

Policy Title: Procurement Policy

Policy # B-020



ADMINISTRATIVE PROCEDURES

Effective Date: October 1, 2019

Approved by the CAO: _____

1. DEFINITIONS

- 1.1. "Advertise" means publishing a notice in one local newspaper, posting on the Municipality of Jasper website or Alberta Purchasing Connection;
- 1.2. "Best value for money" means the most advantageous balance between performance, price and quality;
- 1.3. "CFTA" means the Canadian Free Trade Agreement, an intergovernmental Canadian trade agreement with the objective to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open, efficient, and stable domestic market.
- 1.4. "Essential services" are municipal services essential to the daily lives of Jasper residents, businesses, and visitors including but not limited to: supply of potable water, treatment of wastewater, road care and maintenance, waste pick-up, and emergency and protective services;
- 1.5. "NWPTA" means the New West Partnership Trade Agreement, an agreement between the Governments of British Columbia, Alberta and Saskatchewan to form a barrier-free interprovincial market.
- 1.6. "Procurement value" means the total estimated cost, net of Federal and Provincial taxes, of the goods and services or construction that are procured. This does not include optional renewals when the compulsory part of a contract is at least one year in duration.
- 1.7. "Procure" or "Purchase" means to acquire goods, services, or construction in response to a municipal need;
- 1.8. "Request for proposal" means an invitation for a supplier to propose an innovative solution to a problem, requirement or objective. It defines the scope of the project, deliverables or supplies and the criteria that will be used to identify the successful proposal;

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1.9. "Request for quotation" means a request for a supplier to provide prices on specific products and/or services;

1.10. "Request for qualification" means a request for a supplier to submit their qualifications to be considered for a project;

1.11. "Request for Tender" means a formal public invitation to suppliers to bid on the provision of goods and services or construction at a specific price, based on detailed specifications.

2. PROCUREMENT GUIDELINES

2.1. All procurement and purchasing decisions shall be based on the principles of transparency and obtaining the best value for money, taking into account any of the following criteria, as applicable:

- a) compliance with federal, provincial and municipal legislation;
- b) fitness for purpose;
- c) quality;
- d) reliability;
- e) price competitiveness;
- f) lifetime costs and transaction costs;
- g) useful-life expectancy;
- h) innovation;
- i) sustainability (refer to Sustainable Purchasing Policy B-010);
- j) assurance of supply, deliverability and timeliness;
- k) anticipated customer service;
- l) past performance; and
- m) experience.

2.2. The lowest price will not be the sole determinate of best value for money.

2.3. Joint purchasing with other agencies and municipalities is encouraged whenever it is in the interest of obtaining best value for money.

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3. PROCUREMENT PROCESS EXCEPTIONS

- 3.1. In the event that the number of responses received are insufficient to meet the requirements in this policy, the employee initiating the purchase has the discretion to:
- a) extend the deadline for responses; or
 - b) select from among the responses received, if this is approved by the next highest level of management.
- 3.2. Exceptions to the purchasing process may be authorized by a director or the Chief Administrative Officer:
- a) where the compatibility of a purchase with existing equipment, facilities, or service is a paramount consideration;
 - b) where the purchase can only be made from a sole source;
 - c) where an item is purchased for testing or trial use;
 - d) where the only supplier is a department, agency, or utility of the federal, provincial, regional, or a municipal government;
 - e) where the purchase is of a highly specialized nature and/or is available from only one supplier;
 - f) where professional qualifications are a paramount consideration;
 - g) when using trade programs or approved suppliers (see section 3.7); or
 - h) in an emergency (as defined in the *Municipal Government Act* (RSA 2000, cM-26)).
- 3.3. Purchases authorized in an emergency must be reported to council at the next scheduled council meeting by the Chief Administrative Officer or designate.
- 3.4. Purchases may be combined into a single purchase if this results in best value for money.
- 3.5. When purchases are combined in accordance with s. 3.4, this policy will apply as if the combined purchases were one purchase.
- 3.6. Contracts may be extended:
- a) where there is a continuing need for the product or service being supplied, and

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- b) where the additional obligations would be contained within a normal operating or capital budget approved by Council, and
- c) where the extension was either provided for in the original request for quotations, request for proposals or request for tender, or was offered through a purchasing process approved in this policy.

3.7. Prequalified Consultants

From time to time, the Municipality of Jasper may issue a Request for Qualification or public notices to create lists of pre-approved consultants and contractors to perform work for the Municipality. Subject to the terms and conditions of these formal processes, authorized municipal employees may enter into contracts or purchase goods, services or construction from pre-approved consultants and suppliers outside of the purchasing process outlined in Appendix 1.

3.8. Trade Programs and Approved Suppliers

Authorized Municipality of Jasper employees may use the Rural Municipalities of Alberta Trade Programs (including the Capital Purchasing Program) and Approved Suppliers to purchase goods, services or construction, subject to the terms, conditions and guidelines set by the Rural Municipalities of Alberta.

The MOJ may undertake procurement activities by advertising a Notice of Planned Procurement (NPP) on the Alberta Purchasing Connection (APC) indicating the MOJ intention to use the RMA cooperative purchasing program.

4. SIGNING AUTHORITY MATRIX

- 4.1. MOJ staff will comply with the authority limits established in the Signing Authority Matrix to initiate, review, and sign/approve procurement contracts and related invoices.

Refer to the Procurement Policy for the Signing Authority Matrix.

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5. PROHIBITIONS

- 5.1. Employees may not seek or receive personal gain when engaging in purchasing activities for the MOJ.

- 5.2. Employees who are responsible for managing or supervising a contract:
 - a) are prohibited from providing goods or services related to that contract;
 - b) may not participate in the arrangement of a contract involving a business in which a member of the employee's immediate family has a financial interest or holds a position of influence or authority.

- 5.3. Purchases may not be split so as to avoid the requirements of this policy.