

Policy Title: Procurement Policy	Policy #: 12-11-22
Authority Approval: MAYOR & COUNCIL	Resolution #: 8-11-26-12
	Effective Date: Nov 26, 2012
Distribution:	
<input checked="" type="checkbox"/> Master	<input type="checkbox"/> Fire Department
<input checked="" type="checkbox"/> Administration	<input checked="" type="checkbox"/> Library
<input checked="" type="checkbox"/> Council	<input checked="" type="checkbox"/> Public Works
<input type="checkbox"/> FCSS	<input checked="" type="checkbox"/> Recreation

Purpose: To establish the levels of expenditure authority and provide the basic procurement guidelines.

Policy Statement: Section 1 - Levels of authority:

Level 1; Council determines and approves the annual operating budget and capital expenditures. Council also determines the appropriate levels of signing authority.

Level 2; The Chief Administrative Officer (CAO) can authorize purchases and or contracts **over** \$10,000.00 for items included in the annual budget. The CAO must seek approval by Council for any over-expenditure not previously included in the annual budget. For capital projects identified in the budget, the CAO shall obtain a Request for Proposal or Request for Tender (*RFP*) and a minimum of 3 quotes for formal approval by Council for the following items:

- a) Municipal vehicles, infrastructure and equipment;
- b) Construction projects estimated to exceed \$50,000.00; and
- c) Other major items identified by Council.

Level 3; The Finance Officer is authorized to approve purchases and contracts **up to** \$10,000 providing they are included in the annual budget. In the absence of the CAO, the Finance Officer can act in the capacity of the CAO for capital projects as per RFP requirements identified for Level 2. The Finance Officer will guide and assist Department Managers.

Level 4; Department Managers (Public Works Foreman, Recreation Manager, Facilities Manager, Library Manager and Fire Chief) are authorized to approve purchases **up to** \$5000.00 for items included in their respective annual budget. Department Managers are not authorized to enter into any contractual agreement for services. Department Managers are required to seek written approval by the CAO or Finance Officer for any contracted services. Any equipment repairs or work shall not commence until approval is granted in writing by the appropriate signing authority. Department Managers must ensure that their staff does not engage in any verbal acknowledgement of purchases or contracts and that they only seek quotes when directed to do so.

Section 2 - Quotes

The price of a commodity or service dictates the number of quotes required prior to entering into an agreement for a good or service. Quotes are acquired to ensure that we get the best value for dollar all the while considering availability, warranty, delivery and the environment. The required number of written quotes for purchases and contracts are as follows;

- a. \$0.00 to \$1499.99: one quote
- b. \$1500.00 to \$4999.99: two quotes
- c. \$5000 and over: three quotes

Reviewed/Amended	Date:
Mayor	CAO

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Section 4 – Standing Purchase Order

Should the Town of Beaverlodge find itself regularly utilizing the same vendor or supplier for small re-occurring purchases of goods, a standing purchase order agreement between the Town and the “regular supplier” shall be established as long as the value per call up does not exceed \$500.00. A standing Purchase Order eliminates the need for quotes and often speeds up the process while ensuring there is no interruption to the Town services. All Standing Purchase Order shall be reviewed on a yearly basis to ensure that the Town gets the best possible all around value for the goods.

Section 5 – Awarding Tenders

The Town of Beaverlodge has a mandate to ensure its procurement practices are in compliance with the Agreement on Internal Trade (AIT) and Trade, Investment and Labour Mobility Agreement (TILMA). Annex 502.4 of the Agreement on Internal Trade has the procurement thresholds for goods or services and construction projects as follows;

- (i) *Goods and services of \$100,000.00 or greater,*
- (ii) *Construction projects of \$250,000.00 or greater;*

TILMA stipulates that for any “procurement at or above the threshold, an open, transparent and competitive procurement process must be followed.” For all procurement below the threshold, the Town of Beaverlodge will adhere to the procurement practices.

The decision of determining acceptable variances rests with Council, however the following is a list of elements that will be considered during the tendering process and prior to any contract being awarded;

- a) *Cost;*
- b) *Workmanship quality;*
- c) *Commencement & Completion Dates;*
- d) *Warranty;*
- e) *Delivery; and*
- f) *Consideration towards the environment (Residual/salvage value of the equipment).*

Section 6 – Revocation of Privileges

Any manager or employee who fails to follow the procurement and contracting policy may have their purchasing privileges revoked. The Finance Officer will make recommendation to the CAO for any privilege revocation if proper procedures are not adhered to.