



TITLE: Procurement Policy

Approved by Council
Revised by Council

Date: October 10, 2023
Date: December 10, 2024

PURPOSE OF POLICY

The purpose of this policy is to establish expenditure control guidelines by identifying processes for the efficient procurement and payment of goods and services for The Municipal District of Pincher Creek No. 9 (MD) in support of effective operations and in compliance with the Municipal Government Act (MGA), New West Partnership Trade Agreement (NWPTA), the Agreement on Canadian Free Trade Agreement (CFTA), and the Comprehensive Economic and Trade Agreement (CETA).

POLICY STATEMENT

1. The Municipal District of Pincher Creek No. 9 (MD) is committed to the acquisition of goods and services at the best value while treating all vendors equitably through procurement processes that ensure integrity, transparency, accountability, efficiency and consistency.

DEFINITIONS

2. For the purpose of this policy, the following definitions shall apply:
 - a. “Buying Group” shall mean a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process.
 - b. “Conflict of Interest” shall mean a situation where the independence or impartiality of an employee’s decisions or actions are impaired or may be reasonably expected to be impaired because of outside employment, political, business or family interests.
 - c. “Construction” shall mean 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 unless they are included in the procurement
 - d. “Approving Officer” shall mean the individual that has the authority to sign contracts, purchase orders and invoices for payment. Typically, an Expenditure Officer will be the Chief Administrative Officer, Department Manager, or Assistant Manager

- responsible for a department, who is accountable for the department's budget control and administration. An Approving Officer may also include an Employee responsible for specific budgetary line item(s), such as safety, information technology, etc.
- e. "Good" shall mean a good that is produced, manufactured, grown or obtained in, used for a commercial purpose in, or distributed from, the territory of a Party
 - f. "Service" shall mean a service supplied or to be supplied, by a person of a Party

GENERAL GUIDELINES

3. Approving Officers may make an expenditure that is included in the approved operating and capital budgets up to the financial limits established in this policy or as otherwise approved by resolution of Council.
4. A resolution of Council is required for all unbudgeted capital expenses greater than \$5,000
5. A resolution of Council is required for unbudgeted operated expenses if it is anticipated that the department as a whole will exceed budgetary constraint by greater than \$5,000.

SIGNING AUTHORITY

6. Approving Officers are authorized to commit to all purchases that have been approved in the annual budget as follows:

Employee Classification	Authority
CAO and Director of Finance	Up to the maximum budget allocation
Managers and Assistant Managers	\$500,000
Supervisors and Specialists	\$50,000
All other designated employees	\$5,000

TENDER VS REQUEST FOR PROPOSAL (RFP)

7. There are two different procurement models that are referred to in the New West Partnership Trade Agreement (NWPTA) and the Canadian Free Trade Agreement (CFTA):
 - a. Tender/Bid process
 - i. involves the MD's request for prices in respect of a very specific set of goods and services based on specific/restrictive specifications. The only differentiator is price.
 - ii. the contract cannot be negotiated in any way prior to its award
 - b. Request for Proposals process
 - i. All aspects of the proposal are negotiable (price, scope of work, length of the term of the contract, etc.).

ROLE OF COUNCIL IN THE PROCUREMENT PROCESS

8. Council shall approve items required to go through the procurement process as part of the municipal budget cycle and in line with applicable trade agreements and thresholds.
9. Council shall review tender or request for proposal results on equipment purchases that are budgeted to cost \$300,000 or greater.
10. Council shall separate themselves from the procurement process and have no further involvement in specific procurements.

PROCUREMENT PROCESS

11. All eligible procurements shall be procured in alignment with applicable trade agreements and thresholds. This includes, but is not limited to, the timeframe a procurement must be posted for and the website location it is published to. These agreements includes but are not limited to the NWPTA, CFTA and CETA.

NWPTA	CFTA	CETA
\$75,000 or greater for goods or services	\$100,000 or greater for goods or services	\$200,000 or greater for goods or services
\$200,000 or greater for construction	\$250,000 or greater for construction	\$5,000,000 or greater for construction

12. When procurement is at or above the threshold, an open, transparent and competitive procurement process must be followed. This requires that tender documents:
 - a. clearly state the requirement of the procurement,
 - b. identify measurable criteria that will be used in the evaluation of bids (including the weighting of each criteria), and
 - c. provide relevant information to assist suppliers in completing and submitting their bids.
13. *The municipal gravel hauling program will follow the NWPTA regardless of the number of individual contractors used for hauling*
14. All tender notices must be posted to www.purchasingconnection.ca
15. Exceptions to the above rules, include but are not limited to:
 - a) *from philanthropic institutions, prison labour or persons with disabilities*
 - b) *from a public body or a non-profit organization*
 - c) *of health services and social services*

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- d) where it can be demonstrated that only one supplier is able to meet the requirements of a procurement*
 - e) where an unforeseeable situation of urgency exists and the goods, services or construction could not be obtained in time by means of open procurement procedures*
 - f) when the acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise government confidentiality*
 - g) legal services*
 - h) of goods intended for resale to the public*

16. Canoe Procurement shall only be used for equipment purchases after an internal tender/request for proposal process has been completed.

EVALUTION OF PROPONENTS

17. Administration will use an evaluation team, comprising of at least one Manger or above to evaluate proposals and make a decision. The evaluation shall be conducted objectively based on the proposal's content and utilizes an evaluation matrix.

18. Administration shall provide the tender results to Council for decision on equipment purchases that are budgeted to cost \$300,000 or greater. All other purchases shall be evaluated in accordance with Section 16.

CONTRACT AWARDING

19. The MD reserves the right to award or not award all competitive procurement activities and projects. This includes but is not limited to, Requests for Proposals, Invitation to Tender, Request for Quotations, and other related procurement methods except RMA – Canoe Procurement and Government of Alberta Trade Programs.

20. If the contract awarding exceeds the approved operational or capital budget by \$5,000 or greater, Administration must request additional funds from Council before awarding the tender and contract.

RURAL MUNICIPALITIES OF ALBERTA (RMA) AND CANOE PROCUREMENT

21. Though RMA, the MD is part of Canoe Procurement buying group. The advantage of a buying group include:

- d. Reduced procurement process costs – group members share in the costs of running procurement processes
- e. Access to greater resources and expertise - group members can pool procurements resources and centralize procurement experience
- f. Potentially better pricing – the group can leverage its combing buying power offering suppliers greater purchase volumes.

22. The MD relies on Canoe Procurement to ensure legislative compliance, through only open, competitive procurements processes.
23. When a purchase is made through Canoe Procurement, the RFP process is done in advance on behalf of the entire membership, therefore the MD does not need to post again. However, the MD must post a notice of intention to procure using a cooperative buying group on Alberta's tendering system. The notice of intention shall be posted annually for a minimum of two weeks and read:
- "The MD intends to participate in one or more procurements conducted by Canoe Procurement Group of Canada between [insert one-year period including month/year]. For further information and access to the Canoe Procurement tender notices, please review www.merx.com. For further information about Canoe Procurement Group of Canada, please visit www.canoeprocurement.ca"
24. Purchases made from Canoe Procurements are at the manufacturer's suggested retail price (MSRP) less the tendered percentage off.

CONFLICT OF INTEREST

25. All employees involved in the procurement process must report an actual or perceived Conflict of Interest to their immediate supervisor and to human resources. The employee shall not continue to be involved in the procurement process.



Rick Lemire
Reeve



Roland Milligan
Chief Administrative Officer