
	<h2>Town of Vegreville Policy</h2>
Policy No.: Policy Title: Approval Date: Revised Date: Department:	FIN-6009 Procurement Policy September 12, 2022 Corporate Services

Policy Statement:


The Town of Vegreville recognizes the need to control expenditures and takes accountability for ensuring efficiency and effectiveness of the procurement process and its responsibilities to all stakeholders, including suppliers and the public. The Town of Vegreville hereby establishes a policy for consistent and fair purchasing practices while ensuring efficient allocation of available resources of both a financial and non-financial nature, in accordance with the *Municipal Government Act* and relevant trade agreements.

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Policy No.: Policy Title: Approval Date: Revised Date: Department:	FIN-6009-1.0 Procurement Policy September 12, 2022 Corporate Services

1.0 Reason for Policy


The purpose of this policy is to:

- 1.1 Ensure the Town acquires goods, services, construction and intellectual property in an open, fair, and transparent manner;
- 1.2 Outline the minimum requirements by which the Town conducts procurement activities; and
- 1.3 Implement a consistent approach to procurement processes across the Town.

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2.0 Definitions

- 2.1 AIT** shall mean the Agreement on Internal Trade whose focus is to reduce and eliminate, to the extent possible, barriers to free movement of persons, goods, services and investments within Canada. This includes local preferences in municipal or provincial procurement. Procurement covered by AIT requires national advertising of purchasing opportunities Canada wide via the Alberta Purchasing Connection. AIT specifies exceptions to national advertising requirements for purchases less than a minimum financial threshold amount, as well as procurement of certain types of goods and services, such as legal counsel, utilities, and goods and services offered by a single supplier. Other exceptions are listed in the agreement.
- 2.2 Chief Administrative Officer (CAO)** is the person appointed by council as the Chief Administrative Officer of the Town according to the Municipal Government Act, or the person delegated responsibilities according to the CAO Bylaw.
- 2.3 Construction Project** includes roads and infrastructure construction (water, sewage, landfills, buildings, site improvements, etc.), which would result in a tangible capital asset. Examples include:
- 2.3.1 Paving and construction of streets and roads
 - 2.3.2 Construction of Sidewalks
 - 2.3.3 Intersection lighting
 - 2.3.4 Fiber optics
 - 2.3.5 Gas and utility lines
- 2.4 Direct Purchase** shall mean the direct ordering and purchase of goods and services from a supplier with or without negotiation. This method of purchase will be used primarily for the purchase of low value goods where the cost and administrative burden of other methods of purchase may be equal to or greater than the price or value of the goods purchased. Employees are encouraged to use their own judgment to promote the principles of this policy in any direct purchase.

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2.0 Definitions Continued

2.5 Goods and Services shall mean all non-construction purchases including professional services and operational contracts.


Examples include:

- 2.5.1 Furniture and equipment
- 2.5.2 Office supplies
- 2.5.3 Fuel
- 2.5.4 Tires
- 2.5.5 Computer hardware and software
- 2.5.6 Janitorial services
- 2.5.7 Legal services
- 2.5.8 Engineering services
- 2.5.9 Maintenance agreements
- 2.5.10 Vehicles and heavy equipment.

2.6 Goods and Services Tax (GST) means the Goods and Services Tax as described in the Excise Tax Act. All numbers in this policy exclude GST.


2.7 Negotiated Method shall mean the negotiation of an agreement for the purchase of goods and services from a supplier where there is no open competition. The conditions under which this method of purchase can be utilized are listed in the Purchasing Procedure Manual – Procedure B – Purchase by Negotiation.

2.8 New West Partnership and Trade Agreement (NWPTA) is a companion agreement to the AIT in Alberta, British Columbia and Saskatchewan. It prescribes financial thresholds where advertising of purchasing opportunities is required for goods and services of \$75,000 and over and construction projects of \$200,000 and over, with some exceptions as described in the agreement.

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2.0 Definitions Continued

- 2.9 Relative** shall be defined as per the definition of elected official’s family, under Section 169(b) of the *Municipal Government Act*, and shall apply to both relatives of Town of Vegreville elected officials and Town of Vegreville employees. For further clarification, this is defined as the elected official’s or employee’s spouse or adult interdependent partner, the elected official’s or employee’s children, the parents of the elected official or employee and the parents of the elected official’s or employee’s spouse or adult interdependent partner.
- 2.10 Request for Tender (RFT)** shall mean a competitive method of purchase which may include supplier or contractor pre-qualification. The tender process follows the general procedures set out in the Purchasing Procedures Manual.
- 2.11 Request for Proposal (RFP)** shall mean a method of purchase which involves the solicitation of proposals. It may include prequalification. In this method of purchase, some or all of the specifications and contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted. It may be expected that there will be some variation in the final specification and contract terms among and between responsive proponents.
- 2.12 Request for Quotes (RFQ)** shall mean a competitive method of purchase where the specifications for the goods and services and terms of purchase will be established with sufficient particularity to permit comparable quotations to be made by suppliers. A sufficient number of suppliers are requested to submit quotations on the specifications and terms of purchase. The RFQ process does not require advertising and the receipt of sealed bids.
- 2.13 Director** shall mean the Director responsible for the RFT/RFP/RFQ, or a person designated by the Director.
- 2.14 Total Acquisition Cost** - includes but is not limited to such factors as repairs, fuel consumption, operating cost per hour (or other unit of measure), staff training, suitability, compatibility, warranty, trade-in values, recycling and disposal concerns.

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3.0 Scope of Policy

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

3.1 Roles and Responsibilities:

Individual departments are responsible for:

- 3.1.1 Identifying specific needs for goods or services
- 3.1.2 Obtaining price quotes for goods or services per established guidelines; and
- 3.1.3 Following purchasing procedures for capital, construction or major cost purchase items.

3.2 Delegation of Purchasing Authority


The Chief Administrative Officer is responsible for delegations of purchasing and expenditure authority unless otherwise approved by Council, or a policy adopted by Council. For further clarity, the Chief Administrative Officer may delegate or revoke, in writing, additional purchasing and expenditure authority to Directors, Managers, Coordinators, Foremen, or other Town employees in accordance with the *Municipal Government Act* and good procurement and internal control practices up to a maximum of \$1,500.

3.3 Confidentiality of Information

The elected officials or employees of the Town shall not release, to any potential supplier of goods or services, any information that is not intended to be made available to all potential suppliers.


Requests for information regarding submitted tenders and price quotes shall be handled in accordance with the *Freedom of Information and Protection of Privacy Act* (FOIP). Generally, the name of the bidder and total amount of bid is releasable. Details of the tender or quote are not routinely released and are to be referred to the FOIP Coordinator.

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4.0 Purchase Orders


- 4.1 In the absence of a contract or service agreement, a purchase order initiates the contractual obligation between the Town of Vegreville and the supplier of goods or services to which it is addressed.
- 4.2 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.
- 4.3 The purchase order shall be signed by the CAO, Director, or Manager based on purchasing limits assigned (See 5.3).
- 4.4 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 Town of Vegreville.
- 4.5 Purchase orders shall be issued for all purchases of goods or services over \$2,000 prior to any contract, order, or commitment being entered into with the Town regardless of payment type.

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5.0 Purchase Guidelines and Approval Process

Purchase Type	Total Value (excluding GST)	Process	Minimum Approval Required
Goods and services (including vehicles & heavy equipment)	Up to \$7,500	Direct purchase or discretion of Director, designate, or Manager	Department Manager
Goods and services (including vehicles & heavy equipment)	Over \$7,500 to \$50,000	Minimum three quotes (RFQ), or discretion of CAO	Director
Goods and services (including vehicles & heavy equipment)	Over \$50,000 to \$75,000	Minimum three quotes (RFQ), formal tender (RFT), or request for proposal (RFP) (at discretion of CAO)	CAO
Goods and services (including vehicles & heavy equipment)	Over \$75,000 to \$200,000	Minimum three quotes (RFQ), or formal tender (RFT) or request for proposal (RFP) (at discretion of CAO), advertised on the Alberta Purchasing Connection as required by AIT and NWPTA	CAO
Goods and services (including vehicles & heavy equipment)	Over \$200,000	Formal tender (RFT) or request for proposal (RFP) (at discretion of CAO), advertised on the Alberta Purchasing Connection as required by AIT and NWPTA	Town Council (Specific Budget Item)

Construction projects	Up to \$50,000	Minimum three quotes (RFQ) or request for proposal (RFP), with an unexecuted contract	Director
Construction projects	Over \$50,000 to \$200,000	Minimum three quotes (RFQ), or formal tender (RFT) or request for proposal (RFP) (at discretion of CAO), with an executed contract	CAO
Construction projects	Over \$200,000	Formal tender (RFT) or request for proposal (RFP) (at discretion of CAO), advertised on the Alberta Purchasing Connection as required by AIT and NWPTA, with an executed contract	Town Council (Specific Budget Item)

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5.0 Purchase Guidelines and Approval Process Continued

- 5.1 Where practical, purchases shall be collectively tendered to obtain the best purchase price. If a RFQ, RFP, or RFT 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.
- 5.2 For goods and services being supplied over a number of years, the estimated value of the total purchases over the entire term (including renewals) shall prevail in applying these guidelines.
- 5.3 These guidelines refer to purchases within budget. For purchases or contracts exceeding a budget amount by more than 10% with the approval of CAO, the purchase or contract must be approved by Council, or a policy adopted by Council.
- 5.4 The CAO may approve variations to the process when warranted. Variation is also allowed when purchase by negotiation applies.
- 5.5 Directors may approve purchases up to \$50,000. Managers may approve purchases up to \$5,000 and will require signed purchase order for purchases over \$2,000. Foreman and Coordinators can approve purchases up to \$1,000. Approval of items may be given at a higher authority level. The guidelines listed in 5.0 are the minimum approval authority required.
- 5.6 For procurements of \$2,000 or less an employee should use a Town issued corporate credit card where possible.
- 5.7 In addition to the above requirements, draft RFPs for studies and long-term planning documents must be approved by Town elected officials. This is to be done before the final version is distributed to the marketplace to ensure alignment with Council’s strategic plans. These include, but are not limited to, RFPs for transportation or recreation masterplans, utility servicing studies, area structure plans, and municipal development plans.

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6.0 Conflict of Interest

6.1 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 Town, elected officials, or the public, unless approved by Council or a policy adopted by Council.

6.2 If a purchase or contract for goods or services is to be placed with:

- 6.2.1 An employee of the Town,
- 6.2.2 Any company in which an employee of the Town has an interest, or
- 6.2.3 A relative of an employee of the Town,

the employee shall declare a pecuniary interest and that employee shall not be placed in a position to approve the purchase.

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7.0 Guiding Principals

In carrying out their duties under the procedures accompanying this directive, or when acting in situations not explicitly addressed by an existing procedure, employees will be guided by the following principals:


- 7.1 Fairness, openness and transparency, ensuring that the Town’s practices and processes are easily accessible and understandable by the marketplace;
- 7.2 Achievement of best value for money for the Town;
- 7.3 Compliance with all relevant Towns policies, directives, procedures;
- 7.4 Compliance with all applicable trade agreements;
- 7.5 Use of competitive procurement processes wherever possible and appropriate;
- 7.6 Appropriately justifying all non-competitive procurement processes;
- 7.7 Leveraging buying power through corporate contracts or strategic sourcing;
- 7.8 Thoroughly assessing risks, supplier qualifications, and full life cycle costs; and
- 7.9 Integrity and ethics in all procurement activities.

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8.0 References


- 8.1** New West Partnership Trade Agreement (NWPTA)
- 8.2** Canadian Free Trade Agreement (CFTA)
- 8.3** EU-UK Trade and Cooperation Agreement (TCA)
- 8.4** Comprehensive Economic and Trade Agreement (CETA)

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9.0 Purchasing Procedure Manual

The Purchasing Procedure Manual attached hereto as Appendix "A" forms part of this Policy. However, the Purchasing Procedure Manual may be amended from time to time, at the discretion of the Chief Administrative Officer.

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10.0 End of Policy



 Mayor Tim MacPhee



 Christopher Leggett, CAO