

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, 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.

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.

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) "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;
- (6) "Procurement" means the acquisition by any means, including by purchase, rental, lease or conditional sale, of Goods and/or Services;
- (7) "Procurer" means the M.D.'s CAO or their delegate;
- (8) "Purchase Order" means a binding document issued to a vendor specifying the goods or services provided;
- (9) "Services" means all Services to be supplied, including construction and consulting;
- (10) "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;

- (11) "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;

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.

Policy

- (1) General Provisions
- (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.
 - (f) 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.
 - (g) 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.
 - (h) Those staff with procurement authority, as delegated by the CAO, may not authorize an expenditure or disbursement where they have direct benefit in the transaction such as training, conferences, travel and accommodations associated with work.

- (i) All purchasing transactions must be verified and approved by an employee charged with delegated signing authority for the M.D.
- (2) Emergency Expenditures
 - (a) If, in the opinion of the CAO, an emergency arises, a designated officer, typically the Director of Emergency Management, may be temporarily appointed to authorize emergency expenditures in accordance with the Emergency Management Bylaw.
- (3) 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.
- (4) 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.
- (5) 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.

Policy Review

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.)	Bylaw: Emergency Management Bylaw