

# Town of Coronach Procurement and Purchasing Policy

## PROCUREMENT AND PURCHASING POLICY

DEPARTMENT: All Departments

COVERAGE: Town of Coronach

DATE ADOPTED: August 14<sup>th</sup>, 2018

REVISION DATE:

RELATED POLICIES: N/A

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### 1. PURPOSE

1.1 The Town of Coronach Procurement and Purchasing Policy (the "Policy") establishes the process for the procurement of goods, services and construction by the Town of Coronach (the "Town") in a manner that:

- (a) Promotes open and fair competition (where a competition is deemed by the Town to offer best value);
- (b) Facilitates the best value for money in accordance with, among other things, *The Best Value in Procurement Act, 2015* (the "Act");
- (c) Upholds high ethical standards expected from a municipality;
- (d) Maintains the integrity of the Town's Strategic Plan;
- (e) Complies with all applicable trade agreements, including the Agreement on Internal Trade (AIT), Canadian Free Trade Agreement (CFTA), and New West Partnership Trade Agreement (NWPTA), and all other legal obligations, including but not limited to, municipal, provincial and federal law as applicable and as amended.

1.2 This Policy addresses who has the authority to sign Agreements and approve payments.

### 2. DEFINITIONS

2.1 The following terms shall have the following meanings:

- (a) "**Agreement**" shall mean a written document containing terms and conditions for a contractor or supplier to carry out certain work or provide certain products or services.
- (b) "**Agreement Value**" shall mean the total value of an Agreement.
- (c) "**AIT**" shall mean the Agreement on Internal Trade, as amended from time to time.
- (d) "**Budgeted**" shall mean those items (goods and services) that have been pre-determined as justifiable expenses by Administration and subsequently approved by Council in the Town of Coronach Annual Budget following the budgeting process.
- (e) "**CFTA**" means the Canadian Free Trade Agreement, as amended from time to time.
- (f) "**TOWN ADMINISTRATOR**" shall mean the Town Administrator of the Town of Coronach, or designate.
- (g) "**Community Project**" shall mean a project in which the goods and/or services to design and build the whole Project originate from and are provided by:
  - i) residents, without cost or fee to the Town; or
  - ii) philanthropic institutions as a donation or grant; or
  - iii) persons with disabilities; or
  - iv) a non-profit organization; or
  - v) any combination of the above.
- (h) "**Council**" shall mean the Council of the Town of Coronach.

- (i) **“Local Provider”** shall mean a business which provides goods or services locally to town of Coronach residents and businesses, and who also pays Town of Coronach municipal property taxes.
- (j) **“Mayor”** shall mean the Mayor of the Town of Coronach.
- (k) **“NWPTA”** means the New West Partnership Trade Agreement, as amended from time to time.
- (l) **“Project”** shall mean any development or facility which: (i) provides a good or service to the public on behalf of, or in conjunction with, the Town; or (ii) is located on lands owned or otherwise controlled by the Town.
- (m) **“Proponent”** shall mean any entity or individual who submits a response to a call for competitive procurement, (i.e. an RFP or Tender).
- (n) **“Purchase Order”** shall mean a document endorsed by the municipality to formalize a purchase transaction with a vendor.
- (o) **“Request for Expressions of Interest”** or **“REOI”** shall mean a request to entities or individuals to submit confirmation they may be interested in participating in a potential project and in some REOIs to submit details regarding such participation.
- (p) **“Request for Proposals”** or **“RFP”** shall mean a non-binding request to entities or individuals to submit proposals for unspecified good and/or services.
- (q) **“Request for Qualifications”** or **“RFQ”** shall mean a pre-qualification stage of the procurement process where a formal request is issued by the Town to suppliers or contractors to submit an explanation and outline of their qualifications and ability to carry out the work or provide the goods or services required for a particular project.
- (r) **“Resident”** shall mean persons that have their primary dwelling at least two hundred and forty (240) days per year within fifty (50) kilometres of the Town.
- (s) **“Tender”** shall mean a request to entities or individuals to submit pricing for the supply of specific goods and/or services.
- (t) **“Town”** shall mean the Town of Coronach.
- (u) **“Value”** shall mean the monetary worth of goods and services as pertaining to this Procurement and Purchasing Policy.

### 3. PURCHASING PROCESS

#### 3.1 Pre-Approval

All expenditures made by the Town must be pre-approved prior to the purchase in one of the following manners; they must be:

- (a) Budgeted; or
- (b) Approved by Council Resolution; or
- (c) Authorized by the Town Administrator as per Bylaw 13.2017; or
- (d) Approved under a declaration of a Local State of Emergency.

#### 3.2 Procurement

All goods and services shall be procured by the Town in a way that is consistent with this Policy and with its goals and objectives.

The Town acknowledges that following a competitive procurement process for good and services will result in the lowest price in most situations but it may not be appropriate, economical, or administratively reasonable for some procurement situations, and therefore, the following processes shall be followed:

- (a) For purchases below \$75,000, Local Providers shall be sourced whenever possible, provided that safety and security are not jeopardized, and provided that the costs of

purchasing from Local Providers is not greater than seven percent (7%) above the costs of sourcing from providers outside of the Town of Coronach region.

(b) For purchases below \$75,000, no single provider shall be unilaterally sourced when other Local Providers offer equivalent goods or services. Attempts shall be made to make purchases on a rotational basis to all Local Providers of equivalent goods or services provided that the cost of such purchases is not greater than seven percent (7%) above the costs of sourcing from any single provider.

(c) Value up to \$5,000 – no competitive procurement process is required.

(d) Value of \$5,001 - \$25,000 – the Town shall obtain written quotations (quotes) from at least two (2) contractors or suppliers. Quotes may be received by email, fax, or phone.

(e) Value of \$25,001 - \$75,000 – the Town shall obtain quotes from at least three (3) contractors or suppliers; or, at the discretion of the TOWN ADMINISTRATOR if deemed to be in the best interest of the municipality, the Town may utilize a competitive procurement process (i.e. Tender, RFP, REOI, or RFQ) to select the successful Proponent.

(f) Value of \$75,001 or greater – the Town shall utilize a competitive procurement process of its choosing in order to select a successful Proponent to provide the goods or services.

(g) Notwithstanding the foregoing Value thresholds, the Town shall be entitled at any time to utilize a competitive process regardless of the Value where it deems it necessary, appropriate or desirable in the circumstances.

(h) The Town may make its selection of a successful Proponent based on whatever criteria the Town deems appropriate, in its sole discretion, and in keeping with article 1.1.

### **3.3 Documentation**

The Town shall utilize appropriate documentation in all of its purchasing processes. Purchase Orders are used where there is no Agreement, and in such cases wherever possible for equipment, materials, and supplies, unless the purchase is being made by credit card.

(a) Credit Card Forms must be used when making any purchases with the credit card;

(b) If it was not possible to use a Purchase Order at the time of purchase, then the invoice shall be approved as per 4.1 before the cheque is issued;

(c) Agreements are to be engaged for projects and services valued at \$5,000 or more, and/or which exceed a 12-month period.

Administration may enter into long-term service and purchase Agreements (exceeding one year) providing it is in the best interest of the Town to do so taking into account price, stability, increased cost savings, or any other means that provides increased value to Town residents.

(d) Provision of recurring services must be initially engaged through the use of the above-mentioned Purchase Order or Credit Card Form or a signed Agreement, and recurring documentation is not required with each payment.

### **3.4 Payment for Goods and Services Rendered**

After the goods have arrived or the services have been completed, they will be assessed for quality, and the associated invoice will be reviewed for accuracy before the authorized staff person approves the issuance of the payment as per article 4.1.

## **4. AUTHORIZATIONS**

### **4.1 Authorizing Purchases**

Purchasing Authorities have the authority to authorize single purchases within the following value parameters:

(a) For Budgeted items:

(i) Purchases up to \$5,000 must be authorized by the TOWN ADMINISTRATOR;

(ii) Purchases up to \$10,000 must be authorized by Town Council *and* the TOWN ADMINISTRATOR;

(iii) Purchases of \$10,001 and above must be authorized by the TOWN ADMINISTRATOR and the Town Council.

(b) A Council Resolution is required to approve non-budgeted purchases of \$10,000 and above.

#### 4.2 Signing Authority

(a) All cheques for expenditures are to be co-signed by two of the following Signing Authorities:

- (i) The Mayor, or in his/her absence, The Deputy Mayor
- (ii) The Town Administrator;
- (iii) The Administrative Assistant

(b) All Agreements are to be co-signed by two of the following Signing Authorities, within the values:

- (i) Up to \$5,000 – signed by the TOWN ADMINISTRATOR, and/or the Mayor;
- (ii) \$5,001 to \$10,000 – signed by the TOWN ADMINISTRATOR, and/or Mayor;
- (iii) \$10,001 and above – signed by the TOWN ADMINISTRATOR and the Mayor, and a Council Resolution is required to approve any agreement valued at \$10,001 or more prior to being signed

#### 5. GENERAL

- 5.1 The values limits in this policy exclude applicable taxes.
- 5.2 No single purchase shall be divided in order to avoid any restrictions identified in this policy.
- 5.3 If, at the sole discretion of the Town, a Project is deemed to be a Community Project, then this Purchasing Policy shall not apply to such goods or services provided to the Community Project by an entity other than the Town. The Community Project shall be subject to any other regulation put forward by the Town to regulate the development of such Community Projects.

This Procurement and Purchasing Policy shall continue to apply to any goods or services procured or provided by the Town to the Community Project. For the sake of clarity, if the Town will procure or provide any good or services for the Community Project, then any procurement procedures utilized by the Town shall not be used to:

- (a) avoid competition; or
- (b) discriminate between suppliers; or
- (c) protect the Town's current suppliers from competition.

[SEAL]



*J. Frensch*  
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Mayor

*MacKay*  
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Administrator

