

Section:	2.0 General Government and Administrative Services - B. Finance
Authority:	Council
Administering Department:	Corporate Services

Statement

The Municipal District of Bonnyville (M.D.) is committed to the acquisition of Goods, ~~and~~ Services, and ~~Construction~~ **in accordance with current legislation and Trade Agreement rules, in a consistent, open, fair, and transparent manner that achieves the best value for the M.D. 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

The purpose of this policy is to provide the governance framework for the procurement of goods, services, and construction for the M.D. in compliance with Trade Agreement rules and applicable legislation and encourage efficient, economic, and prudent use of municipal resources.

- ~~(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) "Chief Administrative Officer" (CAO) means the Chief Administrative Officer of the M.D. appointed by Council, or their authorized delegate;
- (2) **"Contract/Agreement" means a legally binding agreement between the buyer and seller and is the result of a competitive procurement process;**
- (3) "Council" means the duly elected Council of the M.D.;

- (4) “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.
- ~~(5) “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.~~
- (6) “Pecuniary Interest” means an interest in a matter where there is reasonable likelihood or expectation of financial loss or gain by an M.D. Council member or an employee or related persons as defined in the Alberta Municipal Government Act, R.S.A. 2000, c. M-26;
- ~~(7) “Policy” means this Procurement Policy;~~
- (8) “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.~~
- (9) “Procurer” means the M.D.’s CAO or their delegate;
- (10) “Purchase Order” means a binding document issued to a vendor specifying the goods or services provided;
- (11) “Services” means all Services to be supplied, including construction and consulting;
- (12) “Sole Source Procurement” means procurement made when a source is predetermined to be the only source capable of performing the service or supplying the material;
- (13) “Vendor” means a third party offering something for procurement and includes, but is not limited to, an individual, firm, partnership or proprietorship, supplier, contractor, architect, consultant, bidder, or tenderer;
- ~~(14) “Procure” means acquisition by purchase, rental, lease, or conditional sale of Goods, Services, or construction;~~
- ~~(15) “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 **establish** procedures;
 - (b) Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.
 - (c) **Determine the factors and criteria on which each tender and proposal is evaluated such as price, capability to perform the work, specifications, experience, environmental factors, etc. and ensure all disclaimers relating to the award of the tender or proposal are included in the tender or proposal documents.**
 - (i) **That CAO shall have the authority to award a tender or proposal to a bid other than the lowest cost tender or proposal in accordance with provincial and municipal legislation.**
- ~~(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.~~

Policy

(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) All procurement shall prioritize cost effectiveness and the achievement of best value delivering the most advantageous option for the M.D. when considering cost, quality, and ancillary attributes of the available options.
- (b) The M.D. will provide opportunities for all procurement for the supply of Goods and Services and to perform construction projects for the M.D. within legislation and according to trade agreements.

- (c) All procurement shall be included in the current year's budget or as otherwise approved by Bylaw or a Resolution of Council, or any policy adopted by Council.
- (d) All procurement shall be subject to all legislative and regulatory requirements.
- (e) 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
General Managers	Procure up to \$50,000
Directors	Procure up to \$25,000
Managers	Procure up to \$10,000
Foremen/Supervisors (see full list Attachment A)	Procure up to \$5,000
Other staff	Authorized as designated in writing by the CAO

- ~~(f) 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.~~
- ~~(g) 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.~~
- (h) The CAO is authorized to vary the budget allocation up to 20% of the total project budget in the case of cost overruns where necessary, contingent on remaining within a similar approved annual budget category.
- (i) 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.
- (j) Those staff with procurement authority, **as delegated by the CAO**, may not authorize an expenditure or disbursement where they **are directly involved have direct benefit** in the transaction, ~~except in the case of attending such as~~ training, conferences, travel and accommodations associated with work.

- (k) All purchasing transactions must be **verified and** approved by ~~the~~ **an** 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, **a designated officer, typically the Director of Emergency Mangemeent, may be temporarily appointed to authorize emergency expenditures in accordance with the Emergency Management Bylaw. 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~~ **Purchasing Involving Other Partners**
- ~~(a) **The M.D. may jointly tender or request price quotes with other municipalities, municipal organizations (i.e. Rural Municipalities of Alberta, Alberta Municipalities, Canadian Collaborative Procurement Initiative, Federation of Alberta Gas Co-ops, etc.), senior governments, and other government organizations if there is an opportunity for obtaining Goods and/or Services at a more cost-effective price.**~~
- ~~(b) **Purchasing involving other partners must comply with the Canadian Free Trade Agreement (CFTA) and the New West Partnership Trade Agreement (NWPTA).**~~

- (c) Any involvement in joint tendering or price quotes shall be approved by the CAO.
- ~~(d) 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.~~
- ~~(e) 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.~~
- ~~(f) Purchase Orders must be approved based on delegated purchasing authority per section (1)(a) of this policy.~~
- ~~(g) Purchases over \$500.00:
 - ~~(i) Must be initiated by either a Purchase Order or by way of written agreement prior to acquisition.~~~~
- ~~(h) 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 was scheduled and has been implemented since January 1, 2020.~~

(5) Disqualification of Procurement Submissions

- (a) The CAO may disqualify any tender or proposal at their discretion for non-compliance with the submission requirements or based on an internal evaluation of past performance.

(6) Exemptions to the Procurement Policy

- (a) Cheque requisitions are required for all purchases identified as exemptions to this Policy.
- (b) Exemptions to this Policy include:
 - (i) Purchases under \$500;
 - (ii) Petty cash reimbursements;
 - (iii) Customer refunds;
 - (iv) Postage purchases;
 - (v) Personal expense claims;
 - (vi) Foreign currency purchases;
 - (vii) Payroll and Withholding remittances;
 - (viii) Training disbursements

- (ix) Grants;
- (x) Requisitions;
- (xi) Memberships and subscriptions;
- (xii) Contract payments where agreements are in place including, but not limited to:
 1. Contract progress payments
 2. Utility contract payments
 3. Contracts or Service Agreements
 4. Other Service Contracts for audit, consulting, legal, and insurance services;
- (xiii) Real estate transactions;
- (xiv) Investment and borrowing;
- (xv) Lease agreements;
- (xvi) Procurement card remittances.

~~(7) 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.~~

~~(8) Purchasing Guidelines~~

Type of Purchases	Purchase/Total Contract Value (excluding GST)	Process	Minimum Approval Required
Goods, Services and construction projects	Up to \$5,000.00	Direct purchase or at discretion of Manager, Director, General Manager or Designate	Department Manager
Goods, 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, 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, Services and construction projects	Over \$25,000.00 to \$50,000.00	Minimum three (3) quotes	Department General Manager or CAO

Type of Purchases	Purchase/Total Contract Value (excluding GST)	Process	Minimum Approval Required
Goods, 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
Goods, 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 NWMTA	CAO
Vehicles and heavy equipment	All purchases	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	Council

- ~~(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) All tender and RFP's 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.~~
- ~~(e) Disqualification~~
 - ~~(i) For the purposes of this section, Vendor shall be deemed to include any related entity and any partner, principal, director, or officer of such Vendor as well as any other legal entity with one or more of the same partner(s), principal(s), director(s) or officer(s).~~
 - ~~(ii) A Vendor may be excluded from eligibility to submit a bid, proposal, or quote or a submitted bid, proposal, or quote may be summarily rejected and returned to a Vendor where the M.D. determines, in its absolute and sole discretion that one of the following circumstances has occurred:~~
 - ~~1. The Vendor is or has been involved in litigation with the M.D., its elected officials, or employees;~~
 - ~~2. The Vendor has failed to pay an amount owed to the M.D. when due and owing;~~
 - ~~3. There is documented evidence of poor performance, non-performance, or default by the Vendor in relation to any contract with the M.D. or goods, work, or services otherwise provided to the M.D., including any breach by a Vendor of obligations under the terms of any tender or RFP issued by the municipality;~~
 - ~~4. The Vendor or its personnel have demonstrated abusive behaviour or threatening conduct towards M.D. employees, their agents or representatives;~~

- ~~5. The Vendor or its personnel have engaged in any conflict of interest in relation to any agreement or procurement process involving the M.D., or alternatively placed the M.D. or any of its elected officials or employees in a conflict of interest as a result of actions undertaken by the Vendor;~~
- ~~6. The Vendor has been convicted of a criminal offence including but not limited to fraud or theft; or~~
- ~~7. The Vendor has been convicted of any quasi-criminal offence pursuant to applicable legislation or regulations including but not limited to the Occupational Health and Safety Act, where the circumstances of that conviction demonstrate a disregard on the part of the Vendor for the health and safety of its workers, employees of the M.D., or the general public.~~
- ~~(iii) In arriving at a determination for the disqualification of a Vendor pursuant to this section, the M.D. will consider whether the circumstances are likely to affect the Vendor's ability to work successfully with the municipality, its consultants and representatives, and whether the M.D.'s experience with the Vendor indicates that the municipality is likely to incur increased staff time and/or legal costs in the administration of any dealings with the Vendor.~~
- ~~(iv) Based on the severity of the events leading to the disqualification, the M.D. shall establish the duration of the period during which the disqualification shall be effective.~~
- ~~(v) In the event the M.D. concludes that a Vendor should be disqualified pursuant to this section, it shall first provide written notice to the Vendor indicating the M.D.'s intention to disqualify the Vendor, its reasons for doing so, and the duration of the intended disqualification. Such notice shall indicate that the Vendor will have a period of 14 days to respond to such notice in writing, setting out (if the Vendor so chooses) any reasons it opposes or disputes either the disqualification or the duration of the disqualification.~~
- ~~(vi) Any notice of appeal from an affected Vendor that disputes the intended disqualification or duration of disqualification which is received by the M.D. within such 14-day period shall be reviewed and considered by the CAO who may either uphold, overturn, or vary the terms of disqualification. Any such decision will be final and not subject to further appeal, and will be communicated in writing to the Vendor.~~
- ~~(9) 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.~~ Within five (5) years from date adopted / amended / reviewed.

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 Bylaw: Emergency Management Bylaw