City of Wetaskiwin Council Policy

Procurement Policy

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Division Responsible:	Finance
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1. Policy Statement

The City of Wetaskiwin 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 City.

2. Definitions

For the purposes of this policy:

‘**Act**’ means the *Municipal Government Act*, R.S.A. 2000, c. M-26, and any amendments thereto;

‘**Best Value**’ means the most advantageous balance of price availability, quality, and serviceability identified through competitive procurement methods in accordance with stated selection criteria;

‘**Chief Administrative Officer**’ (CAO) means the Chief Administrative Officer of the City appointed by Council, or their authorized delegate;

‘**City**’ means the incorporated municipality of the City of Wetaskiwin;

‘**Contract/Agreement**’ means a legally binding agreement between the buyer and seller and is the result of a competitive procurement process;

‘**Construction**’ means 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. The definition will be consistent with the definition within the New West Partnership Trade Agreement (NWPTA);

‘**Council**’ means the duly elected officials of the City of Wetaskiwin;

‘Emergency Expenditure’ means an unanticipated and unbudgeted purchase made in the event of a disaster or emergency in the community, which is required as part of the disaster or emergency response;

‘**Environmental Stewardship**’ means the purchase of Goods and Services that demonstrate environmental best practices in energy efficiency or consumption, water, and wastewater efficiency. These Goods and Services are environmentally sound in manufacture, use and disposal, and use a minimum number of raw materials from a sustainable source that are free from toxins or pollutants and have a minimal carbon footprint. Goods and Services that may be refurbished, recycled, re-purposed, or reclaimed and that are designed for ease of such will be sourced. Further, any new buildings or refurbishments will use renewable energy and technology where possible;

‘**Expression of Interest**’ or ‘**EOI**’ is a preliminary step to a Tender and is used to gauge whether there are potential suppliers in the market that are interested in, and capable of satisfying the Procurement needs;

‘Flow Benefits’ means any indirect benefits experienced by Vendors in the local economy to whom the tender was not awarded. Such local Vendors may be suppliers or perform work for the successful Vendor;

‘**Goods**’ means a good that is distributed, manufactured, grown or obtained, used for a commercial purpose, or distributed as defined by the NWPTA;

‘**Local Vendor(s)**’ means Vendors that are located within the City of Wetaskiwin and routinely operate from within the City of Wetaskiwin (this may also extend to include the County of Wetaskiwin);

‘**Management**’ means any one of the Division General Managers and the CAO;

‘**Notice of Participation’** means a notice advising of participation in a buying group and directing suppliers to the buying group tender website;

‘**Procurement**’ means the acquisition by any means, including by purchase, rental, lease, or conditional sale, of Goods and Services;

‘**Preferred Source**’ means offering to only the Vendors who have gone through the Tender process to be added to a preferred Vendor listing for the commodity or purpose identified;

‘**Procurer**’ means the CAO of the City or their delegate;

'**Purchase Order**' means a binding document issued to a Vendor specifying the Goods, Services, or Construction to be provided. It authorizes a Vendor to proceed with the supply of Goods, Services, or Construction;

'**Reusables**' means any or all the following:

a) An in-house set of meal dishes at a given facility;
b) Food service items for larger events;
c) Personal bottles or to-go mugs;
d) Larger food preparation, storage, transport, and service containers such as coffee urns, carafes, platters and trays, chafing dishes, or closed containers for hot or cold items;

'**Request for Proposal'** means the notification given to Vendors indicating the City intends to purchase a Good or Service and invites Vendors to submit a proposal on how they can fill the identified need;

'**Request for Quotation**' means the invitation to Vendors to bid for the supply of a specific Good or Service for a specific length of time;

'**Services**' means a service supplied or to be supplied as defined by the NWPTA;

'**Single Use Plastics**' means products or packaging that contain plastic materials and that are intended to be used only once or for a short period of time before they are thrown away or recycled;

'**Sole Source Procurement**' means offering only one Vendor an opportunity to provide Goods, Services, or Construction;

'Sustainable Procurement' means the procurement of goods and services that have minimal environmental impacts and provide increased environmental and social benefits;

'**Tender(s)**' means a competitive quotation for the supply of Goods, Services, or Construction by a Vendor via a structured invitation;

'Value for money' means an overarching principle in which the buyer takes into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks;

'**Vendor(s)**' 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.

3. Standards

3.1 General Provisions

3.1.1. Procurement will be subject to all federal or provincial legislation, regulations, and agreements including but not limited to:

(a) *Municipal Government Act;*
(b) New West Partnership Trade Agreement (“NWPTA”);
(c) Canadian Free Trade Agreement (“CFTA”);
(d) Canada-European Union Comprehensive Economic and Trade Agreement (“CETA”);
(e) Canada-UK Trade Continuity Agreement (“TCA”);
(f) All City policies, bylaws, and established procedures governing standards of conduct by City employees.

3.1.2. Any information provided to the City will be treated as confidential under Section 20 of the *Access to Information Act.*

3.1.3. Employees are accountable for all transactions and expenditures of public funds.

3.1.4. Procurement of Goods, Services, or Construction by the City will be acquired through a fair, open, transparent, and competitive process.

3.1.5. Procurement will be fair, impartial, free of real or perceived conflicts of interest, and devoid of nepotism, ensuring that all qualified Vendors have reasonable access to the City’s business, that no source is arbitrarily excluded and that there is reasonable competition for Procurement opportunities to ensure Best Value for the City.

3.1.6. All Procurement will prioritize cost effectiveness and the achievement of Best Value delivering the most advantageous option for the City when considering cost, quality, and ancillary attributes of the available options.

3.1.7. Procurement transactions must be verified and approved by an employee charged with delegated signing authority for the City. The CAO will be the Procurer for the City with respect to Goods, Services, or Construction and is approved to the maximum budget allocation.

3.1.8. Any real or perceived conflict of interest will be disclosed as soon as the employee becomes aware of the conflict. Such Vendor will not be disqualified due to the existence of a conflict of interest provided it is properly disclosed at the outset and that the conflicted employee is removed from the Vendor selection process.

3.1.9. The Procurer cannot authorize an expenditure or disbursement where they receive direct benefit in the transaction (i.e. work-related training, conferences, travel, and accommodations).

3.1.10. All Procurement will be included in the current years' budget or in-year Council motions, unless otherwise approved by Bylaw, Resolution, or any Policy adopted by Council.

3.1.11. A Tender or proposal may be disqualified at the CAO's discretion for non-compliance with submission requirements or based upon internal evaluation of past performance.

3.1.12. Upon completion and award of all purchase transactions where the Tender process is used, unsuccessful Vendors will be notified. The name of the successful Vendor and total cost paid will be released to the public.

3.1.13. Preference will be given to Vendors that have met agreement terms and conditions (past or current).

3.1.14. Management must provide both the Finance Department and Records Management with a copy of the final signed Contract/Agreement, and copies of the Purchase Order and any subsequent changes.

3.2 Emergency Expenditures

3.2.1. When emergency situations occur that require an urgent and unavoidable procurement and whereby the procurement cannot be obtained through an open procurement process, the CAO, delegate, or Director of Emergency Management may authorize the emergency procurement in accordance with the Municipal Emergency Management Bylaw and City Manager Bylaw.

3.2.2. Purchase Orders are required for all Emergency Expenditures and must be clearly marked "**EMERGENCY**." The Invoice associated with the Emergency Expenditure must also be clearly marked "**EMERGENCY.**"

3.2.3. All emergency expenditures shall be tracked for reimbursement from other orders of government or private entities where applicable.

3.3 Value for Money

An assessment for Best Value will contemplate the following:

3.3.1. All relevant costs associated with Goods and Services, including costs of procurement, maintenance and disposal, transaction costs associated with delivery, distribution, holding costs, consumables, deployment and relevant bonding.

3.3.2. Quality assurance assessment of the Good or Service offered and compliance with the terms of the contract or specifications. This may include:

(a) Assessment of levels of compliance;
(b) Value-added warranties;
(c) Ease of after-sales Services; and
(d) Ease of communications.

3.3.3. Financial viability of Vendor including the ability to supply without risk of default, experience, and probability of success based on information provided in the Tender. The City will select the Vendor that offers the Best Value consistent with the required quality and service.

3.3.4. The safety requirements associated with the product design and specification offered by the Vendor and the evaluation of risk when considering purchases.

3.3.5. Purchasing goods and services from Vendors that demonstrate a dedication or consideration to Environmental Stewardship and corporate social responsibility.

3.3.6. Where a higher conforming price is being considered for quotation or Tender, justification will be provided as to the preference over the lowest, conforming offer.

3.4 Sustainable Procurement

3.4.1. Where practically and economically feasible, the procurement procedures and practices will prioritize the expanded use of environmentally and ethically preferred Goods and Services.

3.4.2. The City is committed to sustainability and Environmental Stewardship and will design Tenders giving priority to Vendors that minimize environmental and negative social impacts.

3.4.3. Sustainable impacts will be considered against value for money.

3.5 Purchasing Involving Other Partners

3.5.1. The City 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.), other levels of government, and government organizations if there is an opportunity for obtaining Goods and Services at a more cost-effective price.

3.5.2. Purchasing involving other partners must comply with the Canadian Free Trade Agreement (CFTA) and New West Partnership Trade Agreement (NWPTA).

3.5.3. The CAO will approve any involvement in joint tenders or price quotes.

3.6 Purchasing Limits

3.6.1. Purchases below $5,000 in value may be Sole Source or Preferred Source Procurement and local consideration may be given.

3.6.2. A Sole Source or Preferred Source Procurement may be permitted if the criteria in Schedule A are met.

3.6.3. With prior written CAO approval, Sole Source or Preferred Source Procurement may occur when there is only one available Vendor for a required good or Service that meets the City's requirements or in the event of an emergency.

3.6.4. For the purposes of this policy, the amount of the procurement utilized to determine the method of procurement is defined as the estimated maximum total value of the entire procurement at the time of acquisition. The estimated value will include all forms of remuneration to be paid to the Vendor including, but not limited to, premiums, fees, commissions, and interest.

3.6.5. When an agreement to procure goods or services over a period includes one or more options to renew the Agreement, only the mandatory portion of the Agreement will be considered in estimating the value of the Procurement. Options to extend the Agreement would be considered a new Procurement in accordance with this Policy and any related administrative directives.

3.6.6. A register of pre-qualified suppliers shall be established for the provisions of Goods and Services that are required by the City on a regular and continuing basis. Where a register is established, the City shall appoint a minimum of two suppliers to each register so that the City may receive Best Value for money. Procurer should refer to this register in selecting Vendors.

Methods of Procurement:

The following are authorized methods for Procurement:

Goods and Services	Construction Contracts	Signing Authority	Required Documentation	Purchasing process
Less than $5,000	Less than $5,000	• Up to $500 for any permanent City Employee. • Supervisor's approval still required.	Direct invoice	• Verbal or written quotations from one or more Vendors • Use of normal invoice procedures, City corporate credit card or via a payment requisition • Verbal or written Request for Quotation may be used • Pre-qualified contractors list
$5,000 - $74,999	$5,000 - $199,999	• Up to $10,000 any Supervisor • Up to $20,000 any Manager • Up to $75,000 for any General Manager • Up to $250,000 for CAO • Previously approved amounts (through budget or Council resolutions) and specifically identified in the Project Charter can be approved by the CAO	• Purchase Order and; • Change Order will be required if the initial project scope changes	• Two or more written Requests for Quotations (RFQ) must be sent • Written Expression of Interest (EOI) and Request for Proposal (RFP) may be used • Posting Request for Proposal (RFP) on Alberta Purchasing Connection is ***not*** required • Pre-qualified contractors list
Greater than $75,000	Greater than $200,000	• Up to $250,000 for CAO • Previously approved amounts (through budget or Council resolutions) and specifically identified in the Project Charter can be approved by the CAO	• Purchase Order and; • Change Order will be required if the initial project scope changes	• Written Request for Proposal (RFP) ***must*** be used • RFP's must be advertised on Alberta Purchasing Connection and posted on City's website • Contract will be required. • Pre-qualified contractors list

3.7 Purchase Orders

3.7.1. Purchase orders will be required for purchases valued over $5,000. They must be signed and issued at the time of ordering the Goods, Services, or Construction.

3.7.2. Purchase Order types available for use include:

(a) Contract Purchase Order (for tendered items likes trucks and equipment);
(b) General Purchase Order (for Goods and Services); and
(c) Blanket Purchase Order (intended use is to obtain materials against an accepted Tender for items like gasoline, asphalt, or chemicals).

3.7.3. Purchase Orders issued should be “Freight On Board (F.O.B.)” Wetaskiwin where possible. Any additional freight charges should be indicated on the Purchase Order at the time of issue.

3.8 Buy Local

3.8.1. The City may give preference to Local Vendors for Goods or Services that are less than $5,000 in value.

3.8.2. Local vendors will be engaged by the City to develop an understanding of the Goods and Services they offer and to promote usage of the vendor’s Goods and Services. This may include, but is not limited to, posting Procurement opportunities on the City’s website and sending notifications to Vendors, where reasonable.

3.8.3. Tenders will be structured to encourage local Vendors to participate in the bidding process.

3.8.4. The City will further consider indirect Flow Benefits to local Vendors.

3.8.5. Tenders may be awarded to a local Vendor where the local Vendor’s price is no more than 15% higher than a non-local Vendor.

3.8.6. Procurement procedures and practices (local or non-local) will result in purchases that provide the Best Value for the City.

3.9 Exemptions to the Procurement Policy

3.9.1. Cheque Requisitions will be required for all purchases identified as exemptions to this Policy.

3.9.2. Exemptions to this Policy include:

(a) Purchases under $500;
(b) Petty cash reimbursements;
(c) Customer refunds;
(d) Postage purchases;
(e) Personal expense claims;
(f) Foreign currency purchases;
(g) Training disbursements;
(h) Grants;
(i) Requisitions;
(j) Memberships and subscriptions;
(k) Emergencies

3.9.3. Purchaser Orders are not necessary for exempted items listed above.

Original been signed & filed with
Records Management

Joe Branco, Mayor

Sue Howard, City Manager

Schedule A – Sole or Preferred Source Purchases

A. Criteria for Sole or Preferred Source purchases whereby Goods and Services greater than $5,000 and less than $75,000 and for Construction greater than $5,000 and less than $200,000 are procured.

- Compatibility with existing equipment, facilities, or services is necessary.
- Savings or other benefits will result from the continuation of Goods or Services.
- Items purchased by the City will be paid by a third party and that third party agrees to or designates the Vendor (i.e. – community donation).
- Only one Vendor offers the Goods or Services required.
- Only one Vendor has submitted a response to a competitive process (Request for Quotation, Invitation to Tender, Request for Proposal) and a minimum of three Vendors had been contacted.
- For work performed on the property by a contractor according to the provisions of a warranty or guarantee held in respect of the property of the original work.

B. Criteria for Sole or Preferred Source purchases whereby Goods or Services $75,000 or greater and Construction $200,000 or greater are procured.

For greater certainty and ease of reference, the following definitions from the *New West Partnership Trade Agreement* are applicable:

*"**Construction**"* means a construction, reconstruction, demolition, repair or renovation of a building, structure, or other civil engineering 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.

"***Good***" means a good that is produced, manufactured, grown or obtained in, used for a commercial purpose in, or distributed from, the territory of a Party.

"***Service***" means a service supplied or to be supplied, by a person of a Party.

(**Note**: references to Articles in this Schedule refer to Articles in the *New West Partnership Trade Agreement (NWPTA)* and where defined in the NWPTA, the words in this paragraph shall have the meanings set out in the NWPTA. Reference should be made to the NWPTA for specific questions of interpretation and other provisions that may be applicable to the following types of procurements.)

Procurements:

a) From philanthropic institutions, prison labour, or persons with disabilities;
b) From a public body or a non-profit organization;
c) Of Goods purchased for representational or promotional purposes, and Services or Construction purchased for representational or promotional purposes outside the territory of a Party;
d) Of health services and social services;
e) On behalf of an entity not covered by Article 14;
f) By entities which operate sporting or convention facilities, in order to respect a commercial agreement containing provisions incompatible with Article 3, 4 or 14;
g) Where it can be demonstrated that only one Vendor is able to meet the requirements of a procurement;
h) 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;
i) 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, cause economic disruption, or be contrary to the public interest;
j) Of Services provided by lawyers and notaries;
k) Of Goods intended for resale to the public;
l) In the absence of a receipt of any bids in response to a call for tenders;
m) Of treasury services;
n) That facilitates Services provided by the City with respect to the management and disposal of hazardous and waste materials; and
o) That promote renewable and alternative energy.