



## Municipality of Crowsnest Pass Policy

Policy No.:	1702-03
Policy Title:	Procurement of Goods and Services
Approval Date:	August 27, 2024
Supersedes Policy:	1702-02, 1702-01
Department:	Corporate Services

### 1.0 POLICY PURPOSE

The purpose of the Municipality of Crowsnest Pass (CNP) purchasing policy is to establish purchasing authority, set expenditure limits and ensure consistent procedures are followed in the procurement of goods and services. The overriding objective is to ensure goods and services are acquired in a manner that results in the best overall value to the CNP through a fair, open, transparent and competitive process while complying with relevant legislation and legal requirements.

### 2.0 DEFINITIONS

“**Alberta Purchasing Connection (APC)**” is the internet based provincial electronic tendering system. This system enables the MASH sector to place tendering offers nationally without any cost.

“**Approval Authority**” means Council or employees who possess the authority to approve purchases up to or beyond a specified threshold.

“**Best Value**” means the most advantageous balance between performance, price and quality achieved through competitive procurement methods in accordance with stated selection criteria. Best Value may include the useful life of an asset and track record.

“**Bid**” means a submission in response to a request for tenders or proposal process.

“**Bidder**” means a person or company responding to a request for tender or proposal process who is capable of fulfilling the requirements, based upon an assessment of financial, technical and commercial capabilities of the person or company, of procurement.

“**Bid Document**” means a solicitation made by the CNP in the form of a Request for Proposal (RFP), Request for Quotations (RFQ) or as a Request for Tenders (RFT).

“**Budget**” means a financial plan outlining expected revenues and expenditures for operating or capital assets that is formally reviewed and approved by the CNP Council.

“**Canada-European Union Comprehensive Economic and Trade Agreement (CETA)**” is a progressive free trade agreement which covers virtually all sectors and aspects of Canada-EU trade in order to eliminate or reduce barriers.

“**Canada Free Trade Agreement (CFTA)**” is an intergovernmental trade agreement that entered into force on July 1, 2017 and replaces the former Agreement on Internal Trade (AIT). Its objective is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services and investments within Canada and to establish an open, efficient, and stable domestic market.

“**CNP**” means the Corporation of the Municipality of Crowsnest Pass.

“**Commercial Goods or Services**” means goods or services of a type generally sold or offered for sale in the commercial marketplace to, and customarily purchased by, non-governmental buyers for non-governmental purposes.

“**Competitive Pricing**” means acquiring services based on lowest overall pricing, including upfront, operational, overhead and transactional costs. Competitive pricing requires that three quotes be obtained from competing businesses. (Competitive pricing is used in RFQ, RFT, and RFP processes).

“**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 and 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.

“**Contract**” means an agreement between two or more parties, written or verbal, comprising of an offer, acceptance, and consideration.

“**Contractor**” means a person or a business that follows an independent trade, business, or profession in which they provide goods or services to the public.

“**Cost-Effective & Suitable Bidder**” means a Bidder who offers the best Value for Money and meets all the outlined requirements highlighted in the bid document.

“**Department Director**” means a person that is the head of a department, or the person designated during any absence.

“**Direct Purchase**” means a supplier awarded procurement without the use of competitive pricing.

“**Emergency Purchases**” are situations where a lack of immediate action jeopardizes operations, disrupts public services or involves the safety of employees and/or the public.

“**Goods and Services**” includes supplies, materials and equipment of every kind required to carry out the operations of the CNP. Services include contractors, consultants and other non-material requirements.

“**Invitation to Tender**” means a request for Bids for prices on specific goods and/or services from a Supplier submitted in writing.

“**MASH**” municipalities, municipal organizations, school boards, and publicly funded academic, health and social entities. These entities are known as the MASH sector.

**“New West Partnership Trade Agreement (NWPTA)”** is the economic partnership between the governments of British Columbia, Alberta, Saskatchewan and Manitoba. The agreement creates an interprovincial free trade zone.

**“Procurement”** is the acquisition of goods or services or combination thereof, by means of purchase, rental, lease or conditional sale.

**“Purchasing Authority”** is an individual who has been delegated the authority to initiate purchases from a Qualified Supplier up to a specified threshold.

**“Qualified Supplier”** means any entity that, based on assessment of that firm’s financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement. A Qualified Supplier meets the minimum requirements with respect to service, delivery, quality and other criteria.

**“Related Party”** includes close family members of employees or Councillors, or an entity controlled by or under the shared control of an employee or Councillor. Close family members include a spouse, domestic partner, child or relative living in a common household, a grandparent, parent, grandchild, brother or sister, and the spouse or domestic partner of a child, a parent-in-law, a brother-in-law or a sister-in-law.

**“Request for Proposal”** is format used for more complex deliverables where Bidder ranking is based on price, quality, value and customer service. Bidder responses may help inform the development of final specifications or performance terms. This format allows for negotiation of the contract with the successful Bidder.

**“Request for Quotation”** is the format used to procure simple goods and services where specifications may not be conclusive, and a review process may be required after the quotes have been received. The Bidder is typically, but not always, assessed based on lowest price.

**“Request for Tender (RFT)”** is the formal written request for vendors to offer in writing pricing for goods or services whereby the exact specifications are known and providing that all tenders’ terms and conditions have been met the only determining factor for the award is price. There is no negotiation with the successful Bidder.

**“Sole Source”** is a term that applies to procurement of good(s) or service(s) where no competitive market exists by reasons of uniqueness of the goods or services or by vendor limitations.

**“Sourcewell”** describes the capital purchasing program, that Canoe Procurement Group of Canada and Sourcewell have partnered through a formal arrangement for the purchase of equipment, products and services.

**“Standing Offers”** means purchasing agreements and trade programs established by other government agencies, organizations; working on behalf of government in support of the procurement of goods and services through innovative techniques.

**“Supplier”** means any person or company that supplies goods or services to the CNP. Also known as a contractor, seller, subcontractor, or vendor.

“**Tender**” means a submission from a supplier in response to a tender notice.

“**Tender Notice**” means a notice published by the CNP inviting interested suppliers to submit a tender, a response to a request for prequalification, or both.

“**Trade, Investment and Labour Mobility Agreement (TILMA)**” is the agreement between the governments of British Columbia and Alberta. The agreement provides for open and non-discriminatory access to procurements of government entities. The agreement has created a more open, competitive economy where goods, services, workers and investments can move more freely between BC and Alberta.

“**Treasury Services**” means services or financial products relating or ancillary to borrowing, lending, investing, managing or holding money, securities or other property.

“**Value for Money**” is a foundational objective of the CNP to maximize the value it receives from use of public funds. A value for money approach aims to deliver products and services with a lower total life cycle cost while maintaining high performance and satisfaction standards. Value can be received in terms of both quantitative and qualitative measures. These measures can include cost, customer service, firm’s experience, delivery time, quality, etc. Evaluation criteria may differ for each bid and project requirements, said criteria will be identified in any bid document.

### 3.0 POLICY STATEMENTS

#### 3.1 Procurement

##### a. General Guidelines

- i. A purchase may only be made if it has been approved through the annual budget process or otherwise authorized by separate resolution of Council; for an emergency; or legally required to be paid.
- ii. Amounts referred to in this policy do not include GST unless otherwise noted.
- iii. No contract or purchase shall be divided to avoid any requirements of this policy.
- iv. Invoices should be compared to the original purchase authorization document and/or supplier quotation and must be approved by the authorized employee prior to issuing payment.
- v. Competitive quotations and tenders are not required for goods or services (at any value) where the supplier is a department, agency, or utility of the federal, provincial, regional or municipal government or when utilizing Government Standing Offer agreements, established contracts and procurement services from Alberta Municipalities (AM), Canoe Procurement Group of Canada (Canoe) or Sourcewell. This includes, but not limited to Sourcewell and Standing Offers Programs established by the AM and the Canoe. *Employing the use of purchasing agreements and trade programs established by other government agencies and organizations; working on behalf of government in support of the procurement of goods and services through innovative techniques.*

- vi. Commonly tendered services will be reviewed at minimum every 5 years and re-tendered. These services include but are not limited to: Audit Services, Employee Benefits etc. *The transactional cost associated with tendering such services must not outweigh the potential benefits received from tendering new bids must be practical in terms of needed time investment.*
  - vii. In the event that the minimum number of quotations, proposals or tenders is not received the CNP may move forward and purchase goods and services as long as a fair, open and transparent effort was made in advertising the purchase opportunity. A fair opportunity to all suppliers will be deemed to have been provided if the above requirements and all relevant legislation is adhered to.
  - viii. Purchasing from Local Businesses is preferred where Goods and Services of an acceptable, equivalent quality are readily available at competitive prices. Preference may also be given to goods made in Canada.
  - ix. Failure to adhere to the requirements outlined in this Policy may lead to disciplinary action up to and including termination of employment.
- b. Ethics and Code of Conduct.
- i. No purchase shall be made for personal goods and/or services for employees of the CNP, any member of Council, or the public.
  - ii. Purchases of goods or services from any employee or Councillor of the CNP, or from any entity in which an employee or Councillor of the CNP has an interest, should be avoided.
  - iii. A contract for goods or services placed with a Related Party of an employee, or Councillor, of the CNP shall be declared and that employee or Councillor shall not be placed in a position to supervise or approve the execution of that contract.
  - iv. All suppliers or potential suppliers must be treated equally. Any information made available to one supplier must be made available to all potential suppliers. Information that is not available to the public on request should not be released.
  - v. Budget or cost estimates shall not be released during the bidding process.
  - vi. Municipal personnel must not solicit, or accept gifts, gratuities or favours from suppliers or potential suppliers other than promotional items of nominal value.
- c. Acquiring Goods and Services.
- i. Before initiating any purchasing transaction, an Employee must have such authority delegated to them by the CNP Department Director.
  - ii. CAO, Directors and Managers may approve purchases and contracts up to \$500,000, as per the below approval authority chart, which have been included in the budget of their respective departments. Approval Authority may be delegated by Directors and Managers to their staff in writing to the Director of Finance.
  - iii. Council must approve purchases and contracts greater than \$500,000.

- iv. Council approval is required if there is a significant change beyond the originally approved project nature and scope of work.

**APPROVAL AUTHORITY:**

<b>\$ Value (exclusive of taxes, and shipping)</b>	<b>Minimum Requirements</b>	<b>Approval Authority within Approved Budget</b>
<b>\$0 - \$15,000<sup>1</sup></b>	<b>Direct Purchase</b>	<b>CAO/Directors/Managers</b>
<b>\$15,001 - \$49,999</b>	<b>RFQ</b>	<b>CAO/Directors</b>
<b>\$50,000 - \$499,999</b>	<b>RFP, RFT</b>	<b>CAO</b>
<b>\$500,000 and up</b>	<b>RFP, RFT</b>	<b>Council</b>

d. Valuation.

- i. The value of a procurement shall be estimated as of the date the tender notice will be published and shall include the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, taking into account all forms of remuneration, including:
1. Premiums, fees, commissions, and interest; and
  2. The total value of options if the procurement provides for the possibility of options.

e. Exceptions.

- i. The following are not subject to the provisions of this policy:
1. Treasury services;
  2. Services provided by lawyers and notaries;
  3. The rental, lease, purchase and sale of property, land or accommodation;
  4. Registration for conferences, conventions, courses, workshops and seminars;
  5. Memberships in professional and vocational associations;
  6. Utilities including electric, gas, basic telephone;
  7. Insurance premiums, payroll tax and benefit remittances;
  8. Hiring of contract employees;
  9. Licenses, certificates, software and software licenses;
  10. Advertising services - newspaper, radio, television;
  11. Postage;
  12. Charges or remittances to other governmental bodies;
  13. Catering/food services;
  14. Original artwork;
  15. Emergency Procurement: where an urgent situation requires the immediate procurement of goods and services that could not be

<sup>1</sup> Multiple sole sources \$15,000 or less by one department to the same vendor, for the same goods or services, in the preceding twelve (12) month period cannot exceed \$35,000.

obtained in time using open tendering, the CAO or designate may purchase the required goods or services notwithstanding any other provision of this policy. Such situations include those which might involve danger to life, health or safety of employees or the public, or to prevent damage to property and the environment;

16. Sole-Source Procurement: where it can be demonstrated that only one supplier is able to meet the requirements of a procurement;

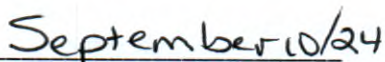
### 3.2 Responsibilities


- a. Municipal Council to:
  - i. Approve by resolution this policy and any amendments.
  - ii. Consider the allocation of resources for successful implementation of this policy in the annual budget process.
  - iii. Authorize purchases that exceed the delegated authority of the Chief Administrative Officer.
- b. Chief Administrative Officer to:
  - i. Implement this policy and approve procedures.
  - ii. Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.
  - iii. Act as chief purchasing agent of the CNP in accordance with the CAO Bylaw.
  - iv. Establish administrative procurement procedures in accordance with all applicable laws, trade agreements and regulations.
  - v. Support the promotion of sound procurement practices and appropriate education and training to employees involved in procurement.
  - vi. Authorize purchases that exceed the delegated authority of the Directors.
- c. Director of Finance to:
  - i. Ensure implementation of this policy and procedure.
  - ii. Ensure that this policy and procedure is reviewed every three years.
  - iii. Make recommendations to the Chief Administrative Officer of necessary policy or procedure amendments.
  - iv. Ensure procurement policy is readily accessible to CNP employees, vendors and the general public.
  - v. Report corporate procurement activity to Council on a regular basis.
  - vi. Provide appropriate orientation, training and tool to employees involved in public procurement activities.
  - vii. Advise Directors and Managers on market conditions and strategies in developing budgets, planning projects, framing business cases and buying decisions.

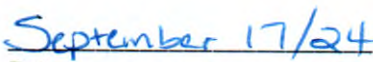
- viii. Advise on the procurement of major projects.
  - ix. Advocate compliance with this policy and sound procurement practices.
  - x. Analyze on a continual basis the CNP's business requirements and identify opportunities for cost savings and strategic sourcing.
- d. Director or designate to:
- i. Validate purchases that exceed the delegated authority of the Manager.
  - ii. Support the promotion of sound procurement practices and appropriate education and training to employees involved in procurement.
  - iii. Ensure divisional compliance with all procurement policies, procedures, applicable laws, trade agreements and regulations.
  - iv. Advise Manager on budget availability and potential sources of funding prior to proceeding to market.
  - v. Assign an appropriate account number to be utilized for the Procurement Project.
  - vi. Identify any applicable conditions which must be adhered to if grants are to be used in whole or in part to fund the procurement.
- e. Managers or designate to:
- i. Identify the need and develop requirements and specifications to be satisfied through a procurement.
  - ii. Build a Procurement Project Plan prior to proceeding to market or soliciting bids.
  - iii. Identify an available and approved funding source and assign account number.
  - iv. Authorize purchases that are within their delegated authority as set out in this policy.
  - v. Ensure employees involved in Procurement Projects have appropriate training.
  - vi. Ensure compliance with all procurement policies, procedures, applicable laws, trade agreements and regulations.

**MUNICIPALITY OF CROWSNEST PASS**

  
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Mayor

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Chief Administrative Officer

  
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Date