



Procurement & Expenditures

C-FS-029

Date Approved by Council: September 11, 2017

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Effective Date: September 11, 2017

Last Review: NEW

Future Review Date: 2021

Authority: Council

Responsibility: Corporate Services

References: Municipal Government Act Sections 243, 248 and 249, New West Partnership Trade Agreement, Canadian Free Trade Agreement, Comprehensive Economic Trade Agreement

Replaces: C-FS-007 Procurement & Expenditures

1.0 Purpose: To outline the Town of Stony Plain's policy regarding expenditures and procurement of goods and services. This policy will be used to direct the purchasing process and facilitate appropriate control of expenditures for the Town.

2.0 Scope: This policy covers procurement & expenditures for all facets of the Town's operation.

3.0 Objectives: The objectives of this policy are:

- To establish the framework by which purchasing of goods and services is undertaken by the Town in accordance with related legislation and agreements.
- To guide the bidding and tendering process for the Town.
- To express the values to be considered in the purchasing process.
- To establish the authority of the Town of Stony Plain Procurement Procedures Manual as the guiding document for the procurement process.

4.0 Statement

Responsible purchasing is foundational to good governance and the reputation of a municipal government. The Town of Stony Plain therefore subscribes to and adheres to the following principles for all purchasing transactions:

- a) Ethical behavior and conduct,
- b) Full and open competition,

- c) Best value acquisition.

This policy in conjunction with the Town of Stony Plain Procurement Procedures Manual shall provide direction to the procurement process for the municipality.

5.0 Standards

In accordance with the Municipal Government Act, the Town of Stony Plain may only make an expenditure that is:

- a) Included in an operating budget, interim operating budget or capital budget or otherwise authorized by Council,
- b) For an emergency, or
- c) Legally required to be made.

In accordance with the Municipal Government Act, the Town of Stony Plain will establish the procedure for authorizing or verifying expenditures that are not included in a budget, by requiring all such expenditures to be presented to Council for approval prior to purchasing.

The Town of Stony Plain will commit to following the New West Partnership Trade Agreement in addition to any other trade agreements applicable to the public sector in Alberta by practicing open and non-discriminatory procurement where the anticipated costs are at or above the lowest applicable thresholds currently:

- \$75,000 or greater for goods,
- \$75,000 or greater for services,
- \$200,000 or greater for construction.

The Town of Stony Plain will take into consideration several factors in evaluating vendor selection. These factors may include but are not limited to:

- Quality,
- Price,
- Transportation Costs,
- Warranties,
- Delivery Time,
- Life-Cycle Costing including resale,
- Support and Service Availability,
- Expertise in the Product/Service Area,
- Environmental Sustainability,
- Vendor compliance with Occupational Health & Safety Legislation
- Social – vendor contribution to local community.

The lowest cost supplier may not necessarily be the chosen supplier dependent upon the acceptance criteria outlined for the goods and services purchased. Local vendors will be included in purchasing processes. All purchases made on behalf of the Town of Stony Plain shall consider value for money regardless of dollar value spent.

Town staff will conduct themselves with ethical behavior and conduct in the purchasing process. Staff will behave with impartiality, fairness, integrity and professionalism in their dealings with suppliers. Staff will not place themselves in a position of obligation, or appearance of obligation, with any vendor or potential vendor through the acceptance of gifts, favors or any other benefits with the exception of promotional items and apparel with a value of under \$50.00. Additionally, entertainment (excluding alcohol) for the strict purposes of business discussion is permissible. Staff shall refer any potential conflict of interest in the purchasing process to their immediate supervisor.

Council and Town staff will not be allowed to purchase items for personal use through the Town's purchase arrangements thus alleviating further potential conflicts of interest.

Authority for purchasing on behalf of the Town of Stony Plain shall rest with the Town Manager, General Managers, Managers and any other staff receiving authorization from the Town Manager, General Managers or Managers.

Purchasing authority shall be defined by the parameters of approved budget funding. The Town of Stony Plain Procurement Procedure manual shall outline appropriate numerical limits for staff approvals and shall provide internal control measures to be used in the control of purchases. Expenditures not approved in an existing budget shall be presented to Council for approval.

The Town of Stony Plain Procurement Procedures Manual shall outline the purchasing process in relation to the following purchasing thresholds:

	Value	Process required
Level 1	Up to \$5,000	No Quotations are required
Level 2	From \$5,000 - \$40,000	Written Quotations from at least two, preferably three vendors.
Level 3	From \$40,000 - \$75,000	Invitational Procurement Process
Level 4	Over \$75,000	Open Procurement Process Advertised Nationally

All goods and services over \$40,000 shall be procured subject to the exceptions noted below. Regardless of purchase amount, best value for money principles must be observed in all purchases carried out on behalf of the Town of Stony Plain.

Exceptions to the Procurement Process:

The requirements for a public procurement may not apply to the purchase of the following:

- a) Utility Contracts,
- b) Contracts or agreements pertaining to employee compensation, reimbursements, training, education etc.,
- c) Land Purchases,
- d) Any items that by their very nature do not lend themselves to a public tender.

Emergency Purchases

An emergency purchase occurs when an unforeseen situation presents itself which requires serious and immediate attention which may not be reasonably met by any other procedure and includes the following limitation:

- a) A condition where lack of unforeseen supplies or services may adversely affect the functioning of the Town of Stony Plain, residents, public property, private property, the environment or endanger the health of the public.
- b) Interim contractual arrangements following the abandonment or breach of a contract; or the receipt of unacceptable bids.

Emergency purchases are to be completed in an expedient manner but should take economy into consideration. In each case the authorizing person is required to report the emergency purchase, in writing, to the next level of authority with a copy to the Town Manager.

6.0 Policy Review

This policy shall be reviewed by Administration every four years with any changes being recommended to Council for approval.