



Adopted By: Council  
Authority to Administer: CAO

**Policy Name**

Purchasing Policy

**Policy Purpose**

The purpose of the Purchasing Policy is to provide guidance to all ID9 employees and Council members with respect to purchasing functions.

**Policy Principles****Policy Definitions**

1. "Agencies" refers to the Lake Louise Sport & Recreation Society & the Lake Louise Banff Municipal Services Society
2. "Barter" means an exchange of goods or services between two or more parties where no money changes hands.
3. "Best Value" means the most advantageous balance between performance, price and quality achieved through competitive procurement methods in accordance with stated selection criteria. Best Value may include the useful life of an asset and track record.
4. "Bid" means an offer to buy or sell goods or services by a vendor or purchaser.
5. "Budget" means a financial plan outlining expected revenues and expenditures for operating or capital assets that is formally reviewed and approved by Council.
6. "CAO" means the chief administrative officer of the Municipality or delegate.
7. "Cheque Requisition" means a form requesting a cheque be prepared for payment of an ID9 expense.
8. "Contract" means an agreement between two or more parties, written or verbal, comprising of an offer, acceptance, and consideration.
9. "Contractor" means a person or a business that follows an independent trade, business, or profession in which they provide goods or services to the public.
10. "Exclusive rights" means an arrangement with a Supplier whereby the purchaser undertakes to obtain related supplies or services only with that Supplier.
11. "Goods and Services" includes supplies, materials and equipment of every kind required to carry out the operations of the Municipality. Services include contractors, consultants and other non-material requirements.
12. "Invitation to Tender" means a request for Bids for prices on specific goods and/or services from a Supplier submitted in writing.
13. "Local Business" includes any business holding a valid Banff National Park business license.
14. "Municipal Stakeholders" means the residents of the Municipality, as well as other individuals, organizations or persons that may have an interest in, or are affected by, a decision made by the Municipality.
15. "Municipality" means Improvement District 9 (Banff National Park).
16. "Request for Proposal" means a request for Bids as to how the Supplier would address the need identified in the Request for Proposal document.
17. "Request for Quotation" means a request for Bids for prices on specific goods and/or services from a Supplier submitted verbally or in writing.
18. "Sole Source" means purchasing when there is only one available Supplier of a required product or service that meets the needs of the Municipality. Negotiation is used to complete the terms and conditions of this type of purchase.

19. "Supplier" means any person or company that supplies goods or services to the Municipality. Also known as a contractor, seller, subcontractor, or vendor.

### **Responsibilities**

1. All employees are responsible for:
  - a) Maintaining high legal, ethical, managerial, and professional standards in the management of the resources entrusted to them, as a publicly funded institution.
  - b) Obtaining the Best Value for money by achieving fulfillment of specified needs including quality, health & safety standards, productivity and service life.
  - c) Using a fair and transparent process when calling for, receiving, and evaluating quotations and proposals.
  - d) Meeting the legal and ethical obligations in the acquisition of Goods and Services by purchase, lease or Barter.
  - e) Using appropriate purchasing techniques including negotiating contractual terms and conditions, cost reduction techniques, and cooperative buying processes.
  - f) Considering the environment in all purchasing decisions and selecting environmentally beneficial Goods and Services where the additional cost is not prohibitive.
  - g) Using purchasing contracts when ID9 gains an advantage by doing so.
  - h) Identifying and investigating a full range of potential goods or service providers before selecting one for an exclusive contract.
  - i) Obtaining appropriate authorization for all purchasing contracts.
  - j) Obtaining legal assistance or advice if necessary for any non-standard clauses in purchasing contract.
  - k) Ensuring a Supplier of Goods and Services holds a valid Banff National Park business license where required.
  - l) Ensuring all purchases are performed in accordance with this policy.
  - m) Ensuring that corporate standards are adhered to for purchases.
  - n) Entering into purchasing contracts on behalf of ID9
  - o) Coordinating administration and the continuous review of the department's use of goods and/or services to ensure ID9 is receiving the best quality, quantity, service, price, etc.
  - p) Coordinating purchasing record keeping (RFP documentation, quotes, etc.) and retention of records for a period of seven years for auditing purposes.
2. The CAO is responsible for:
  - a) Approval of all purchasing contracts on behalf of ID9.
  - b) Ensuring that no payments are made without the appropriate authorization.
  - c) Providing training and documentation on how to utilize the Purchasing Policy efficiently and effectively.
  - d) Communication regarding all developments in the field of purchasing by all government agencies

### **Purchasing Authorization**

1. Purchase Authorization Limits
  - a. \$0-\$10,000
    - i. The agencies shall review and authorize any purchase approved in the Budget with a total value \$10,000 and under.
  - b. \$10,000 to \$100,000
    - i. The CAO shall review and authorize any purchase approved in the Budget with a total value between \$10,000 and \$100,000.
  - c. \$100,000 or greater
    - i. Council shall require the CAO to obtain Council authorization for purchases over \$100,000 and purchase commitments or renewals longer than 3 years and greater than \$100,000 in value.
2. Non-Budgeted Purchases
  - a. Council shall review and authorize any purchase not approved in the Budget that have the potential to affect the direction or financial results (\$10,000 or greater) of the municipality.
3. Emergency Purchases

- a. Emergency situations occasionally arise within Municipal operations. In emergency situations it is up to the judgement of the highest authority personnel on hand to make a responsible decision regarding obtaining required Goods and Services. Any purchases made outside of normal purchasing procedures must be reported to the appropriate authority and to the CAO as soon as is reasonably possible.
- 4. Barter Transactions
  - a. Barter transactions are generally discouraged, but may be appropriate in special circumstances. They must be approved by the CAO in addition to whatever approvals are required based upon the values involved.
  - b. Barter transactions are accounted for at the amounts that would have been paid had they occurred as routine transactions in the ordinary course of business. Authorizations for barter transactions shall follow the same process as for a standard purchase, at the normal commercial value of the exchange. GST as well as any other taxes must be accounted for as for a standard purchase.
- 5. Authorization of Supplier Invoices
  - a. Invoices should be compared to the original purchase authorization document and/or supplier quotation. Invoices must be approved for payment by an authorized department approver.

### **Purchasing Process**

- 6. Purchasing Limits
  - a. 0 - \$5,000
    - i. a) Verbal or written quotations from one or more vendors.
    - ii. Use of normal invoice procedures, expense claim or via a Cheque Requisition.
    - iii. A verbal or written Request for Quotation may be used.
  - b. \$5,000 – \$50,000
    - i. Orders may be placed based on receiving three written quotations or proposals where practical and advantageous to the Municipality.
    - ii. A written Request for Quotation or Request for Proposal may be used.
  - c. \$50,000 +
    - i. An advertised and written Request for Quotation, Request for Proposal or Invitation to Tender must be used.
    - ii. Advertisements must include a local newspaper and/or an online Bid solicitation service where practical and advantageous to the Municipality.
    - iii. A comprehensive assessment of the proposals or quotations will be undertaken.
    - iv. A Contract may be required.
- 7. The Municipality will comply with purchasing practices legislated under the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA). Goods and Services over \$75,000 and Construction contracts over \$200,000 must be procured openly through the Alberta Purchasing Connection.

### **Sole Source**

- 8. The CAO on occasion may engage in exceptions to the requirement for quotations and proposals within this policy. The Municipality identifies such instances as:
  - a. Where the compatibility of a purchase with existing equipment, facilities or service is a paramount consideration and the purchase must be made from a single source.
  - b. Where an item is purchased for testing or trial use.
  - c. Notwithstanding anything in this policy, where a purchase is determined by Council to be fair and reasonable and is made from a non-profit corporation supported by the Municipality.
  - d. Where the only Supplier is a department, agency, or utility of the federal, provincial, regional, or municipal government.
  - e. Where the acquisition is of a highly specialized nature and/or is available from only one Supplier.

### **Procurement Preferences**

- 9. Purchasing from Local Businesses is preferred where Goods and Services of an acceptable, equivalent quality are readily available at competitive prices. Preference will also be given to goods made in Canada.

**Prohibitions**

10. The following activities are prohibited, unless specifically approved by Council:
  - a. The division of purchases to avoid the requirements of this policy by any method, including corporate credit cards.
  - b. Purchase by any employee or member of Council of any Goods and Services for personal use.
  - c. An employee shall not accept a gift, favour or service from any individual, organization or corporation, other than: the normal exchange of gifts between friends; the normal exchange of hospitality between persons doing business together, tokens exchanged as part of protocol; or the normal presentation of gifts to persons participating in public functions.

***Policy 2015-01 is hereby Rescinded.***

This policy shall be in effect on the date it is approved by resolution of Council.