



Adopted By: Council
Authority to Administer: CAO

Policy Name
Purchasing Policy

Principles

ID9 is committed to obtaining the best value for goods and services purchased while incorporating sustainable procurement principles and best practices that befits a municipality located within Canada’s premier National Park.

Purpose

The purpose of the Purchasing Policy is to provide guidance to all ID9 purchasing functions.

All individuals delegated with purchasing authority shall follow the guidelines set out in the Purchasing Policy. All procurement activities shall meet the current and future needs of the ID9, while demonstrating commitment to sound purchasing practices.

Scope

The Purchasing Policy applies to the purchase of Goods and Services by any delegated individual or employee on behalf of the ID9. Values referred to in this policy do not include GST unless otherwise noted. The Chief Administrative Officer will provide the administrative direction to carry out the policy by stipulating the procedures and controls necessary to ensure that expenditures are made according to sound business practices with appropriate accountability and ethics.

Policy Definitions

1. “Barter” means an exchange of goods or services between two or more parties where no money changes hands.
2. “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.
3. “Bid” means an offer to buy or sell goods or services by a vendor or purchaser.
4. “Budget” means a financial plan outlining expected revenues and expenditures for operating or capital assets that is formally reviewed and approved by Council.
5. “CAO” means the chief administrative officer of the Municipality or delegate.
6. “Cheque Requisition” means a form requesting a cheque be prepared for payment of an ID9 expense.
7. “Contract” means an agreement between two or more parties, written or verbal, comprising of an offer, acceptance, and consideration.
8. “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.
9. “Exclusive Rights” means an arrangement with a Supplier whereby the purchaser undertakes to obtain related supplies or services only with that Supplier.
10. “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.
11. “Invitation to Tender” means a request for Bids for prices on specific goods and/or services from a Supplier submitted in writing.

12. "Local Business" includes any business holding a valid Banff National Park business license.
13. "Municipal Stakeholders" means the residents and ratepayers 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.
14. "Municipality" means Improvement District 9 (Banff National Park).
15. "Request for Proposal" means a request for Bids as to how the Supplier would address the need identified in the Request for Proposal document.
16. "Request for Quotation" means a request for Bids for prices on specific goods and/or services from a Supplier submitted verbally or in writing.
17. "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.
18. "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 authorized representatives are responsible for:
 - a) Procuring and/or make purchases in compliance with all applicable trade agreements, including but not limited to:
 - a. Canadian Free Trade Agreement (CFTA)
 - b. New West Partnership Trade Agreement (NWPTA)
 - c. Canadian-European Union Comprehensive Economic and Trade Agreement (CETA)
 - 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) 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.
 - o) 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 as authorized within this policy.
 - 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. \$1 to \$99,999
 - i. The CAO shall review and authorize any purchase which was previously approved in the Budget.
 - b. \$100,000 to \$999,999
 - i. CAO to obtain Council authorization.
 - c. \$1,000,000 or greater
 - i. Council shall first require the CAO to obtain Council authorization followed by written approval from the Alberta Ministry of Municipal Affairs in accordance with the Delegation of Authority MO (MA 026-21).
2. Non-Budgeted Purchases
 - a. Council shall review and authorize any purchase not approved in the Budget that has the potential to affect the direction or financial results 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. Authorization of Supplier Invoices
 - a. Invoices shall be compared to the original purchase authorization document and/or supplier quotation. Invoices must be approved for payment by an authorized approver.

Purchasing Process

5. Purchasing Limits
 - a. \$1 - \$4,999
 - i. Use of normal invoice procedures, expense claim or via a Cheque Requisition.
 - ii. A verbal or written Request for Quotation may be used.
 - b. \$5,000 – \$99,999
 - i. Orders shall be placed based on requesting three written quotations or proposals where practical.
 - c. \$100,000 or greater
 - 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.

Contracts

6. Under 1 year or \$1m
 - a. The CAO may sign and approve the contract agreement in accordance with the purchasing limits established in this policy.
7. 1 year or \$1m or greater
 - a. The CAO may sign and approve the contract agreement in accordance with the purchasing limits established in this policy.

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. Where the only Supplier is a department, agency, or utility of the federal, provincial, regional, or municipal government.
- d. 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 authorized individual 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.
 - d. Engaging in commerce with family member(s) of Council or administration, unless the relevant entity provides such products or services at a rate that is considered fair and ethical when compared to other supplier(s) of similar products or services and when no unfair competitive advantage exists.
 - i. In the case of approved commerce with family members, the member of Council or administration with this relationship must disclose it to the rest of Council.

Non-Compliance

11. Any staff member found to be in violation of this policy may be subjected to a disciplinary action. Such action may be dependent upon the nature of the breach of this policy; discipline may range from a written warning to dismissal with cause.
12. Any Member of Council found to be in violation of this policy may be dealt with utilizing a confidential report to Council.

Policy 2018-02 is hereby Rescinded.

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