

Policy



Policy Number:	Policy A05.2019
Title of Policy:	Purchasing and Tender Policy
Resolution Number & Date:	2019.09.168 on Sept 12, 2019
Effective Date:	September 12, 2019
Up for Review:	September Regular Council Meeting, 2021
Supersedes Policy #:	n/a

The purpose of this policy is to:

Comply with purchasing practices legislated by the federal and provincial governments Outline the steps that administration will take when determining which projects to put out to tender and which projects will be awarded to a specific contractor without requiring an official tender process.

Policy Statement:

The Village of Glenwood has adopted this policy to ensure that all necessary goods and services are acquired in a consistent manner that results in the best overall value to the Village of Glenwood. The Village of Glenwood intends to make purchases and contract agreements through an open, competitive and non-discriminatory selectin process which will identify qualified suppliers through competitive bids and written quotations.

1. Definitions (for the purposes of this policy):

- a) "Best Value" means obtained by determining the total cost of performing the intended function over the lifetime of the function and to include quantitative and qualitative factors.
- b) "Glenwood Businesses" means any person, firm, partnership or corporation which supplies goods or services, or construction contract services, is located in the Village of Glenwood or in the Glenwood trading area (i.e. Cardston County, Village of Hill Spring, Towns of Cardston, Pincher Creek, Fort Macleod) and has a current business license, unless otherwise exempt from the requirement to obtain a business license.
- c) "Invited Tender" means written solicitation to selected qualified suppliers.
- d) "New West Partnership Trade Agreement" means the provincial legislative agreement between the provinces of British Columbia, Alberta and Saskatchewan that governs the large purchases and construction contracts for government organizations. This came into effect on September 11, 2009.

- e) "Public Tender" means advertised solicitation to qualified suppliers. A public tender differs from invited tenders in that any supplier may respond.
- f) "Purchasing Agent" means any individual authorized to enter into contracts, agreements and purchase orders that bind the Village of Glenwood to the terms thereof for goods and services.

2. Purchasing Guidelines

- a) Purchasing shall follow guidelines set out in the New West Partnership Trade Agreement for purchases of goods and services over \$50,000 and construction services over \$125,000.
- b) In evaluating all quotations and tender bids from suppliers and contractors, the Village of Glenwood shall consider the following purchasing criteria:
 - i. Quality
 - ii. Price
 - iii. Functionality
 - iv. Assurance of supply and deliverability
 - v. Anticipated customer service
 - vi. Compatibility with existing equipment and infrastructure
 - vii. Impact on local economy
 - viii. Other, as deemed necessary
- c) For goods and services and construction contracts that are not governed by provincial or federal legislation, the Village of Glenwood will apply the following guidelines:
 - i. Purchases or contracts over \$50,000 require a formal bid process. Where reasonable, local businesses should be contacted for bids. It will be at the discretion of the Chief Administrative Officer (CAO) to determine whether bid proposals will be by invited tender or public tender. A minimum of three (3) proposals should be obtained whenever possible.
 - ii. Purchases or contracts from \$10,000 - \$50,000 require three (3) quotes when it is sensible and prudent to do so. Process costs and cost of time needs to be balanced against due diligence to obtain the best value. Quotations may be in the form of written, fax, email or price catalogues (including online). For purchases in this category, a record of price quotes should be kept on file. When possible, local businesses should be contacted for price quotes.
 - iii. Purchases under \$10,000 do not require a quote or tender award process. Discretion should be used to obtain best value; this may include occasional price shopping for routine purchases. When possible, purchase should be made locally.

- d) Where not governed by legislation, the Village will give preference to local suppliers after considering purchasing criteria in 2.b) and in consideration of overall best value to the Village of Glenwood.

3. Used Equipment

- a) Purchasing agents may, at their discretion, purchase used equipment. It is often a challenge to compare two or more pieces of used equipment and discretion is required by purchasing agents. In order to obtain best value and minimize risk to the Village, purchasing agents should consider the following guidelines when purchasing used equipment:
 - i. Price
 - ii. Kilometers or hours on the equipment
 - iii. Rating of general condition
 - iv. List of extras or accessories included
 - v. Estimated freight and shipping costs
 - vi. Age
 - vii. Purchase price of new piece of equipment
 - viii. Mechanical inspection report
 - ix. Warranties available
- b) Once comparable information has been established, a purchasing agent may purchase used equipment provide it is comparable to recent actual sales and represents best value for the Village.

4. Authority to Purchase

- a) Contracts and Tender Awarding
 - i. All contracts which are essential for the day to day operations of the Village, or to satisfy capital work requirements, and which are approved within the annual budget shall be negotiated and concluded by the Chief Administrative Officer (CAO).
 - ii. If there is ambiguity as to whether a contract requires approval of Council, the CAO shall present the contract to Council for advice and a resolution, if required.
 - iii. At all times, any contract negotiated and/or concluded by the CAO may be appealed to the Council should the affected contractor choose to appeal a decision or condition of the CAO.
- b) Documentation and Authorization for Payment
 - i. All vendors shall reference name of purchaser/ordering party on invoices. Invoices without proof of ordering party are a risk of non-payment.

- ii. Employees purchasing goods or services are required to sign invoices at time of purchase. Employees should check that a legibly printed name is referenced on the invoice at the time of signing.
- c) All items purchased must qualify as an approved budgeted item. Items that have not been included in the budget must receive approval from Council prior to purchase.
- d) In an emergency situation, defined by the CAO, authority is granted to spend up to \$50,000 without the need for a formal bid process and to be approved by a single majority of council.
- e) Purchasing with a purchaser name identified on the invoice will not be required for:
 - i. Membership and/or registration renewals
 - ii. Insurance
 - iii. Conference and staff training
 - iv. Hotel bookings
 - v. General operational payments i.e. utility, phone, freight, refund of credits, payroll disbursements, etc.
 - vi. Professional services i.e. legal, audit, engineering (these services should be accompanied by a contract or engagement letter)
 - vii. Expenses approved in program budgets (Recreation Board)
 - viii. Annual requisitions from approved requisitioning authorities
 - ix. Contract payments i.e. Fortis AB, ORRSC, Wells Fargo, etc.
 - x. Donations
 - xi. Minimal purchases where the petty cash fund is used

5. Opportunity Notification

- a) Depending on the nature of goods or services required, the advertisement should be posted locally or regionally in reliable advertising media or posters displayed in the local area. The CAO will determine how tenders will be advertised. Tenders should be sealed and time stamped when received in the Village Office.
- b) For contracts or bids obtained under legislation, see notification requirements in the New West Partnership Trade Agreement.

6. Consulting and Service Contracts



- a) Consulting and service contracts will be awarded on the basis of price, demonstrated competence and qualifications for the type of services to be rendered.

- b) All significant recurring services or consulting contracts/agreements will be subject to review at least once every five years or more often if deemed necessary by the CAO.

7. Evidence of Policy Compliance

- a) Staff purchasing goods and services over \$10,000 are required to maintain adequate record of quotation/tender submissions and document reasons for accepting successful submissions

END OF POLICY

	
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Mayor	Date

