

Section: 2.0 General Government and Administrative Services
- B. Finance

Authority: Chief Administrative Officer

Statement

The Municipal District of Bonnyville (M.D.) is committed to the acquisition of Goods and Services and construction projects at the best value while treating all vendors equitably through procurement processes that ensure integrity, transparency, accountability, efficiency, and consistency while acting within its authority under the federal and provincial legislation, regulations, or agreements governing municipal procurement.

Purpose

- (1) The Procurement Policy shall provide the governance framework for the procurement of Goods and Services and construction projects for the M.D.
- (2) The M.D. will comply with purchasing practices legislated under the Canadian Free Trade Agreement (CFTA), the Canada European Union Comprehensive and Economic Trade Agreement (CETA), and the New West Partnership Trade Agreement (NWPTA). Goods and Services over \$75,000 and Construction projects over \$200,000 must be procured openly.
- (3) The M.D. will provide increased opportunities for local businesses to supply Goods and Services and perform construction projects for the M.D. When preference to local businesses is not allowed under CFTA, CETA, or NWPTA, all vendors will be provided equal opportunities to supply Goods and Services and perform construction contracts for the M.D.

Definitions

For the purposes of this policy:

- (1) “CAO” means Chief Administrative Officer.
- (2) “Council” means the duly elected Council of the Municipal District of Bonnyville.
- (3) “Goods” means in relation to a procurement, moveable property (including the cost of installing, operating, maintaining or manufacturing such moveable property), and includes supplies, materials, raw materials, products, equipment, and other physical objects of every kind.
- (4) “Local businesses” means a person, firm, or corporation which in the course of carrying out its business:
 - (a) Supplies Goods or Services, or construction contract Services;
 - (b) Is located in the municipal boundaries of the M.D.
- (5) “Policy” means this Procurement Policy.

- (6) “Procurement” means the acquisition by any means, including by purchase, rental, lease or conditional sale, of Goods and/or Services, but does not include:
 - (a) Any form of government assistance such as grants, loans, equity infusion, guarantees, or fiscal incentives; or
 - (b) Government provisions of Goods and/or Services to persons or other government organizations.
- (7) “Services” means all Services to be supplied, including construction and consulting.
- (8) “Vendor” includes, but is not limited to, an individual, firm, partnership or proprietorship, supplier, contractor, architect, consultant, bidder, or tenderer.
- (9) “Procure” means acquisition by purchase, rental, lease, or conditional sale of Goods, Services, or construction.
- (10) “Procurer” means the M.D.’s CAO, General Manager, Director, or Supervisor.

Roles and Responsibilities

- (1) Council is to:
 - (a) Approve by resolution this policy and any amendments;
 - (b) Consider the allocation of resources for successful implementation of this policy in the annual budget process.
- (2) CAO is to:
 - (a) Implement this policy and procedures;
 - (b) Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.
- (3) General Managers are to:
 - (a) Ensure implementation of this policy and procedures;
 - (b) Ensure that this policy and procedure is reviewed periodically;
 - (c) Make recommendations to the CAO of necessary policy or procedure amendments.
- (4) Supervisors are to:
 - (a) Understand and adhere to the policy and procedures;
 - (b) Ensure employees are aware of this policy and procedures.
- (5) All employees are to:
 - (a) Understand and adhere to this policy and procedures.
- (6) General Manager of Corporate Services is to:
 - (a) Ensure prudent controls and safeguards in the procurement procedures are in place to mitigate risks to the M.D. that could potentially bring about damage to and loss of assets, economic loss, fraud, negative public image, or any other means that causes harm to the M.D.

Procedure

(1) General Provisions

All purchases shall be included in the current year's budget or as otherwise approved by resolution or bylaw of Council, or any policy adopted by Council.

Subject to all legislative and regulatory requirements, it is the preference of the M.D. Council to procure its Goods and Services locally. This policy will apply to all procurement approved in the municipal budget or as otherwise approved by resolution of Council.

- (a) The CAO shall be the chief procurement agent for the M.D. with respect to Goods, Services, and/or construction and is approved to the maximum budget allocation. The CAO is responsible for the delegation of purchasing and expenditure authority unless otherwise approved by Council. In addition, the CAO hereby delegates the following procurement authority:

Position*	Total financial obligation per procurement
<i>General Managers</i>	Procure up to \$50,000
<i>Directors</i>	Procure up to \$25,000
<i>Managers</i>	Procure up to \$10,000
<i>Foremen/Supervisors</i> <i>(see full list Attachment A)</i>	Procure up to \$5,000
<i>Other staff</i>	Authorized as designated in writing by the CAO

- (b) Operating and capital expenditures that exceed the Council approved operating and/or capital budget for a program or function but still remain within the overall total approved budget may be approved by the CAO or designate. The CAO can also make budgeted amount transfers across functions within the approved budget.
- (c) The CAO delegates signing authority to the General Manager of Corporate Services or designate for requisitions, payroll and related disbursements, provincial and federally legislated payments, and approved operating grant disbursements.
- (d) Staff will not engage in nepotism and must disclose any conflict of interest (actual or perceived) to the CAO. If the staff person in question is the CAO, they will make any conflict of interest known to Council.
- (e) Those staff with procurement authority may not authorize an expenditure or disbursement where they are directly involved in the transaction, except in the case of attending training, conferences, travel and accommodations associated with work.
- (f) All purchasing transactions must be approved by the employee charged with the delegated signing authority for the M.D.

- (2) Emergency Expenditures
 - (a) If, in the opinion of the CAO or designate, an emergency arises, these persons shall be authorized to approve the said expenditure(s).
 - (i) A Designated Officer or an employee may authorize the expenditure only if they have been delegated that responsibility or it is contained in their respective job description.
 - (ii) All such expenditures shall be reported to Council at the next available opportunity.
 - (iii) Proper documentation of purchases is required.
- (3) Contracts
 - (a) Written contracts other than direct Purchase Orders should be used in situations where there is a need to specify in writing the requirements for supply or continuing supply of Goods and/or Services, and the need to identify each party's degree of responsibility and/or liability in the case of damage, default, or loss.
 - (b) The individual with procurement authority must ensure that the necessary holdback percentage is withheld from progress payments where there is a holdback charge to compensate for potential defective work or claims by third parties. Progress payment or invoices related to contracts should be approved only after the person responsible for the contract certifies performance of Services, receipt of Goods, or confirmed the percentage of work complete. Generally, the performance certificate is supplied by an engineering firm or project contract manager.
 - (c) A statutory declaration and WCB declaration must be obtained from the contractor and the third parties where required to discharge all claims and obligations against the municipality before payment is made and before any holdback or deposit is released. All defects must be corrected before the final payment is approved and security deposits are returned.
- (4) Purchase Orders
 - (a) A Purchase Order initiates the contractual obligation between the M.D. and the supplier of Goods or Services to which it is addressed in the absence of a contract or agreement. The Purchase Order authorizes the supplier to supply the specified Goods and/or Services, subject to the terms and conditions that are specified on the Purchase Order or any attachment thereto.
 - (b) A Purchase Order shall only be issued if the purchase meets the limits and criteria established by this policy or any other policy of the M.D.
 - (c) Purchase Orders must be approved based on delegated purchasing authority per section (1)(a) of this policy.
 - (d) Purchases over \$500.00:
 - (i) Must be initiated by either a Purchase Order or by way of written agreement prior to acquisition.
 - (e) Purchase Orders are not required for the following:
 - (i) Purchases under \$500.00;
 - (ii) Petty cash;

- (iii) Personal expense claims;
- (iv) Progress payments (these are covered by signed agreements)
- (v) Utility invoices;
- (vi) Other Services such as legal and municipal insurance;
- (vii) Contracts or service agreements;
- (viii) Lease agreements;
- (ix) Procurement card purchases.

An electronic purchase order system is scheduled to be implemented by January 1, 2020.

(5) Cheque Requisitions

- (a) Cheque requisitions are required for all grant expenditures.
- (b) Cheque requisitions are required for expenditures that do not have an invoice (such as School Board Requisitions) excluding personal expense claims, which are paid on the personal expense claim form and have been approved.

(6) Purchasing Guidelines

Type of Purchases	Purchase/Total Contract Value (excluding GST)	Process	Minimum Approval Required
Goods (including vehicles/ heavy equipment), Services and construction projects	Up to \$5,000.00	Direct purchase or at discretion of Manager, Director, General Manager or Designate	Department Manager
Goods (including vehicles/ heavy equipment), Services and construction projects	Over \$5,000.00 to \$10,000.00	Minimum three (3) quotes solicited through a Request for Quotation (RFQ)	Department Manager
Goods (including vehicles/ heavy equipment), Services and construction projects	Over \$10,000.00 to \$25,000.00	Minimum three (3) quotes variance at General Manager's discretion.	Department Director or General Manager
Goods (including vehicles/ heavy equipment), Services and construction projects	Over \$25,000.00 to \$50,000.00	Minimum three (3) quotes	Department General Manager or CAO
Goods (including vehicles/ heavy equipment), Services and construction projects	Over \$50,000.00 to \$75,000.00	Minimum three (3) quotes solicited through a Request for Quotation (RFQ), Request for Proposal (RFP) or Formal Tender	CAO

Type of Purchases	Purchase/Total Contract Value (excluding GST)	Process	Minimum Approval Required
Goods (including vehicles/ heavy equipment), Services, and construction projects	Over \$75,000.00	Minimum three (3) quotes solicited through a Request for Quotation (RFQ), Request for Proposal (RFP) or Formal Tender advertised on the Alberta Purchasing Connection as required by NWPTA	CAO

- (a) Direct purchases from a supplier paid by procurement card must comply with the provisions of the policy. Employees who occupy positions with delegated purchasing authority may be eligible for procurement cards upon approval of the CAO. Every card holder shall be informed of and must agree to the responsibilities and restrictions regarding the use of the procurement card.
- (b) The procedure for procurement of Goods or Services of the following estimated total price, including delivery and applicable taxes (excluding GST), shall be:
- (i) *Purchases up to \$5,000.00:*
May be purchased directly from a supplier without obtaining other quotes except for in the case of buying unfamiliar materials where a price check should be obtained from a second supplier. Purchase must be initiated by Purchase Order or contract.
 - (ii) *Purchases between \$5,000.00 and \$9,999.99:*
Shall be obtained from quotes from at least three (3) suppliers where possible. Quotes (written and verbal) must be documented and include the date, name of the supplier, contact person, total cost of quote, and must be signed by the individual requesting the quotes. Purchase must be initiated by Purchase Order or contract.
 - (iii) *Purchases between \$10,000.00 and \$74,999.99:*
Shall be obtained from quotations from at least three (3) suppliers where possible. Quotes (written and verbal) must be documented and include the date, name of the supplier, contact person, total cost of quote, and must be signed by the individual requesting the quotes. Purchase must be initiated by Purchase Order or contract.
 - (iv) The lowest price will be accepted on all quotes subject to all criteria being equal.
 - (v) *Goods and Services greater than \$75,000.00 and construction greater than \$200,000.00:*
Must comply with purchasing practices legislated under the Canadian Free Trade Agreement (CFTA), the Canada European Union Comprehensive and Economic Trade Agreement (CETA) and the New West Partnership Trade Agreement (NWPTA).

In the event that a procurement of Goods and Services greater than \$75,000.00 and/or a construction procurement of greater than \$200,000.00 is found to be exempt from current legislation, then tenders shall be obtained from at least three (3) suppliers.

- (vi) Where practical, purchases shall be collectively tendered to obtain the best purchase price. If RFQ, RFP, or tender is being issued collectively for the purchase of several Goods or Services, the estimated value of the total purchase shall prevail in applying these guidelines versus individual cost estimates. For Goods and Services being supplied over a number of years, the estimated value of the total purchase over the entire term (including renewals) shall prevail in applying these guidelines.

- (vii) *Purchasing involving other Partners:*

The M.D. may jointly tender or request price quotes with other municipalities, municipal organizations (Examples are: RMA, AUMA, PFA Canada, Federation of Alberta Gas Co-ops, Gas Alberta etc.), senior governments, or other government organizations if there is an opportunity for obtaining Goods and/or Services at a more cost-effective price. Purchasing involving other partners must comply with CFTA and NWPTA. Any involvement in joint tendering or price quotes shall be approved by the CAO.

- (c) Tendering and Request for Proposals

- (i) *Procurement of Goods and Services over \$75,000 and construction projects over \$200,000:*

Will require tenders and/or proposals to be obtained from at least three (3) different suppliers.

- (ii) *Written quotations and tenders:*

1. Should be typed whenever possible;
2. Shall contain complete information including but not limited to the quantity, description, delivery requirements, special conditions, drawings, specifications and deadline for return;
3. Shall specify if a certain format is to be used for return;
4. Shall be specific enough to remove all known variables;
5. May be solicited from vendors that the Procurer believes are qualified or can be qualified, to meet all requirements.

- (iii) Answers to all technical questions should be provided by the requester. The Procurer should coordinate the reply and ensure that all potential suppliers are provided the same information.

- (iv) When all quotations/tenders have been received, they will be examined for completeness. A summary sheet shall be prepared to record all pertinent data and discrepancies. These tasks will be completed by the person who has obtained the quotation/tender.

- (v) The Procurer shall keep vendor responses confidential until the quotation/tender is awarded or all are rejected. The release of any information shall be in compliance with the Freedom of Information and Protection of Privacy Act.

- (vi) All tender or RFP notices must be posted on the Alberta Purchasing Connection Website (www.purchasingconnection.ca). Additional means of tendering notices may also be used.
- (vii) The opening of tenders must be completed in a public setting and requires that at least two (2) Directors or their respective designates be present during the opening.
- (viii) No tenders or proposals are to be accepted from individuals or organizations with which the M.D. is in litigation.
- (ix) All tender and RFPs will have the following clause attached (variations to the clause may be made at the discretion of the CAO):
“The Municipal District of Bonnyville (M.D.) reserves the right to accept or reject any and all tenders/proposals, and to waive irregularities, informalities and non-compliance at its discretion. The M.D. reserves the right to award a Tender (Proposal) other than the lowest Tender (Proposal) without stating reasons and, without limiting the generality of the foregoing, the M.D. may consider any other factor(s) besides price, capability to perform the work and proposed specifications, in its sole and unfettered discretion. By submitting its Tender (Proposal), the Bidder/Proponent waives any right to claim, in any proceeding or court action, for loss of anticipated profit or for any other damages in excess of the reasonable costs incurred by the Bidder/Proponent in preparing its Tender (Proposal).”
- (d) Awards Consideration
In addition to price, consideration may be given to the following factors in determining the successful bidder/proponent:
 - (i) The ability and skill of the bidder/proponent to provide the Goods or Services requested;
 - (ii) The ability of the bidder/proponent to perform the contract or provide the Services promptly or at the time specified without delay or interference;
 - (iii) The character, integrity, reputation, judgement, experience and efficiency of the bidder/proponent;
 - (iv) The quality and performance of previous contracts, good or Services, provided by the bidder/proponent;
 - (v) The sufficiency of the financial resources and the ability of the bidder/proponent to perform the contract or provide the Goods or Services (this includes reviewing the bidder/proponent’s payment history with the M.D. if necessary);
 - (vi) The quality, availability, and adaptability of the Goods or contractual Services to the particular use required, and ability to best meet the M.D.’s operational needs;
 - (vii) The ability of the bidder/proponent to provide future maintenance and Services for the items acquired;
 - (viii) The number and scope of conditions attached to the tender/proposal; and
 - (ix) Any litigation between the bidder/proponent and affiliated individuals and corporations and the M.D. whether pending, past, threatened, or suggested.

- (x) The total acquisition cost of the Goods and/or Services covered by the bid or proposal.
- (7) **Conflict of Interest**
 - (a) No requisition, Purchase Order, voucher, petty cash funds, or any other order, written or verbal, shall be issued for personal Goods and/or Services for employees of the M.D., a member of Council, or the public unless approved by Council or a policy adopted by Council.
 - (b) An employee shall declare an interest and that employee shall not be placed in a position to approve the purchase if a contract for Goods or Services is to be placed with:
 - (i) an employee of the M.D.;
 - (ii) any company in which an employee of the M.D. has an interest; or
 - (iii) a relative of an employee of the M.D.

Policy Review

Every four (4) years beginning October 2022.

For administrative use only:

Previous Policy Number: (prior to July 24, 2019)	10.12.33
Related Documentation: (plans, bylaws, policies, procedures, etc.)	Attachment A: M.D. Department Supervisors

Municipal District of Bonnyville
List of Supervisors

Department Code		Position
12	Administration	Human Resources Officer Legislative Services Officer Health and Safety Officer Senior Treasury Analyst
26	Public Safety	Sergeant
32	Transportation and Utilities	Foreman, Road Maintenance Foreman, Oiling Foreman, General Maintenance Shop Supervisor Foreman, Utilities Industry Liaison Officer
43	Waste Management	Waste Supervisor
63	Agriculture Service Board	Assistant Agricultural Feldman
64	Economic Development	Marketing and Communications Officer
72	Parks	Parks Foreman
73	Kinosoo Ridge Ski Hill	Kinosoo Ridge Assistant Manager Kinosoo Ridge Operations Manager