

# Wheatland County

## Request for Decision

Regular Council Meeting

July 7, 2020

Report prepared by: Tracy Buteau, GM of Corporate & Financial Services



### Procurement Policy 2.1

#### Recommendation from Administration

That Council approve the amendments made to Procurement Policy 2.1 dated July 7, 2020.

#### Chief Administrative Officer's Comments

N/A

#### Report

At the April 4, 2020 Regular Meeting, Council directed Administration to review the Wheatland County Procurement Policy and provide a recommendation to Council regarding procurement best practices. Administration presented the policy to Council at a Planning and Priorities session for information and discussion purposes.

Council informed Administration that it values local goods and/or services however according to trade agreements, preferential treatment to local vendors for competitions greater than seventy-five (\$75,000) dollars for goods and/or services or construction greater than two hundred thousand (\$200,000) dollars could be legally challenged. To avoid legal challenges or bid protests, Administration added the following clause, reviewed by legal counsel, to address consideration to local goods and/or services:

*"When procuring deliverables under the trade agreement thresholds, consideration should be given to obtaining quotes from local suppliers whenever possible. Quotes from local suppliers may be accepted if the price is within 5% of the lowest quote obtained."*

It is important to note that staff must still do their due diligence and obtain quotes outside of the local area as well. Generally, when working with trade agreement thresholds, procuring entities must ensure that procurements meet four principles that include: openness, non-discrimination, non-circumvention, and transparency.

The New West Partnership Trade Agreement (NWPTA) outlines procurement provisions between British Columbia, Alberta, Saskatchewan, and Manitoba. All tender notices must be published under the Alberta Purchasing Connection (APC) for good and/or services greater than \$75,000 and construction greater than \$200,000.

The Chief Administrative Officer (CAO) has been delegated to incur expenditures through this policy that have been approved through the budget.

Since the Planning and Priorities session, a clause has been added regarding contract splitting to address trade agreement rules that a procurement cannot be divided to avoid the obligation of the trade agreements.

Further, a standard clause has been added regarding a supplier's conduct and conflicts of interest.

The acronym "RFX" was added to cover all bid documents such as Request for Proposal (RFP), Request for Quotation (RFQ), Request for Tender (RFT) among others. Under employee responsibilities, prior to a purchasing decision, staff will review current legislation and ensure the proper RFX document is being used as part of the compliance process.

Under Procedure, Section B. "two verbal quotes" was amended to "two written quotes" to reflect the current practice in the organization.

Under Procedure, Section E. Construction (\$75,000 to \$200,000). Staff noted that the current policy treats this amount as if it falls under trade agreements even though these amounts are under the thresholds. Although this is a good practice, Administration recommends staff create an RFP and post on the County website and other procurement websites. This will allow the County to accept a price from a local supplier if the price is within 5% of the lowest quote obtained.

Changes were made to Schedule A to reflect the above policy amendments with managers and General Managers approving contracts, according to spending authority guidelines.

Administration will continue to monitor this policy after it is approved by Council and bring back further recommendations for improvements.

### **Relevant Policies, Practices, and Legislation**

As Council is aware, the County is legally obligated to adhere to the Canadian Free Trade Agreement (CFTA), the New West Partnership Trade Agreement (NWPTA), as well as other trade agreements, and the Municipal Government Act, Freedom of Information and Protection of Privacy Act (FOIP) and its own policies.

### **Alignment with the Strategic Plan**

Providing consistent, accountable, innovative governance.

### **Response Options**

Option 1: THAT the proposed recommendation is accepted/approved.

Option 2: THAT the proposed recommendation is not accepted/approved.

Option 3: THAT an alternate recommendation is accepted/approved.

### **Implications of Recommendation**

#### **General**

Procurement activities secure the best value for money for all goods, services, and construction to maximize value for the residents of Wheatland County and ensure compliance with all applicable laws, regulations, policies related to procurement activities.

#### **Organizational**

The Organization and Council will have a policy in place to ensure staff are adhering to trade agreements and thresholds as well as best practices in procurement.

**Financial**

Continue to monitor the policy after it is approved and ensure it remains up to date.

**Environmental, Staff, and Public Safety**

The policy provides direction to employees related to procurement.

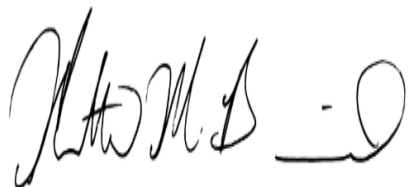
**Follow-up Action / Communications**

The amended Procurement Policy will be distributed to staff for review and added to the website.

## Report Approval Details

Document Title:	Procurement Policy 2.1.docx
Attachments:	- Procurement Policy final draft.docx - Procurement Policy track changes.docx
Final Approval Date:	Jun 29, 2020

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink, appearing to read 'Matthew Boscarol' with a stylized flourish at the end.

Matthew Boscarol