 14 October 1998

Amended by Administration for consistency and legal form 27 October 2005

APPENDIX A

EVALUATION PROCEDURES

Both technical merit and cost are awarded a maximum of 500 points each, for a total potential of 1,000 evaluation points. Technical proposals will be opened and marked out of a total score of 500 points against the evaluation grid, an example of which is in Appendix B, before any financial proposals are opened. Each technical presentation will be evaluated on the basis of the firm's experience, competence of its personnel and acceptability of the method proposed.

A firm's technical proposal shall be deemed qualified only if it complies with all requirements contained in the Request for Proposal.

Only proposals whose technical scores are within 15% of the proposal awarded the highest technical score will have their financial proposals opened and evaluated. All other financial proposals will be returned unopened upon appointment of the selected firm. The only exception to this policy is when the proposal of the second-ranked firm is more than 15% below the highest technical score and still technically qualified. In such a case, the second-ranked firm would have its financial proposal opened to avoid a non-competitive situation.

In all cases, the Capital Regional District reserves the right to cancel the competition and call for new proposals.

Financial proposals can be awarded a maximum of 500 points. The financial proposal with the lowest cost of fees will be awarded 500 points, which will be added to the technical score, resulting in the firm's total score. The percentage by which each of the remaining firms' proposed costs exceeds the cost of the lowest qualified proposal will be the percentage by which the 500 points is reduced, prior to adding it to the technical score resulting in each firm's total score.

For example, if the proposed cost of Firm A exceeds the lowest proposed cost (Firm B) by 10%, Firm A will add 500 minus (10% of 500), or 450 points to its technical score. The firm receiving the highest total score will be judged to have the best value to the Region.

COSTS INCLUDED IN PROPOSAL EVALUATION

All personnel fees, salaries, wages and reimbursable expenses will be taken into account in the proposal evaluation.

DEBRIEFING

Subsequent to final selection of a firm for contract award, all other proposing firms have the right to receive a debriefing on the strengths and weaknesses of their proposal. Points awarded by

evaluation teams for both technical and financial proposals will remain confidential and may not be divulged to any proposing firm.

APPENDIX B

SAMPLE EVALUATION FORMS

EXAMPLE OF A TYPICAL EVALUATION FORM

PROJECT NAME: _____

EVALUATOR: _____

EVALUATION OF TECHNICAL PROPOSALS (Maximum 500 Points)

		P O I N T S	CONSULTANTS					
1. <u>THE FIRM</u> (50)								
1.1	Experience with similar projects	40						
1.2	General Related Project Experience	10						
TOTAL FIRM		50						
2. <u>THE PERSONNEL</u> (250)								
2.1	Project Manager/Director (125)	55						
	a) Experience in similar projects	30						
	b) Experience in related projects	25						
	c) Qualifications of Project Manager/Director	15						
	d) Local knowledge	55						
2.2	Project Team (125)	30						
	a) Experience in similar projects	25						
	b) Experience in related projects	15						

	P O I N T S	CONSULTANTS					
c) Qualifications of Team members d) Local knowledge							
TOTAL PERSONNEL	250						
Carried fwd.	300						

PROJECT NAME: _____

EVALUATOR: _____

	P O I N T S	CONSULTANTS					
Brought fwd.							
3. <u>THE METHOD</u> (200)							
3.1 General approach	30						
3.2 Proposed team organization	20						
3.3 Roles/responsibilities definition	20						
3.4 Proposed list of activities	25						
3.5 Project control and reporting	25						
3.6 Understanding of CRD Objectives	30						
3.7 Quality of presentation	10						
3.8 Proposed level of effort	40						
TOTAL METHOD	200						
TOTAL TECHNICAL COMPONENT	500						

PROJECT NAME: _____

EVALUATOR: _____

DETERMINATION OF AVERAGE TECHNICAL MERIT POINTS

COMPANY NAME	EVALUATOR INITIALS				AVERAGE POINTS
	POINTS	POINTS	POINTS	POINTS	

--	--	--	--	--	--

NOTE: Only those proposals whose average technical merit score is within 15% of the highest average technical merit score will have their financial proposals opened.

PROJECT NAME: _____

EVALUATOR: _____

**COMBINED TECHNICAL AND FINANCIAL EVALUATION
(Maximum 500 Points)**

To be applied as described in Appendix A and only to those proposals with a technical merit rating within 15% of the highest rated technical proposal.

FIRMS	Consulting Fee	Percent above Lowest Fee	Financial Proposal Score	Technical Proposal Score	Total Score

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APPENDIX C

CAPITAL REGIONAL DISTRICT
BYLAW NO. 4186

**A BYLAW TO DELEGATE POWERS, DUTIES & FUNCTIONS OF THE
CAPITAL REGIONAL DISTRICT BOARD**

WHEREAS under section 263(1)(e) and 229(1) of the *Local Government Act* the Board may, by bylaw adopted by at least two thirds of the votes cast, delegate its powers, duties and functions, including those specifically established by an enactment, to its officers and employees, its committees or its members, or to other bodies established by the Board;

AND WHEREAS the Board of the Capital Regional District wishes to delegate certain powers, duties and functions;

NOW THEREFORE, the Regional Board of the Capital Regional District in open meeting assembled hereby enacts as follows:

Definitions

1. In this Bylaw

- (a) "Act" means the *Local Government Act*;
- (b) "District" means the Capital Regional District, a regional district incorporated under the *Local Government Act*;
- (c) "Board" means the Board of the Capital Regional District;
- (d) "Charge" means a charge as defined in the *Land Title Act* (British Columbia);
- (e) "Deputy Project Director" means the Deputy Project Director of the CRD Core Area Wastewater Treatment Project;
- (f) "General Manager" means an Officer designated as a General Manager in Bylaw No. 3343;
- (g) "Land and Land Use Agreement" means an instrument, deed or other agreement affecting title to or granting a right in relation to the use of real property and improvements including:
 - i. a transfer of a fee simple interest in real property;
 - ii. the creation, modification, assignment or release of a charge;
 - iii. a licence or permit;
- (h) "Project Director" means the Project Director of the CRD Core Area Wastewater Treatment Project;
- (i) "Total Purchase Price" means the total purchase price payable for goods, services, and construction under the contract over the entire term of the contract (but not including options to purchase additional goods or services during the term which may or may not be exercised and not including applicable taxes).

Delegation Includes Deputy or Acting

- 2. (a) A delegation of a power, duty or function under this bylaw includes a delegation to a person who is from time to time the deputy of the delegate or is appointed by the Board to act in the capacity of the delegate in the delegate's absence.
- (b) A delegation of a power, duty or function under this bylaw to the Project Director includes a person appointed by the Core Area Wastewater Treatment Project Board to act in the capacity of the Project Director in the Project Director's absence.
- (c) For certainty, a delegation of authority under subsections (b) or (c) includes a delegation to a person appointed to a position held on an interim basis.

Delegation of Purchasing Power

3. (a) The Board hereby delegates to the District's Chief Administrative Officer and Chief Financial Officer all of the powers, duties and functions of the Board under section 263(1)(a) and 263(1)(b) of the Act to make agreements respecting the District's activities, works or services, but subject to the approved annual financial plan.
- (b) The Board hereby delegates to the District's officers, employees, and volunteers, the authority to acquire and purchase goods and services on behalf of the District, subject to the District's purchasing policies and procedures, the approved annual financial plan, and the following Total Purchase Price limits:
 - i. for the Chief Administrative Officer: \$5,000,000;
 - ii. for the Chief Financial Officer: \$500,000;
 - iii. for General Managers: \$500,000;
 - iv. for the Project Director: \$3,000,000;
 - v. for the Deputy Project Director: \$1,500,000; and
 - vi. for all other staff and volunteers, subject to the approval of the applicable General Manager and/or the Chief Financial Officer, the lesser of \$100,000 or the amount listed on their approved signing authority form held by the department of Finance & Technology.
- (c) Notwithstanding section 3(b) of this Bylaw, the Project Director and Deputy Project Director have authority to increase a Core Area Wastewater Treatment Project contract by way of a change order provided that:
 - i. the change order does not exceed the total amount of \$2,000,000 for the Project Director, and \$1,000,000 for the Deputy Project Director; and,
 - ii. the Total Purchase Price of the contract including all change orders in any given calendar year does not exceed the funding available in the approved financial plan.

Delegation of Authority in Relation to Land and Land Use Agreements

4. (a) The Board hereby delegates to the District's officers and employees listed below all of the powers, duties and functions on behalf of the Board under section 263 (1)(d) of the Act to acquire, hold, manage and dispose of land or improvements or any interest or right in or with respect to that property in connection with the District's activities, works or services, but subject to the approved annual financial plan, the District's purchasing policies and procedures, and the following signing authority limitations:
 - i. for the Chief Administrative Officer: \$500,000;
 - ii. Chief Financial Officer and General Managers: \$100,000.
- (b) The Board hereby delegates to the District's staff and volunteers, subject to the approval of the applicable General Manager, the power to approve and execute Land Use Agreements for recreation centres, community centres, and parks facilities, provided the term of the agreement is less than 30 days and the value does not exceed \$5,000.
- (c) The power delegated under section 4(a) includes the power to execute Land and Land Use Agreements on behalf of the District and all agreements, instruments and documents, including amendments.
- (d) The power delegated in section 4(a) includes the power to agree on behalf of the District to the creation of covenants registrable under s.219 of the *Land Title Act*.

Delegation to Commissions and Committees

5. (a) The Board hereby delegates to the Board Commissions listed below, all of the powers, duties and functions of the Board under section 263(1)(a) and 263(1)(b)(i) of the Act to make agreements respecting the District's activities, works or services relating to the service administered by the Commission to the extent that such authority is not delegated under section 3, provided that the revenue or expenditure is included in the approved annual financial plan:
 - i. Regional Water Supply Commission
 - ii. Juan de Fuca Water Distribution Commission
 - iii. Saanich Peninsula Water Commission
 - iv. Saanich Peninsula Wastewater Commission
 - v. Peninsula Recreation Commission
- (b) The Board hereby delegates to the Board Commissions listed below, all of the powers, duties and functions of the Board on behalf of the District under section 263(1)(d) of the Act to acquire, hold, manage and dispose of land or improvements or any interest or right in or with respect to that property in connection with the operation of any service or services administered by the Commission to the extent that such authority has not been delegated under section 4 of this bylaw, provided that the revenue or expenditure is included in the approved annual financial plan and subject to the District's purchasing policies and procedures:
 - i. Regional Water Supply Commission
 - ii. Juan de Fuca Water Distribution Commission
 - iii. Saanich Peninsula Water Commission
 - iv. Saanich Peninsula Wastewater Commission
 - v. Peninsula Recreation Commission
- (c) Where a Commission is delegated the authority under this section, the Commission Chair and the applicable General Manager are authorized to execute an agreement approved by the Commission.
- (d) In the case of a delegation of authority to the Core Area Wastewater Treatment Project Board under the Core Area Wastewater Treatment Project Board Delegation Bylaw No. 1, 2016 the Chair and the Project Director are authorized to execute an agreement approved by the Project Board.

Delegation of Hearings

6. The Board hereby delegates to the Electoral Area Services Committee the powers, duties and functions of the Board:
 - (a) under sections 57 and 58 of the *Community Charter*, including the power to hold a hearing in relation to the matter;
 - (b) to agree on behalf of the District to the modification, assignment or release of covenants registrable under section 219 of the *Land Title Act*.

Delegation of Authority in Relation to Grant Applications

7. (a) Subject to subsection (b), the Board hereby delegates to the District's officers and employees listed below all of the Board's powers, duties and functions under section 263(1)(a) and 263(1)(b) to make grant applications and enter into agreements respecting the receipt and use of grants:
The Chief Administrative Officer, the Chief Financial Officer, and all General Managers, to a maximum of \$500,000 where this is consistent with the approved financial plan of the Capital Regional District.
- (b) The authority under subsection (a) does not include authority delegated under section 5(a) of this Bylaw.

Delegation to Fire Chiefs

- 8. The Board hereby delegates to the District's Fire Chiefs, for fire departments operating under the authority of the Board, all of the powers, duties and functions of the Board under section 263(1)(a) of the Act to make agreements to participate as required in the Ministry of Forests' "Operating Guidelines for Wildfire Suppression with Local Governments" and with the Provincial Emergency Program for road rescue services, but subject to the approved financial plan.

Delegation of Contract Signing Authority—Electoral Areas

- 9. An Electoral Area Director is authorized to execute a contract approved by the Board in place of the Board Chair where the contract affects only the interests of the Electoral Area represented by that Director.

Delegation of Authority in Relation to Appointments of Officials under the Environmental Management Act

- 10. The Board hereby delegates to the Board Chair all of the Board's powers, duties and functions to appoint, and to rescind appointments of, a Deputy Sewage Control Manager and a Municipal Sewage Control Officer under Section 29 of the Environmental Management Act.

Scope of Bylaw

- 11. For clarity, subject to the Act, unless a power, duty or function of the Board has been expressly delegated by this Bylaw or another District bylaw, all of the powers, duties and functions of the Board remain with the Board.

No Delegation by a Delegate

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

Repeal

- 13. Bylaw No. 2864, the "Capital Regional District Delegation Bylaw No. 1, 2001" is hereby repealed.

Citation

- 14. This Bylaw may be cited as "Capital Regional District Delegation Bylaw No. 1, 2017".

READ A FIRST TIME this	th	day of	May	2017
READ A SECOND TIME this	th	day of	May	2017
READ A THIRD TIME this	th	day of	May	2017
ADOPTED by 2/3 of the votes cast this	th	day of	May	2017

CHAIR

CORPORATE OFFICER

APPENDIX D



CAPITAL REGIONAL DISTRICT

LEGISLATIVE POLICY

Section	Finance	
Subsection	Policies	(policy #)
Title	PROCUREMENT POLICY AND PROCEDURES	

1. POLICY

This policy will ensure that all goods, services and construction will be acquired in a competitive, fair and open manner that

- is efficient, accountable and maximizes best value;
- advances the Capital Regional District's commitment to economic, environmental, and social responsibility by supporting the acquisition of sustainable products and services; and
- meets the requirements of the *Community Charter*, the *Local Government Act*, the Agreement on Internal Trade (AIT), the New West Partnership Trade Agreement (NWPTA) and public sector procurement standards and competitive bidding law.

2. PURPOSE

This policy outlines authorization and competition requirements for procuring goods, services and construction for the Capital Regional District (CRD), the Capital Regional Hospital District (CRHD) and the Capital Region Housing Corporation (CRHC) (collectively, "CRD").

3. MANAGEMENT OF THE POLICY

This policy is managed by the Finance and Technology Department. Any and all modifications to this policy subsequent to implementation must be reviewed and approved by the Board. Purchasing and supply management activities at the CRD are decentralized by divisions (service), and staff in those divisions are responsible for acquiring goods, services and construction for all operational and capital requirements in accordance with the terms of this policy.

4. SCOPE

This policy applies to all CRD services (functions) and to all acquisitions and purchases made by CRD officers, employees and volunteers. Specific exemptions are set out in section 9 below.

5. DEFINITIONS

Appendix A establishes definitions for terms used in this policy.

6. AUTHORITY FOR PROCUREMENT TRANSACTIONS

Procurement transactions must be within the scope of the Board approved annual financial plan and must only be initiated and executed by persons authorized to acquire and purchase goods and services within the authorized purchasing limits as set out in the CRD Delegation Bylaw ("**Authorized Staff**").

Authorized Staff must only authorize procurement transactions that are within the signing authority limits set out in the CRD Delegation Bylaw. The signing authority limits are summarized in the following table:

Position	Delegated Signing Authority Limit
Chief Administrative Officer	\$5,000,000
CFO and General Managers	\$500,000
Deputy Project Director – Core Area Wastewater Treatment Project	\$1,500,000
Project Director – Core Area Wastewater Treatment Project	\$3,000,000
Staff/Volunteers	Subject to the approval of the applicable GM or the Chief Financial Officer: The <u>lesser</u> of \$100,000 or the amount set out on a signing authority form held by the Department of Finance and Technology

Refer to the “Awarding and Execution of Contracts and Agreements” policy for more information on delegation and conditions for exercising delegated authority.

7. RESPONSIBLE PROCUREMENT

The CRD’s primary goal in the procurement process is to attain best value using processes that are competitive, open, transparent and non-discriminatory. Where possible, the CRD will give preference to the purchase of goods, services and construction that minimize adverse environmental impacts and greenhouse gas emissions and that promote recycling, re-use and reduction of waste. Authorized Staff will review and modify existing procurement specifications, and create new specifications, to include environmentally and socially responsible options or criteria to be considered along with price and performance.

8. PROCUREMENT THRESHOLDS AND METHODS

The method of CRD procurement is based on the dollar value and the nature of the specific procurement transaction, ensuring that the cost and time associated with using a competitive process is proportionate to the benefit received.

Procurement methods must be selected in accordance with the following table and the procedures set out in Appendix B to this policy:

Estimated Transaction Cost	Method
<i>Goods and Services</i>	
Less than \$5,000	Low Value Process
Less than \$10,000	Informal Quotation Process
\$10,000 to \$75,000	Written Quotation Process <i>or</i> Formal Competitive Process (RFP, ITQ, RFSO)
Greater than \$75,000	Formal Competitive Process (RFP, ITQ, RFSO)
<i>Construction</i>	
Less than \$200,000	Written Quotation Process <i>or</i> Formal Competitive Process (RFP, ITT)
Greater than \$200,000	Formal Competitive Process (RFP, ITT)

Note: Multi-year agreements are dollar value accumulative and shall be subject to the thresholds listed above. The requirement for competitive purchasing may be waived by a GM or the CAO and replaced with negotiations by staff under the circumstances set out in section 8 of Appendix B.

9. CONTRACTUAL AGREEMENTS

Authorized Staff are responsible for determining whether it is in the best interests of the CRD to establish a written contract with a supplier. The following factors should be taken into consideration:

- P-Cards should be used for straightforward purchases not exceeding \$10,000 in value, unless otherwise authorized by the applicable GM or CAO, and only in accordance with the policies and procedures established by the Department of Finance & Technology.
- A purchase order may be used when the resulting contract is straightforward and does not exceed \$50,000 in value unless otherwise authorized by the applicable GM or CAO, and will contain the CRD's standard purchase order terms and conditions.
- A written contract is to be used when the arrangement is complex or when terms and conditions are required that are not in the CRD's standard purchase order, including, but not limited to: contract security, performance monitoring, insurance, WorkSafe BC compliance and project schedules.
- A written contract must be used where the procurement method selected requires the use of CRD-approved templates (as set out in Appendix B).

Where it is determined that a written contract is required, the contract must be executed in accordance with the "Awarding and Execution of Contracts and Agreements" policy.

10. GENERAL

Late Bids. Submissions not received by the stated closing time and date will be rejected. The CRD will identify the timing device to be used.

Procurements That Exceed Budget. A bid that is accepted under the procedures set out must not exceed the amount that is included for that purpose, specifically or generally, in a budget approved by the Board. Where the bid was not accepted solely due to exceeding budget, the General Manager of the division, must either recommend rejection, revision of the requirements sufficient to reduce the cost to within budget or request approval from the Board for the transfer of additional revenues sufficient to fund the bid amount.

Unsolicited Proposals. Unsolicited proposals received by the CRD will be reviewed by Authorized Staff in the applicable division. Any procurement activity resulting from the receipt of an unsolicited proposal must comply with the provisions of this policy. A contract resulting from an unsolicited proposal will only be awarded on a non-competitive basis when the procurement requirements comply with the non-competitive procurement procedures described in Appendix B.

Identical Bids.

1. If identical lowest bids are received, each of which are less than the signing authority of the General Manager of the division and all other criteria are equal (delivery, service, performance, security of supply and price), the successful bid must be chosen by the drawing of lots under the General Manager's supervision.
2. The General Manager of the division is to recommend to the CAO for decision whether any bid should be accepted as the successful bid if the CRD receives identical lowest bids, each of which are more than the General Manager's signing authority.

Increase to an Existing Contract or Purchase Order. Increases to the value of an existing contract or purchase order must only be approved by the Authorized Staff person that approved the award and only if the total amount of the contract or purchase order, including the increase, is within that Authorized Staff person's signing authority limit and within the project budget as set out in the approved financial plan.

Purchase Standardization. All CRD divisions shall co-operate in the purchase of supplies by simplifying and standardizing like requirements, wherever possible. Every effort should be made to reduce the types and kinds of products used to the smallest number (i.e., considering equivalents or any alternatives suggested) in order to minimize investment.

Co-operative Purchasing. Savings likely to be achieved through purchasing goods and services jointly with other government bodies should be pursued. This policy provides the authority to Authorized Staff to participate with other government agencies or public authorities in joint purchasing ventures when it is in the best interests of the CRD. In such cases, the procedures set out by the agency responsible for the venture will be followed and not the procedures set out in this Policy.

Financial Security. The purchaser may require financial security from potential suppliers if considered to be in the CRD's best interest. Bonding is not required on every bid but it is advisable where there is a large liability or the value is over \$100,000.

Disposal of Surplus Goods. Management in service areas must dispose of all goods and equipment for which there is no longer a use, by any method considered to be in the CRD's best interest, including transfer to another CRD division, public auction, public tender, trade or negotiated sale. If the surplus goods cannot reasonably be sold by any of these means, the goods may be disposed of in such manner as deemed appropriate and may include donation to a not-for-profit agency.

Surplus goods may not be sold to any CRD employee except via public auction or tender. Goods valued at less than \$1,000 may be disposed of on the web through a silent auction.

Prohibitions. The following activities are prohibited:

1. Purchase by the CRD of any goods or services for personal use by or on behalf of any member of the Board, appointed officers or employees or their immediate families.
2. The division of a single purchase into multiple increments to circumvent policies or levels of authority.
3. Committing the CRD or entering into a procurement transaction without the appropriate authority to do so.

Conflict of Interest. No member of the Board, employee or volunteer shall have any direct or indirect pecuniary interest in any competitive bid or arrangement for the supply of goods, services or construction to the CRD, unless it is first disclosed by the person submitting the bid or supplying the goods, services or construction. All competitive bid documentation must include a section that requires suppliers to disclose any actual or potential conflicts of interest and existing business relationships it may have with the CRD, its elected or appointed officials or employees prior to submission of the bid.

WorkSafeBC. All contracts for service to be provided on CRD property require the contractor to provide proof of registration, where applicable, and remain in good standing with WorkSafeBC throughout the term of their contract. Contractors may be required to provide clearance letters before and after performing work for the CRD. In the event the contractor is not eligible for

registration with WorkSafeBC for reasons other than workplace safety performance, the CRD may register the contractor and pay the applicable WorkSafeBC premiums, at the contractor's expense.

Supplier Performance. Authorized Staff and the department responsible for a procurement transaction will maintain records of supplier performance. The information will be used to ensure contract compliance, to supplement a subsequent prequalification process or to justify a subsequent award to other than the low bidder where it can be demonstrated that such records are part of the evaluation process and criteria.

Supplier Debriefing. When a procurement transaction is awarded using a formal competitive process, unsuccessful suppliers are entitled to a debriefing upon request to obtain feedback on the strengths and weaknesses of their bid.

Insurance. All contracts for services to be provided on CRD property require the contractor to provide and maintain their own insurance coverage acceptable to the CRD, including but not limited to commercial general liability, auto, property/all risk and professional liability. The risk associated with each contract varies and accordingly the CRD may require additional factors, such as being named as an additional insured, cross liability clauses, waiver of subrogation, notice of cancellation and proof of coverage.

Freedom of Information and Protection of Privacy Act. This Policy is subject to the provisions of the *Freedom of Information and Protection of Privacy Act* with respect to the disclosure of information.

Exemptions. This procurement policy establishes the policies and practices applying to the purchase of all types of goods, services and construction with the exception of the following:

1. The borrowing and investing of money
2. The rental, lease, purchase and sale of property, land or accommodation
3. Memberships in professional and vocational associations and their publications and other professional and training activities
4. Health services and social services
5. Legal services
6. Procurements from a public body or non-profit organization
7. The hiring of contract employees
8. Goods and services purchased through provincial and federal corporate supply arrangements
9. Goods and Services purchased from First Nations

Approval Date:		Approved By:	
Amendment Date:		Approved By:	
Next Review Date:		Reviewed By:	
Supersedes:	Procurement Policy, April 9, 2015		

Attachments

- Appendix A – Definitions
- Appendix B – Procurement Method Procedure

DEFINITIONS

“Acquire” or “Acquisition” means to obtain by any method, accept, receive, purchase, be vested with, lease, take possession, control or occupation of, and agree to do any of those things, but excludes expropriation, except by agreement under section 3 of the Expropriation Act;

“Best Value” means the optimal combination of Total Cost, performance, economic, environmental and social sustainability, reduced carbon dependency, and reduced waste.

“Bid” includes a proposal submitted in response to a Request for Proposal and a written formal offer, which may or may not be sealed, submitted in a particular form in response to an invitation to supply goods/services/construction, where the specifications and conditions of the goods or services are known and disclosed in the request;

“Board” means the board of the Regional District;

“Construction” means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in an incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement;

“Contract” means a contract for the supply (by way of sale, conditional sale, lease or otherwise) of goods, services or construction, including a purchase order or other document evidencing the obligation, and any amendments;

“Contract Amendment” means any change to a term, condition or other Contract provision, including a Change Order;

“Dispose” or “Disposition” means to transfer by any method including assign, give, sell, grant, charge, convey, lease, divest, dedicate, release, exchange, alienate or agree to do any of those things;

“Formal Competitive Process” means a public procurement process that is competitive, open, transparent, non-discriminatory and compliant with the requirements of the AIT and NWPTA, and includes an ITQ, ITT, RFP, RFSO and RFQ;

“Invitation to Quote (ITQ)” means a process used to solicit bids or quotes from vendors for the provision of clearly specified goods or services. The bids received in response to an ITQ are evaluated primarily on price;

“Invitation to Tender (ITT)” means a process used to solicit bids from vendors for the provision of construction services where the specifications, terms, conditions and other details are set out in the invitation and the responsive bids are evaluated primarily on price, without further negotiations;

“Notice of Intent (NOI)” means a publicly advertised method to inform vendors a contract is to be directly awarded on the basis that there is only one suitable vendor to provide the good or service.

“Original Value” means the contract price or fees for services as at the effective date of the Contract, excluding taxes;

“Procurement” means the acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction;

“Request for Expression of Interest (RFEOI)” means the buyer is interested in receiving information from suppliers on any products or services available to achieve a particular outcome and may issue an RFQ, RFP or ITT depending on the response. The RFEOI is used to survey the market for firms interested in responding to a tender or RFP from the buyer. RFEOI are not open for bidding;

“Request for Proposal (RFP)” means an invitation for providers of a product or service to bid on the right to supply that product or service where the requirement for goods or services cannot be definitively defined or specified or alternative solutions or offers are being solicited. Proposals are evaluated on predetermined criteria where the selection of a supplier may not be made solely on the basis of the lowest price;

“Request for Qualifications” means a non-binding request to potential suppliers who wish to be considered for future RFP’s or other competitive purchasing processes to pre-qualify based on various factors including but not limited to expertise, experience, availability, prior performance, in order to avoid either buyer or supplier devoting resources to preparing and evaluating future RFP’s or competitive processes.

“Request for Standing Offer (RFSO)” means an invitation for providers of a product or service to bid on the right to supply that product or service by way of a standing offer. A standing offer is an offer from a supplier to provide well-defined, readily available goods or services, as and when requested, at prearranged prices or on a prearranged pricing basis, which can be established at the outset, under set terms and conditions, and for a specific period of time.

“Signing Authority” means the approved levels of authority, as defined in the CRD Delegation Bylaw, to purchase goods or services on behalf of the CRD (see Signing Authority Form);

“Total Cost” means the sum of all costs attributable to products, construction, and services associated with performing the intended function over the entire term of use and includes factors such as acquisition cost, installation cost, disposal value, disposal cost, operational cost, maintenance cost, quality of performance and environmental impact.

PROCUREMENT METHOD PROCEDURES**1. Low Value Process**Application

- 1.1 This method will be used for goods or services having a value less than \$5,000 and required for a one-time (non-repetitive) procurement.

Process

- 1.2 Before initiating the transaction staff and volunteers with sufficient signing authority must obtain approval of the applicable General Manager ¹(“GM”).
- 1.3 An informal quote or quotes (i.e. telephone, email, fax, letter) from known suppliers will be obtained. Competitive quotes should be obtained where possible.
- 1.4 Authorized Staff are responsible for ensuring that low value procurements are made at fair market value and all information relating to the procurement must be documented and maintained on file.
- 1.5 Authorized staff are responsible for selecting the payment tool appropriate for the transaction (refer to sections 8 and 9 of the Procurement Policy).

2. Informal Quotation ProcessApplication

- 2.1 This method will be used for goods or services having a value less than \$10,000 and required for a one-time (non-repetitive) procurement.

Process

- 2.2 Before initiating the transaction staff and volunteers with sufficient signing authority must obtain approval of the applicable GM or the GM, Finance and Technology.
- 2.3 Three informal quotes (i.e. telephone, email, fax, letter) will be obtained from known suppliers.
- 2.4 Authorized Staff are responsible for ensuring that the purchase or acquisition is made at fair market value and all information relating to the procurement must be documented and maintained on file.
- 2.5 Authorized staff are responsible for selecting the payment tool appropriate for the transaction (refer to sections 8 and 9 of the Procurement Policy).

¹CRHD and CRHR procurements will follow the process as set out in this Appendix B but are subject to the approval of their Boards and/or delegated approving authorities.

3. Written Quotation Process

Application

- 3.1 This method will be used where:
 - 3.1.1 for goods or services, the value of the transaction is between \$10,000 and \$75,000,
 - 3.1.2 for construction, the value of the transaction is between \$10,000 and \$200,000,
 - 3.1.3 the transaction is for a one-time (non-repetitive) procurement of goods, services or construction; and
 - 3.1.4 the goods, services or construction required can be fully defined.
- 3.2 Authorized Staff may determine that it is appropriate to use a formal competitive process instead of the written quotation process even though the value of the transaction is less than \$75,000 (for goods or services) or \$200,000 (for construction). In such a case, Authorized Staff will, in accordance with the provisions of this Appendix, use an Invitation to Quote (goods and services only), Invitation to Tender (construction only) or a Request for Proposals (goods, services or construction).

Process

- 3.3 The upper limit of staff and volunteer signing authority is \$100,000. Staff and volunteers with sufficient signing authority must only initiate transactions under the \$100,000 limit, and only after obtaining approval of the applicable GM. Transactions exceeding the upper limit of staff signing authority but not exceeding \$200,000 may be initiated after receiving approval of a GM.
- 3.4 Where a GM approves the initiation of a written quotation process, the applicable GM is responsible for the execution of the transaction, which includes making key decisions, approving the award and executing all required documentation.
- 3.5 Written quotes will be obtained as follows:
 - 3.5.1 three (3) written bids obtained from three (3) separate potential suppliers;
 - 3.5.2 all suppliers will receive the same quotation written information; and
 - 3.5.3 all ~~bid~~ ~~documentation~~ ~~will~~ ~~be~~ ~~retained~~ by the ~~Authorized~~ ~~Staff~~ ~~person~~ in Department files to be held in accordance with CRD records retention policies.
- 3.6 Authorized Staff are responsible for selecting the supplier on the basis of best value to the CRD.
- 3.7 Authorized Staff are responsible for ensuring that the purchase or acquisition is formalized in a written contract, where appropriate (in accordance with section 8 of the Procurement Policy).

4. Invitation to Quote (ITQ)

Application

- 4.1 This method should be used where
 - 4.1.1 the procurement is for goods or services and the value of the transaction exceeds \$75,000; and
 - 4.1.2 the requirement can be fully defined such that the primary competing factor is price (i.e. the solution(s), specification(s), performance standard(s) and timeframe(s) are known).
- 4.2 This method may be used where the value of the transaction is less than \$75,000 and the other criteria set out in section 4.1 are met.
- 4.3 Authorized Staff may issue a Request for Proposals instead of an Invitation to Quote where, in accordance with section 6 of this Appendix, Authorized Staff determine that a Request for Proposals would be more appropriate in the circumstances.
- 4.4 For clarity, this method must not be used for construction procurement transactions (the Invitation to Tender process is used for construction transactions – see section 5 of this Appendix).

Process

- 4.5 The upper limit of staff and volunteer signing authority is \$100,000. Invitations to Quote must only be initiated as follows:
 - 4.5.1 for acquisitions under \$100,000, by Authorized Staff or the applicable GM;
 - 4.5.2 for acquisitions estimated to be over \$100,000 but not exceeding \$500,000, on written approval from the applicable GM or CAO;
 - 4.5.3 for acquisitions estimated to be over \$500,000 but not exceeding \$5,000,000, on written approval of the CAO; or
 - 4.5.3 for acquisitions over \$5,000,000, on approval of the Board by way of a Board resolution authorizing the Invitation to Quote.
- 4.6 Invitations to Quote will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.6 to 5.9 of this Appendix.
- 4.7 On receipt of quotations from respondents, the competitive bid will be reviewed in accordance with the terms of the Invitation to Quote.

- 4.8 Staff will forward to the GM of the responsible department a summary of the procurement and recommend an award of contract to the supplier that meets all the mandatory requirements and provides the best value as stipulated by the ITQ.
- 4.9 Following review by the applicable GM, a summary of the procurement and the recommendation of award will be forwarded as follows for final approval of award,
 - 4.9.1 for awards within the signing authority limit of Authorized Staff, to the responsible staff person or the applicable GM;
 - 4.9.2 for awards above \$100,000 but below \$500,000, to the applicable GM or CAO;
 - 4.9.3 for awards over \$500,000 but not exceeding \$5,000,000, on written approval of the CAO; or
 - 4.9.4 for awards over \$5,000,000, to the Board.
- 4.10 Written notification regarding a procurement award and all supporting documentation is to be kept in the procurement file.

5. Invitation to Tender

Application

- 5.1 An Invitation to Tender must be used where:
 - 5.1.1 the procurement is for construction and the value of the transaction is \$200,000 or greater; and
 - 5.1.2 the specifications are adequately defined to permit the evaluation of tenders against the clearly stated criteria.
- 5.2 An Invitation to Tender may be used where the procurement is for construction and the value of the transaction is less than \$200,000.
- 5.3 Authorized Staff may issue a Request for Proposals instead of an Invitation to Tender where, in accordance with section 6 of this Appendix, Authorized Staff determine that a Request for Proposals would be more appropriate in the circumstances.
- 5.4 For clarity, this method must not be used for goods and services procurement transactions (the Invitation to Quote process is used for goods and services transactions – see section 4 of this Appendix).

Process

- 5.5 The upper limit of staff and volunteer signing authority is \$50,000. Invitations to Tender must only be initiated as follows:
 - 5.5.1 for acquisitions under \$100,000, by Authorized Staff or the applicable GM;
 - 5.5.2 for acquisitions estimated to be over \$100,000 but not exceeding \$500,000, on written approval from the applicable GM or CAO;

- 5.5.3 for acquisitions estimated to be over \$500,000 but not exceeding \$5,000,000 written approval of the CAO; or
- 5.5.4 for acquisitions over \$5,000,000, on approval of the Board by way of a Board resolution authorizing the tender call.
- 5.6 The department responsible for issuing the Invitation to Tender will review and determine the specifications, terms and conditions relevant to the acquisition and provide this information to the applicable GM or CAO before notice of the Invitation to Tender is issued.
- 5.7 Where a GM or the CAO approves the initiation of an Invitation to Tender, the applicable GM or CAO is responsible for the execution of the transaction, which includes making key decisions, approving the award and executing all required documentation.
- 5.8 All Invitations to Tender will be issued using standard CRD contracts and tender documentation, unless otherwise approved by the Legislative and Corporate Services department.
- 5.9 Notice of an Invitation to Tender will be given by electronic posting on BC Bid and the CRD webpage, complemented, if appropriate, by other means of making the public and suppliers aware of the invitation. If the Invitation to Tender is issued out of a competitive pre-qualification process that was posted on BC Bid notice will only be given to successful respondents in a manner consistent with the pre-qualification documents.
- 5.10 The department responsible will evaluate the bids in accordance with the terms of the tender documentation and will recommend to Authorized Staff, the applicable GM, CAO or CRD Board (in accordance with section 5.11 of this Appendix) that the contract be awarded to the bidder offering best value.
- 5.11 Awards will be approved as follows:
 - 5.11.1 for tenders below \$100,000, by Authorized Staff or the applicable GM;
 - 5.11.2 for tenders below \$500,000, by the applicable GM or CAO;
 - 5.11.3 for tenders above \$500,000, but not exceeding \$5,000,000 by the CAO; and
 - 5.11.4 for tenders exceeding \$5,000,000, by the Board.
- 5.12 Written notification regarding a procurement award and all supporting documentation is to be kept in the procurement file.

6. Request for Proposals

Application

- 6.1 A Request for Proposals should be used for goods, services or construction where
 - 6.1.1 suppliers are invited to propose a solution to a problem, requirement or objective;
 - 6.1.2 the selection of the supplier is based on the effectiveness of a proposal or other criteria, rather than primarily on price alone;

- 6.1.3 it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement; or
- 6.1.4 the requirement is best described in a general performance specification.
- 6.2 Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number of any combination of factors, a multi-step process may be used that would include a pre-qualification stage to ensure the workload is a manageable level.
- 6.3 At the discretion of Authorized Staff, this method may be used where the value of the transaction is less than \$75,000 and the other criteria set out in section 6.1 are met.

Process

- 6.4 The upper limit of staff and volunteer signing authority is \$100,000. Staff and volunteers with sufficient signing authority must only initiate transactions under the \$100,000 limit, or their approved signing authority, and only after obtaining approval of the applicable GM.
- 6.5 Requests for Proposals will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.5 to 5.9 of this Appendix.
- 6.6 A selection committee composed of staff from the responsible department will review all proposals against the established criteria and reach consensus on the final rating results and ensure that the final rating results with supporting documents are kept on the procurement file.
- 6.7 Staff will forward to the GM of the responsible department a summary of the procurement and recommend an award of contract to the supplier that meets all the mandatory requirements and provides the best value as stipulated by the Request for Proposal.
- 6.8 Following review by the applicable GM, a summary of the procurement and the recommendation of award will be forwarded as follows for final approval of award,
 - 6.8.1 for awards within the signing authority limit of Authorized Staff, to the responsible staff person;
 - 6.8.2 for awards below \$500,000, to the applicable GM or CAO;
 - 6.8.3 for awards above \$500,000 but not exceeding \$5,000,000, to the CAO;
 - 6.8.4 for awards exceeding \$5,000,000, to the Board.

6.9 Written notification regarding a procurement award and all supporting documentation is to be kept in the procurement file.

7. Request for Standing Offer

Application

- 7.1 A Request for Standing Offer will be used where:
- 7.1.1 the same goods or services are repetitively ordered and the actual demand is not known in advance; or
 - 7.1.2 a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

Process

- 7.2 Where the total value of goods or services required is estimated to be less than \$75,000 in a fiscal year, Authorized Staff will determine, in consultation with the appropriate GM, whether it is appropriate to issue a Request for Standing Offer in accordance with the above criteria.
- 7.3 Where the total value of goods or services required is estimated to be less than \$75,000 in a fiscal year, Authorized Staff, with approval of the applicable GM or CAO, may solicit written quotes from at least three (3) known suppliers who are qualified to supply the goods or services.
- 7.4 Where the total value of goods or services to be purchased is estimated to be above \$75,000 in a fiscal year, a Request for Standing Offer will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.5 to 5.11 of this Appendix.
- 7.5 In a Request for Standing Offer, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage.
- 7.6 More than one supplier may be selected where it is in the best interests of the CRD and the bid solicitation allows for more than one.
- 7.7 Where competition results in a large number of offers from vendors, Authorized Staff are authorized to negotiate lower unit rates with the highest ranked vendors in return for a reduction in the number of firms authorized to provide the goods or services or the offer of a firm contractual commitment by the CRD.
- 7.8 The bid documentation and accompanying contractual documentation may provide that the time period to provide goods or services may be extended beyond the end of the fiscal year at the mutual consent of the CRD and the supplier.
- 7.9 A contract resulting from a request for standing offer will be subject to the normal contract award signing limits for the total anticipated value of the standing offer over the term of the contract.

8. Non-Competitive Purchase Process

Application

- 8.1 The requirement for competitive purchasing may be waived by an applicable GM or the CAO and replaced with negotiations by staff under the following circumstances:
- 8.1.1 where competition is precluded due to the application of any Act or legislation or other legal consideration (such as patent rights/copyrights);
 - 8.1.2 where it can be demonstrated that only one supplier is able to meet the requirements of a procurement and a Notice of Intent has been issued;
 - 8.1.3 where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security of confidentiality matters,
 - 8.1.4 where the possibility of a follow-on contract was identified in the original bid solicitation;
 - 8.1.5 where the requirement is for a utility for which there exists a monopoly;
 - 8.1.6 where an unforeseeable situation of urgency exists and the goods, services or construction are urgently required and delay would be injurious to the public interest;
 - 8.1.7 where the procurement is from a public body or non-profit organization;
 - 8.1.8 where the value of a transaction for goods or services is less than \$75,000 and the applicable GM or CAO has determined that a competitive process would not be practical and has given written approval for the acquisition;
 - 8.1.9 where the value of a transaction for construction is less than \$200,000 and the applicable GM has determined that a competitive process would not be practical and has given written approval for the acquisition;
- 8.2 Approval of a non-competitive transaction must be within the signing authority of the person approving the transaction.
- 8.3 Staff must seek Board approval for a non-competitive transaction in excess of \$500,000 but should not do so without first seeking appropriate advice on whether the transaction is compliant with applicable trade agreements and procurement law principles.

Process

- 8.4 When staff or volunteers wish to use a non-competitive purchase process staff will provide the CAO or applicable GM with the rationale that warrants a non-competitive selection for approval and will obtain the CAO's or applicable GM's written approval before proceeding. If the amount of the proposed non-competitive purchase is over \$500,000, the Board must approve the transaction.
- 8.5 The supplier in whom the CRD has the greatest confidence to fulfill the requirement and

provides for fair market value will be selected. Awards will be approved as follows:

8.5.1 for awards under \$500,000, by the CAO or an applicable GM;

8.5.2 for awards over \$500,000, by the Board.

9. Request for Qualifications

9.1 A Request for Qualifications may be conducted in any procurement transaction for goods, services or construction to determine qualified suppliers that may bid on a subsequent procurement process undertaken by the CRD. A Request for Qualifications may be used in the following circumstances:

9.1.1 the work requires a stipulated performance and experience level or requires elements of confidentiality or security; or

9.1.2 the value and complexity of the work is such that the contract administration costs (work inspection, follow-up, delay) would result in substantial additional costs or loss to the CRD if the work is not performed as required; or

9.1.3 to build supplier interest to determine if there are enough suppliers to justify a full Request for Proposal process or other formal competitive process.

Process

9.2 Staff and volunteers with sufficient signing authority must only initiate transactions under the \$100,000 limit, and only after obtaining approval of the applicable GM.

9.3 For transactions that are estimated to be above \$75,000, a Request for Qualifications will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.5 to 5.11 of this Appendix.

9.4 A selection committee composed of staff from the responsible department will review all submissions against the criteria established in the Request for Qualifications and will reach consensus on the final rating results and ensure that the final rating results with supporting documents are kept on the procurement file.

9.5 The final rating results will be forwarded for approval in the same manner as a Request for Proposals award approval and will follow the process set out in section 6.8 of this Appendix.

10. Other

10.1 There may be other procurement methods or tools not described in this Appendix that may be appropriate for any given transaction (including, for example, a Request for Expression of Information or Request for Information).

10.2 Authorized Staff may use a method not listed in this Appendix for transactions within their signing authority limit with the approval of the applicable GM and the Legislative and Corporate Services department.

10.3 Staff may bring forward for approval methods not listed in this Appendix for transactions outside of their signing authority as follows:

- 10.3.1 for transactions with an estimated value of less than \$500,000, to the applicable GM or CAO;
 - 10.3.2 for transactions with an estimated value of more than \$500,000 but not exceeding \$5,000,000 to the CAO;
 - 10.3.3 for transactions exceeding \$5,000,000, to the Board.
- 10.4 When staff wish to use a method not listed in this Appendix, staff will provide the rationale that warrants the process proposed and a description of the process proposed when seeking approval in accordance with 10.3 above.



Making a difference...together

**REPORT TO CORE AREA WASTEWATER TREATMENT PROJECT BOARD
MEETING OF TUESDAY, MAY 2, 2017**

SUBJECT **Approval to Proceed with Delegation of Authority Bylaw Amendment**

ISSUE

The Project Team is currently planning, procuring and implementing the Wastewater Treatment Project (WTP) within the delegation of powers, duties and functions specified in Bylaw 2864 (the Capital Regional District (CRD) Delegation Bylaw No. 1, 2001). The CRD Delegation Bylaw No. 1, 2001 provides for a very limited delegation that is not appropriate for a project of the WTP's size and scope.

The Project Team requires a greater delegation of power in order to efficiently plan, procure and implement the WTP and achieve the Project Board's goal of meeting or exceeding federal regulations for secondary treatment by December 31, 2020.

BACKGROUND

On May 25, 2016 the Regional Board of the CRD:

- i) Adopted by resolution the Core Area Wastewater Treatment Project Board Terms of Reference (Project Board Terms of Reference) for the purposes of establishing principles governing the Core Area Wastewater Treatment Project (the Wastewater Treatment Project or WTP);
- ii) Established the Core Area Wastewater Treatment Project Board (Project Board) under Bylaw 4109 (the CRD Core Area Wastewater Treatment Board Bylaw No. 1, 2016) for the purposes of administering the Core Area Wastewater Treatment Project; and
- iii) Delegated certain of its powers, duties and functions to the Project Board under Bylaw 4110 (the CRD Core Area Wastewater Treatment Project Board Delegation Bylaw No. 1, 2016).

On September 14, 2016 the Regional Board of the CRD:

- i) Received the final report of the Project Board with respect to its recommendation for the WTP, dated September 7, 2016 (the Final Report); and
- ii) Approved the business case attached as Appendix 1 (the Business Case) to the Final Report.

The Business Case established the WTP control budget (the Control Budget) of \$765 million.

The Project Board Terms of Reference:

- i) Outline the role of the Project Board, which include to select a Project Director to oversee all aspects of the Project;
- ii) State that the Project Director will lead a Project Team to plan, procure and implement the WTP; and
- iii) Include four goals for the Project Board, one of which is to meet or exceed federal regulations for secondary treatment by December 31, 2020.

Core Area Wastewater Treatment Project Board – May 2, 2017
Approval to Proceed with Delegation of Authority Bylaw Amendment

The Project Board has selected and appointed a Project Director (Dave Clancy) and Deputy Project Director (Elizabeth Scott) who are in the process of building a Project Team. The Project Team is currently planning, procuring and implementing the WTP within the delegation of powers, duties and functions specified in Bylaw 2864 (the CRD Delegation Bylaw No. 1, 2001). The CRD Delegation Bylaw No. 1, 2001 includes the following signing authority limitations:

- i) for the Project Director: \$100,000, and
- ii) for all other staff, subject to the approval of the applicable General Manager and/or the General Manager Corporate Services, the lesser of \$50,000 or the amount listed on their approved signing authority form held by the Corporate Services department.

The CRD Delegation Bylaw No. 1, 2001 restricts the Project Board from delegating its authority further, and the limited delegation that it provides is not appropriate for a project of the WTP's size and scope.

DISCUSSION

The Project Team requires a greater delegation of power in order to efficiently plan, procure and implement the WTP and achieve the Project Board's goal of meeting or exceeding federal regulations for secondary treatment by December 31, 2020.

KPMG has carried out an exercise to review and benchmark the levels of signing authority on major projects of a similar complexity and monetary value to the WTP. Their findings are attached in Appendix A, with a recommendation regarding the appropriate level of authority. In summary, KPMG recommend that the levels of authority be increased as summarized in the following table.

	Authority to purchase individual contracts and services up to a value of:	Authority to agree individual contract changes and amendments up to a value of:
Project Director	\$3 million	\$2 million
Deputy Project Director	\$1.5 million	\$1 million

The proposed authority limits are subject to the value of the relevant contract/amendment being within the Control Budget, and with access to contingency and program reserve being governed by the Contingency and Program Reserve Procedure, which is attached as Appendix B. This procedure will be part of the Project Management Plan.

BUDGET IMPLICATIONS

The complexity of the WTP requires the Project Director to be able to resolve issues and enter into contracts on a timely basis. The current delegation level requires a substantial investment of time by both the Project Board and Project Team to ensure that this timing is met. As the Project proceeds, these demands will increase; subsequently, under the current arrangement so will the effort required by both the Project Board and Project Team. If the CRD Delegation Bylaw No. 1, 2001 is not amended there is a risk that critical contracts and services will not be entered into, or amended, quickly enough, therefore impacting the schedule and cost of the WTP.

Core Area Wastewater Treatment Project Board – May 2, 2017
Approval to Proceed with Delegation of Authority Bylaw Amendment

The greater delegation of authority proposed will allow the Project Director to make timely decisions and plan, procure and implement the WTP within the Control Budget.

RECOMMENDATION

That the Project Board approve the following resolution:

RESOLVED that:

1. The Project Board recommend that the Board of the Capital Regional District amend Bylaw 2864 (the CRD Delegation Bylaw No. 1, 2001) to provide for delegation limits as outlined in the following table.

	Authority to purchase individual contracts and services up to a value of:	Authority to agree individual contract changes and amendments up to a value of:
Project Director	\$3 million	\$2 million
Deputy Project Director	\$1.5 million	\$1 million

2. Approve the Contingency and Program Reserve Procedure, attached as Appendix B.



Elizabeth Scott, Deputy Project Director
Wastewater Treatment Project



Dave Clancy, Project Director
Wastewater Treatment Project
Concurrence

ES:dd

Attachments: 2

Appendix A: KPMG's Recommendation re Delegation of Authority

Appendix B: Contingency and Program Reserve Procedure

**CAPITAL REGIONAL DISTRICT
BYLAW NO. 4186**

**A BYLAW TO DELEGATE POWERS, DUTIES & FUNCTIONS OF THE
CAPITAL REGIONAL DISTRICT BOARD**

WHEREAS under [section 263\(1\)\(e\)](#) and [229\(1\)](#) of the *Local Government Act* the Board may, by bylaw adopted by at least two thirds of the votes cast, delegate its powers, duties and functions, including those specifically established by an enactment, to its officers and employees, its committees or its members, or to other bodies established by the Board;

AND WHEREAS the Board of the Capital Regional District wishes to delegate certain powers, duties and functions;

NOW THEREFORE, the Regional Board of the Capital Regional District in open meeting assembled hereby enacts as follows:

Definitions

1. In this Bylaw

- (a) "Act" means the *Local Government Act*;
- (b) "District" means the Capital Regional District, a regional district incorporated under the *Local Government Act*;
- (c) "Board" means the Board of the Capital Regional District;
- (d) "Charge" means a charge as defined in the *Land Title Act* (British Columbia);
- (e) "Deputy Project Director" means the Deputy Project Director of the [CRD Core Area Wastewater Treatment Project](#);
- (f) "General Manager" means an Officer designated as a General Manager in [Bylaw No. 3343](#);
- (g) "Land and Land Use Agreement" means an instrument, deed or other agreement affecting title to or granting a right in relation to the use of real property and improvements including:
 - i. a transfer of a fee simple interest in real property;
 - ii. the creation, modification, assignment or release of a charge;
 - iii. a licence or permit;
- (h) "Project Director" means the Project Director of the [CRD Core Area Wastewater Treatment Project](#);
- (i) "Total Purchase Price" means the total purchase price payable for goods, services, and construction under the contract over the entire term of the contract (but not including options to purchase additional goods or services during the term which may or may not be exercised and not including applicable taxes).

Delegation Includes Deputy or Acting

- 2. (a) A delegation of a power, duty or function under this bylaw includes a delegation to a person who is from time to time the deputy of the delegate or is appointed by the Board to act in the capacity of the delegate in the delegate's absence.
- (b) A delegation of a power, duty or function under this bylaw to the [Project Director](#) includes a person appointed by the [Core Area Wastewater Treatment Project Board](#) to act in the capacity of the [Project Director](#) in the [Project Director's](#) absence.
- (c) For certainty, a delegation of authority under subsections (b) or (c) includes a delegation to a person appointed to a position held on an interim basis.

Delegation of Purchasing Power

3. (a) The Board hereby delegates to the District's Chief Administrative Officer and Chief Financial Officer all of the powers, duties and functions of the Board under section 263(1)(a) and 263(1)(b) of the Act to make agreements respecting the District's activities, works or services, but subject to the approved annual financial plan.
- (b) The Board hereby delegates to the District's officers, employees, and volunteers, the authority to acquire and purchase goods and services on behalf of the District, subject to the District's purchasing policies and procedures, the approved annual financial plan, and the following Total Purchase Price limits:
 - i. for the Chief Administrative Officer: \$5,000,000;
 - ii. for the Chief Financial Officer: \$500,000;
 - iii. for General Managers: \$500,000;
 - iv. for the Project Director: \$3,000,000;
 - v. for the Deputy Project Director: \$1,500,000; and
 - vi. for all other staff and volunteers, subject to the approval of the applicable General Manager and/or the Chief Financial Officer, the lesser of \$100,000 or the amount listed on their approved signing authority form held by the department of Finance & Technology.
- (c) Notwithstanding section 3(b) of this Bylaw, the Project Director and Deputy Project Director have authority to increase a Core Area Wastewater Treatment Project contract by way of a change order provided that:
 - i. the change order does not exceed the total amount of \$2,000,000 for the Project Director, and \$1,000,000 for the Deputy Project Director; and,
 - ii. the Total Purchase Price of the contract including all change orders in any given calendar year does not exceed the funding available in the approved financial plan.

Delegation of Authority in Relation to Land and Land Use Agreements

4. (a) The Board hereby delegates to the District's officers and employees listed below all of the powers, duties and functions on behalf of the Board under section 263 (1)(d) of the Act to acquire, hold, manage and dispose of land or improvements or any interest or right in or with respect to that property in connection with the District's activities, works or services, but subject to the approved annual financial plan, the District's purchasing policies and procedures, and the following signing authority limitations:
 - i. for the Chief Administrative Officer: \$500,000;
 - ii. Chief Financial Officer and General Managers: \$100,000.
- (b) The Board hereby delegates to the District's staff and volunteers, subject to the approval of the applicable General Manager, the power to approve and execute Land Use Agreements for recreation centres, community centres, and parks facilities, provided the term of the agreement is less than 30 days and the value does not exceed \$5,000.
- (c) The power delegated under section 4(a) includes the power to execute Land and Land Use Agreements on behalf of the District and all agreements, instruments and documents, including amendments.
- (d) The power delegated in section 4(a) includes the power to agree on behalf of the District to the creation of covenants registrable under s.219 of the *Land Title Act*.

Delegation to Commissions and Committees

5. (a) The Board hereby delegates to the Board Commissions listed below, all of the powers, duties and functions of the Board under [section 263\(1\)\(a\) and 263\(1\)\(b\)\(i\)](#) of the Act to make agreements respecting the District's activities, works or services relating to the service administered by the Commission to the extent that such authority is not delegated under section 3, provided that the revenue or expenditure is included in the approved annual financial plan:
 - i. Regional Water Supply Commission
 - ii. Juan de Fuca Water Distribution Commission
 - iii. Saanich Peninsula Water Commission
 - iv. Saanich Peninsula Wastewater Commission
 - v. Peninsula Recreation Commission
- (b) The Board hereby delegates to the Board Commissions listed below, all of the powers, duties and functions of the Board on behalf of the District under [section 263\(1\)\(d\)](#) of the Act to acquire, hold, manage and dispose of land or improvements or any interest or right in or with respect to that property in connection with the operation of any service or services administered by the Commission to the extent that such authority has not been delegated under section 4 of this bylaw, provided that the revenue or expenditure is included in the approved annual financial plan and subject to the District's purchasing policies and procedures:
 - i. Regional Water Supply Commission
 - ii. Juan de Fuca Water Distribution Commission
 - iii. Saanich Peninsula Water Commission
 - iv. Saanich Peninsula Wastewater Commission
 - v. Peninsula Recreation Commission
- (c) Where a Commission is delegated the authority under this section, the Commission Chair and the applicable General Manager are authorized to execute an agreement approved by the Commission.
- (d) In the case of a delegation of authority to [the Core Area Wastewater Treatment Project Board under the Core Area Wastewater Treatment Project Board Delegation Bylaw No. 1, 2016](#) the Chair and the [Project Director](#) are authorized to execute an agreement approved by the [Project Board](#).

Delegation of Hearings

6. The Board hereby delegates to the Electoral Area Services Committee the powers, duties and functions of the Board:
 - (a) under sections 57 and 58 of the *Community Charter*, including the power to hold a hearing in relation to the matter;
 - (b) to agree on behalf of the District to the modification, assignment or release of covenants registrable under section 219 of the *Land Title Act*.

Delegation of Authority in Relation to Grant Applications

7. (a) Subject to subsection (b), the Board hereby delegates to the District's officers and employees listed below all of the Board's powers, duties and functions under [section 263\(1\)\(a\) and 263\(1\)\(b\)](#) to make grant applications and enter into agreements respecting the receipt and use of grants: [The Chief Administrative Officer, the Chief Financial Officer, and all General Managers, to a maximum of \\$500,000 where this is consistent with the approved financial plan of the Capital Regional District.](#)
- (b) The authority under subsection (a) does not include authority delegated under section 5(a) of this Bylaw.

Delegation to Fire Chiefs

- 8. The Board hereby delegates to the District’s Fire Chiefs, for fire departments operating under the authority of the Board, all of the powers, duties and functions of the Board under [section 263\(1\)\(a\)](#) of the Act to make agreements to participate as required in the Ministry of Forests’ “Operating Guidelines for Wildfire Suppression with Local Governments” and with the Provincial Emergency Program for road rescue services, but subject to the approved financial plan.

Delegation of Contract Signing Authority—Electoral Areas

- 9. An Electoral Area Director is authorized to execute a contract approved by the Board in place of the Board Chair where the contract affects only the interests of the Electoral Area represented by that Director.

Delegation of Authority in Relation to Appointments of Officials under the *Environmental Management Act*

- 10. The Board hereby delegates to the Board Chair all of the Board’s powers, duties and functions to appoint, and to rescind appointments of, a Deputy Sewage Control Manager and a Municipal Sewage Control Officer under Section 29 of the *Environmental Management Act*.

Scope of Bylaw

- 11. For clarity, subject to the Act, unless a power, duty or function of the Board has been expressly delegated by this Bylaw or another District bylaw, all of the powers, duties and functions of the Board remain with the Board.

No Delegation by a Delegate

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

Repeal

- 13. [Bylaw No. 2864, the “Capital Regional District Delegation Bylaw No. 1, 2001”](#) is hereby repealed.

Citation

- 14. [This Bylaw may be cited as "Capital Regional District Delegation Bylaw No. 1, 2017".](#)

READ A FIRST TIME this	th	day of	May	2017
READ A SECOND TIME this	th	day of	May	2017
READ A THIRD TIME this	th	day of	May	2017
ADOPTED by 2/3 of the votes cast this	th	day of	May	2017

CHAIR

CORPORATE OFFICER



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**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 3, 2017**

SUBJECT 2017 Federal Budget Impact on Tax Exemptions

ISSUE

Provide additional information to the Capital Regional District (CRD) Board on impacts from the 2017 Federal Budget.

BACKGROUND

At the April 5, 2017, Finance Committee meeting, the Chief Financial Officer provided a verbal update on both the Provincial and Federal budget implications to the CRD. Speaking notes and a summary of budget highlights were distributed to committee members following the meeting (Appendix A & B).

A further detailed review of the 2017 Federal Budget revealed it proposes to “remove the tax exemptions for non-accountable expense allowances paid to members of provincial and territorial legislative assemblies and to certain municipal office-holders.”

Detailed information can be obtained at:

<http://www.budget.gc.ca/2017/docs/plan/chap-04-en.html#Toc477707494>

FINANCIAL IMPLICATIONS

The 2017 Federal Budget proposes a change that would eliminate the 1/3 non-accountable allowance that is currently non-taxable to Board members, alternate attendees and any remunerated official on committee or commission business. The 1/3 allowance is reported in Box 70 of the T4, Statement of Remuneration. The impact of this change is that the full amount of the remuneration will now be subject to income taxes and Canada Pension Plan (CPP) contributions. The remuneration is not subject to Employment Insurance (EI) premiums. It is anticipated that this change would be effective from 2018 onwards.

The following table demonstrates the impact of this change (for illustrative purposes only);

	Current 1/3 Exemption	Proposed 2018 Onward
Income	\$20,000.00	\$20,000.00
Taxable Income	13,333.33	20,000.00
Tax Deduction	(4.94)	(974.48)
CPP Deduction	(486.72)	(816.66)
Net Income	\$19,508.34	\$18,208.86

CONCLUSION

The 2017 Federal Budget proposes targeted measures to remove the tax exemptions for non-accountable expense allowances paid to members of provincial and territorial legislative assemblies and to certain municipal office-holders.

RECOMMENDATION

That the Finance Committee recommend to the Capital Regional District Board:

That this report be received for information.

Submitted By:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

NC:ngm

Attachments: Appendix A Highlights of BC 2017
Appendix B Highlights of Federal 2017

Highlights of BC 2017-18 budget released February 21, 2017:

- The Provincial Budget is set at \$50.2 billion for 2017-2018
- A forecast surplus of \$295 million, a fifth consecutive balanced budget.
- Forecasted surpluses for the next two years (in the multi-hundreds of millions of dollars).
- The previous forecasted surplus for 2016-2017 was \$2.2 billion but is expected to be revised to \$1.5 billion, mostly due to new spending on housing, forest fire prevention and infrastructure.
- Provincial debt is \$69.8 billion expected to grow to \$77.7 billion in next 3 years (\$25 billion in capital spending including \$2.4B Massey Tunnel replacement & \$8.7B for Site C Dam).
- **Specific details.** Medical Service Premiums will be reduced by 50% as of Jan. 1, 2018 for households with annual net income of less than \$120k. Exemption for families earning less than \$35k or individuals earning less than \$26k/yr.
 - BC is the only province in Canada that charges health care premiums
 - Indicated the program would be phased out completely in the long-term (no timetable)
 - **MSP costs to CRD were ~\$550k in 2016.**
- Provincial sales tax on electricity for business will be eliminated over the next two years
 - **CRD costs in PST for electricity were ~\$170k in 2016.**
- The small business corporate income tax rate will be reduced from 2.5% to 2.0%
 - **No impact to CRD**
- An increase in the property tax exemption threshold for first-time homebuyers from \$475k to \$500k. Partial exemption increased to \$525k.
 - **Indirect – Supports housing / home ownership**
- Health grew by \$875M to a total of \$18.8 billion or 40% of the budget (1994 budget was \$6B)
 - **Indirect – possible downstream impacts & flow to VIHA and as a result CRHD**

No tie to the CRD but newsworthy

- *The Ministry of Children and Family Development will get an incremental \$287 million over three years, including \$120 million to address recommendations in a report on indigenous child welfare.*
- *Education spending will increase by \$740 million over three years, with \$320 million of that total to cover the costs of ongoing negotiations with the teachers' union after the province lost a Supreme Court of Canada decision on class size related to special-needs children.*

Highlights of Federal 2017-18 budget released March 22, 2017:

- The Federal Budget was announced at \$5.7 billion for the next 6 years; contrast to the 2016 budget of \$26.5B in 2 years
- \$3B contingency included as an “economic cushion” to account for changes in assumptions
- Combination of execution of last year’s announcement with maintaining a stable debt-to-GDP ratio; just no room to spend. Currently at 31.5% - markets and exchanges tend to go volatile as ratio approaches 40%
- Deficit is currently estimated at \$23 billion and expected to grow to \$28.5 billion this year

- **Specific details.** Employment insurance premiums are increasing five cents or 3.1% to \$1.68 per every \$100 of insurable earnings – the maximum allowable increase under the Employment Insurance Act.
 - **Employer portion of EI expenses in 2016 was ~\$825k**
 - **Resulting increase would will be ~\$22k**
- \$11.2 billion to cities and provinces for affordable housing over 10 years as part of the second wave of the government’s infrastructure program, \$5 billion of which is to encourage housing providers to pool their resources with private partners to pay for new projects.
 - **Indirect – Supports housing / home ownership**
- A national database of all housing properties in Canada, known as the Housing Statistics Framework, to track details on purchases, sales, demographics and financing, as well as foreign ownership.
 - **Indirect – Supports housing information**
- \$20-billion towards public transit projects over the next 11 years.
 - **Indirect – Supports transportation**
 - However, the public transit tax credit, which allows the cost of transit passes to be deducted, is being eliminated effective July 1.
- \$35-million over the next five years towards measures to help with the overdose crisis. This is in addition to the \$65-million announced in February for a total of \$100-million.
 - **Indirect – possible downstream impacts & flow to VIHA and as a result CRHD**
- 2 x \$400M programs focused on community engagement (**indirect**)
 - \$400 million over three years through the Business Development Bank of Canada for a “venture capital catalyst initiative” to make more venture capital available to Canadian entrepreneurs.
 - \$395.5 million over three years for the youth employment strategy.

No tie to the CRD but newsworthy

- *The 71-year-old Canada Savings Bond program, first established in 1946, is no longer cost effective and is being phased out.*
- *\$7 billion in spending over 10 years for Canadian families, including 40,000 new subsidized daycare spaces across Canada by 2019, extended parental leave and allowing expectant mothers to claim maternity benefits 12 weeks before their due date.*
- *\$523.9 million over five years to prevent tax evasion and improve tax compliance, including more auditors, a crackdown on high-risk avoidance cases and better investigative efforts.*

- *\$59.8 million over four years, beginning in 2018-19, to make student loans and grants more readily available for part-time students, and \$107.4 million over the same period for assist students with dependent children.*
- *\$287.2 million over three years, starting in 2018-19, for a pilot project to facilitate adult-student access to student loans and grants.*
- *Higher taxes on alcohol and tobacco products: the excise duty rate on cigarettes goes up to \$21.56 per carton of smokes from \$21.03, while the rates on alcohol are going up two per cent. Both will be adjusted every April 1 starting next year, based on the consumer price index.*
- *\$9.6-million over the next five years towards Marijuana education and \$1-million a year afterward.*
- *The definition of a taxi business in being amended under the Excise Tax Act to include ride-sharing services. As of July 1, 2017 GST/HST will be applicable to companies such as Uber.*
- *The Canada Infrastructure Bank will work with provincial, territorial, municipal, Indigenous, and private sector and institutional investment partners to transform the way infrastructure is planned, funded and delivered across the country. With its focus on large, transformative projects such as regional transit plans, transportation networks and electricity grid interconnections, the Bank will make public dollars go farther. These projects will have the added benefit of creating good, well-paying jobs needed to grow the middle class now, and strengthen Canada's economy over the long term. The Canada Infrastructure Bank will be responsible for investing at least \$35 billion over 11 years, using loans, loan guarantees and equity investments.*