 <p>Town of CANMORE</p>	<p>Council Policy</p>
<p>Policy Title:</p>	<p>Purchasing</p>
<p>Policy Number:</p>	<p>FIN-006</p>
<p>Date in Effect:</p>	<p>August 22, 2017</p>
<p>Current as of:</p>	<p>July 6, 2021</p>

POLICY STATEMENT


1. It is the policy of the Town of Canmore to foster open, transparent, and accountable purchasing practices that comply with provincial legislation and relevant agreements such as CFTA and NWPTA.

PURPOSE

2. The purpose of this policy is to establish the practices under which the Town conducts purchasing activities.

DEFINITIONS

3. *Repealed 176-2021*
4. "Best value for money" means the most advantageous balance between performance, price and quality;
5. "CFTA" means the Canadian Free Trade Agreement, an intergovernmental Canadian trade agreement established to replace the Agreement on Internal Trade (AIT), developed to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada by establishing an open, efficient, and stable domestic market that enhances the flow of goods and services, investment, and labour mobility, eliminates technical barriers to trade, greatly expands procurement coverage, and promotes regulatory cooperation within Canada.
6. "Essential services" are municipal services essential to the daily lives of Canmore residents, including but not limited to: supply of potable water, treatment of wastewater, road care and maintenance, waste pick-up, and emergency and protective services;
7. "NWPTA" means the New West Partnership Trade Agreement, an agreement between the Governments of British Columbia, Alberta and Saskatchewan to form a barrier-free interprovincial market.
8. "Procurement value" means the total estimated cost, net of Federal and Provincial taxes, of the goods or services that are or will be procured over the longer of:

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- a. the term of a procurement contract, including any extension options, or
 - b. the period commencing with the first procurement from a vendor or service provider and ending 12 months from that date.
9. "Purchase" means to acquire goods, services, or construction in response to a business need;
 10. "Request for proposal" means an invitation for a supplier to propose a solution to a problem, requirement or objective. It defines the scope of the project, deliverables or supplies and the criteria that will be used to identify the successful proposal;
 11. "Request for quotation" means a request for a supplier to provide prices on specific products and/or services;
 12. "Tender" means a formal public invitation to suppliers to bid on the provision of a service at a specific price, based on detailed specifications.

PURCHASING AUTHORIZATION

13. The chief administrative officer, general managers, managers, supervisors, and project managers are authorized to approve expenditures within the capital and operating budgets approved by council for their service area or areas.
14. An expenditure not included in the approved operating or capital budget must be approved by council before the expenditure is made, unless the purchase is due to an emergency.
15. In the event of an emergency, the chief administrative officer is authorized to make expenditures not included in the approved operating or capital budget to ensure continuous delivery of the Town's essential services.

PURCHASING GUIDELINES

16. All purchasing decisions shall be based on the principles of transparency and obtaining the best value for money, taking into account any of the following criteria, as applicable:
 - a) fitness for purpose,
 - b) quality,
 - c) reliability,
 - d) price competitiveness,
 - e) lifetime costs and transaction costs,
 - f) useful-life expectancy,

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- g) innovation,
 - h) sustainability,
 - i) assurance of supply and deliverability,
 - j) anticipated customer service,
 - k) past performance, and
 - l) experience.
17. The lowest price will normally be accepted, but shall not be the sole determinate of best value for money.
18. *Repealed 176-2021*
19. Joint purchasing with other agencies, such as the Rural Municipalities of Alberta (RMA) or Alberta Urban Municipalities Association (AUMA), and municipalities is encouraged whenever it is in the interest of obtaining best value for money.

PURCHASING PROCESS

20. For purchases of goods and services of \$10,000 or less:
- a) no competitive quote is required, and
 - b) where more than one supplier has been considered, the employee making the purchase must record the reason for their selection.
- 176-2021
21. For purchases of goods and services between \$10,001 and \$24,999 and of construction up to \$49,999:
- a) a minimum of two written quotations or proposals must be received.
- 176-2021
22. For purchases of goods and services with a procurement value between \$25,000 and \$74,999 and of construction with a procurement value between \$50,000 and \$199,999:
- a) a request for quotations or request for proposals must be issued and posted on the Town website, and
 - b) a minimum of three written quotations or proposals must be received.
- 176-2021
23. For purchases of goods and services with a procurement value of \$75,000 or greater, and for construction with a procurement value of \$200,000 or greater:

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- a) a request for quotations, request for proposals or tender must be issued and posted through an electronic tendering system such as the Alberta Purchasing Connection, in accordance with NWPTA and CFTA,
 - b) a minimum of three written quotations or proposals must be received, and
 - c) in accordance with the requirements of articles 516 and 517 of the CFTA, a detailed public disclosure of the contract award, including the name of the supplier and value of the contract, be made.
24. In the event that the number of responses received are insufficient to meet the requirements in this policy, the employee initiating the purchase has the discretion to:
- a) extend the deadline for responses, or
 - b) select from among the responses received, if this is approved by the next level of management.
25. Exceptions to the purchasing process may be authorized by a general manager or the chief administrative officer:
- a) where the compatibility of a purchase with existing equipment, facilities, or service is a paramount consideration,
 - b) where the purchase can only be made from a sole source,
 - c) where an item is purchased for testing or trial use,
 - d) where the only supplier is a department, agency, or utility of the federal, provincial, regional, or municipal government,
 - e) where the purchase is of a highly specialized nature and/or is available from only one supplier,
 - f) where professional qualifications are a paramount consideration, or
 - g) in an emergency.
26. Purchases may be combined into a single purchase if this results in best value for money.
27. When purchases are combined in accordance with s.6.7, this policy will apply as if the combined purchases were one purchase.
28. Contracts may be extended:
- a) where there is a continuing need for the product or service being supplied, and

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- b) where the additional obligations would be contained within a normal operating or capital budget approved by Council, and
- c) where the extension was either provided for in the original request for quotations, request for proposals or tender, or was offered through a purchasing process approved in this policy.

PROHIBITIONS

- 29. Employees may not seek or receive personal gain when engaging in purchasing activities for the Town.
- 30. Employees who are responsible for managing or supervising a contract:
 - a) are prohibited from providing goods or services related to that contract,
 - b) may not participate in the arrangement of a contract involving a business in which a member of the employee’s immediate family has a financial interest or holds a position of influence or authority.
- 31. Purchases may not be split so as to avoid the requirements of this policy.

RESPONSIBILITIES

- 32. The chief administrative officer must ensure:
 - a) all employees are aware of and understand this policy,
 - b) all employees comply with this policy, and
 - c) the policy is reviewed once every four years, or when a practice changes.
- 33. Any employee engaged in purchasing for the Town must ensure:
 - a) all purchases are performed in accordance with this policy,
 - b) all providers are given the same information and equal opportunity,
 - c) the selection process is carried out honestly and impartially, and
 - d) They are able to account for all decisions and provide evidence that this Policy was followed.

POLICY REVIEW

- 34. This policy will be reviewed by Council on or before July 30, 2025.

RELATED DOCUMENTS


- 35. Budget Amendment Policy
- 36. Employee Code of Conduct Policy

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- 37. Designated Officers Bylaw 2014-17
- 38. Municipal Government Act
- 39. Freedom of Information and Protection of Privacy Act
- 40. New West Partnership Trade Agreement
- 41. Canadian Free Trade Agreement

REPEALS POLICY: 147-2013 Purchasing

AUTHORIZATION:



John Borrowman
Mayor



Cheryl Hyde
Municipal Clerk

REVISION HISTORY

Action	Date	Council Motion	Notes
Approved	2017-08-22	64-2017FIN	Approved by the Finance Committee
Amended	2021-07-06	176-2021	Remove definition of advertising, increase purchasing authorization, remove local preference, adjust purchasing process limits

Policy approved by: CH JB