



<b>Policy No.:</b> FIN-104-2023	<b>Section:</b> Finance	<b>Page #1 of 6</b>
---------------------------------	-------------------------	---------------------

<b>Title:</b> Purchasing Policy
---------------------------------

<b>Legislation Reference:</b> Municipal Government Act
--

**Purpose:** To establish guidelines and parameters to be followed by the Town, and its departments and employees, in the acquisition or sale of materials, supplies, goods and services for use by the Town, thereby maintaining fiscal responsibility. This policy establishes the basic direction and values upon which the purchasing function must operate.

**Statement**

The Town of Smoky Lake is committed to the acquisition of goods and or services of the appropriate quality at the best value for the Town, while treating all vendors equitably. The Town is committed to creating and maintaining a high level of confidence in the purchasing of goods and services necessary for the provision of municipal service, by ensuring integrity, transparency, accountability, efficiency, and consistency in its purchasing and procurement processes, while acting within its authority under the Municipal Government Act, R.S.A. 200, c. M-26, as amended or repealed from time to time (“MGA”).

**Environmental Responsibility**

In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, the acquisition of goods or services will ensure that wherever possible specifications are amended to provide expanded use of durable products, reusable products and products (including those used in services) that contain the maximum level of post-consumer waste or recycled content, without significantly affecting the intended use of that product or service. It is recognized that a cost analysis is required in order that the products are made available at a competitive cost.

**Local Purchasing**

All businesses located within the Town of Smoky Lake must be given equal opportunity to supply goods or services to the corporation. Employee’s engaged in purchasing activity must solicit the local business community in all transactions.

All factors, price, quality, delivery, and suitability to the need, being equal, purchase preference shall be given to the supplier manufacturing or offering the goods or service from an establishment within the Town of Smoky Lake, if

it is within ten (10) percent or \$500.00 of the lowest quote and all criteria being equal.

Miscellaneous low value purchases from vendors in the community shall be rotated among all local vendors with the ability to supply the given product.

### **Purchasing Authority**

Purchasing Authority is delegated and limited to those employee's specifically charged with the responsibility and accountability as approved by the Chief Administrative Officer with the annual budget process.

The limit of this authority shall be defined by the parameters of all applicable policy, procedures, approved budget funding, or, in the instant of grants, be governed by regulations set forth by the granting agency.

All purchasing transactions must be approved by employee's charged with the delegated authority.

The following purchasing authority is hereby established:

Position	Budgeted
CAO	Unlimited
Supervisors, Managers, Foreman	\$5,000.00
Employee (as delegated)	\$1,000.00

Purchases made by the Chief Administrative Officer that have already been outlined in the approved budget do not follow terms of the purchasing authority. New or upcoming purchases exceeding the purchasing authority amount not previously established in the budget need approval by Council.

The purchasing authority limit of the Chief Administrative Officer as outlines in the Purchasing Policy is waived when, the opinion of the Chief Administrative Officer, it is an emergency purchase. In the event of an emergency purchase, the CAO shall provide a report to Council at the next scheduled Council meeting to detail the emergency and related unbudgeted expenditures.

### **Guidelines**

1.0 Once Council has approved the annual operating budget and capital budget, the Chief Administrative Officer and assigned staff shall have the authority to purchase appropriate goods, supplies, or contracted work within that category's budgeted amount, within the purchasing authority limits.

2.0 Capital Projects not approved in the annual budget shall be approved by Council on an individual project basis.

- 3.0 The Town of Smoky Lake will ensure that purchasing is open, fair and transparent, providing equal access to qualified suppliers.
- 4.0 A purchase order may be issued when required by the vendor. The purchase order number must be quoted on the invoice.
- 5.0 All purchases must be approved by the Chief Administrative Officer, Assistant Chief Administrative Officer, or for Public Works Purchases, the Public Works Foreman.
- 6.0 Only permanent staff shall have the authority to purchase supplies. If temporary or seasonal staff sign for purchases, the purchase must be approved by a supervisor prior to the purchase being made.
- 7.0 Purchases shall be made within the following guidelines:
  - a. purchases under \$5,000.00 do not require a quote;
  - b. purchases from \$5,000.00 up to \$25,000.00\* require at least two informal quotes;
  - c. purchases from \$25,000 up to \$75,000.00\* require a Request for Quote (RFQ) or a Request for Proposal (RFP). May be by invitation or publicly advertised;
  - d. purchases over \$75,000.00\* require a Request for Proposal (RFP) or Tender award process;
  - e. when a good or service is ordered through the Canoe Procurement Group of Canada Cooperative Trade Program from an approved supplier, there is no need to pursue quotes or a bid/tender process.
  - f. quotations should be maintained by the supervisor/foreman for all purchases.

\*The amounts established in this policy are subject to the Canadian Free Trade Agreement (CFTA) and the North West Partnership Trade Agreement (NWPTA) which rates may change from time to time.

8.0 Request for Proposal (RFP) – a project announcement that is posted publicly indicating that bids for a project are being sought.

8.1 An RFP is appropriate when:

- a. the skills or technical ability of the vendor should be evaluated;
- b. the requirements for the project are not clearly specified;
- c. the Town would like the ability to request that proposals be revised or clarified;
- d. required by the MGA or any other Act, statute or regulation;
- e. the CAO deems it in the best interest of the Town.

## 8.2 Documentation Requirements

- a. a description of the goods and/or services required;
- b. the problems that re to be issued by the bidders;
- c. criteria to be used in the evaluation of the proposals.

## 9.0 Formal Tenders – a formal procurement process

### 9.1 A Tender is acceptable when:

- a. the contract is complex and has a higher degree of risk;
- b. the tasks or products within the project are clearly specified;
- c. required by the MGA or any other Act, statute or regulation;
- d. the CAO deems it in the best interest of the Town.

### 9.2 Documentation Requirements:

- a. the general conditions of the contract;
- b. the goods or services to be provided;
- c. the construction specifications and drawings, when applicable;
- d. additional condition and specifications when required;
- e. criteria to be used in the evaluation of the bids.

## 10.0 Sole Source – direct purchasing from a single vendor without the competitive bidding/quoting process. Permitted only when:

- a. it can be demonstrated that only one supplier is able to meet the requirements of the project;
- b. in an emergent situation;
- c. it is for services provided by lawyers, notaries, health and social services or treasury;
- d. when it is directly compatible with existing equipment;
- e. an agreement or contract is in place;
- f. to allow for standardization, which will allow for ease of maintenance and minimize the need for replacement parts;
- g. if there are no bids in response to call for bids.

All requests for sole sourcing must be appropriately documented.

11.0 In evaluating all proposals, quotations, and tender bids, the Town shall consider the following purchasing criteria:

- Quality
- Experience
- Innovation
- Price
- Assurance of supply and deliverability
- Environmental impact
- Condition of equipment
- Start and completion dates
- Warranty
- Experience and references

12.0 Vendor Conduct:

- a. The past or current relationship with the Town will be considered relevant when selecting a vendor.
- b. The Town may refuse to do business with vendors who do not honor the terms of their agreements.
- c. The Town will refuse to do business with vendors who enter litigation with the Town or affiliated corporations, including pending, past, threatened or suggested litigation.
- d. Vendors will not engage in procurement activities that may create a conflict of interest or pecuniary interest. Any potential conflict of interest shall be disclosed to the CAO.

13.0 Unacceptable Purchases:

- a. Splitting of purchases to avoid the requirements of the purchasing policy.
- b. Purchases for personal use or benefit.
- c. Purchases from an employee or an employee's immediate family will not be permitted without prior consent from the CAO.

14.0 Confidential Information:

- a. The Town is committed to the protection of confidential information from unauthorized access or disclosure in compliance with the Freedom of Information and Privacy Act, as amended or repealed from time to time.
- b. The Town employees and Councillors shall not release any supplier information that is not intended to be made available to all potential suppliers.

	DATE	RESOLUTION NUMBER
Approved	February 27, 2023	098-2023
Amended		
Amended		

Original signed.

---

**Amy Cherniwchan**  
Mayor

Original signed.

---

**Dawn Phillips**  
Chief Administrative Officer