

CORPORATE AND FINANCIAL SERVICES POLICY SECTION 2	2.1. PROCUREMENT POLICY Page 1/14
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PURPOSE

To obtain goods and/or services and construction (procurement) while achieving best value through a transparent, fair and competitive process with a focus on customer service.

POLICY

Wheatland County is committed to conducting procurement in compliance with all applicable legislation, policies and procedures in an open, fair, and transparent manner that assures equal access to qualified suppliers and achieves best value for its residents. All employees must conduct themselves in a professional and ethical manner when procuring and where possible must consider innovative solutions during procurement activities. The purchasing and supply function must fully embrace the philosophy of continuous improvement with the intent that Wheatland County will continue to be a leader in advanced public procurement solutions that are quality focused. Employees must adhere to the guidelines set forth in this policy and in all purchasing activities.

Release of Information: Employees must not release information to any potential supplier that is not intended to be made available to all potential suppliers.

Documentation: Appropriate procurement documentation must be in place before a purchase, including but not limited to service contracts, purchase orders, agreements, or written quotations.

Total Cost of Ownership: Where appropriate, employees will consider the total cost of ownership in procurement activities.

Local Procurement: According to applicable trade agreements, the County cannot give preferential treatment to local suppliers for competitions over a seventy-five thousand (\$75,000) dollar threshold for goods and/or services or two hundred thousand (\$200,000) for construction.

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.

As part of the procurement process, employees may identify and consider the Country of Origin. The procurement from overseas suppliers will be limited, especially where competitive Canadian products and services are available, provided that no legal or funding-related limitation exists for the specific procurement. Where competitive Canadian goods and/or services are not available, consideration will be extended to Canadian Value-Added goods and/or services and Canadian Suppliers as an order of priority, provided that no legal or funding-related limitation exists for the specific procurement

Environmental and Ethical Standards: Where practically possible, Wheatland County will meet the highest possible environmental and ethical standards. Employees may identify and purchase environmentally and ethically preferred products and services when available for the intended purpose at a competitive price. Methods of accomplishing this may include but are not limited to requesting that environmental or ethical policies and procedures of a vendor be included with quotes or proposals or including environmental or ethical considerations in the evaluation scoring processes.

Negotiation Practices: All employees having responsibility for purchasing activities are expected to negotiate with the best interests of the County.

Authorization: No procurement shall be authorized unless it is compliant with this Policy and Schedule A.

Council: Is it the role of Council to establish policy and approve expenditures through the County's budget approval process. Through this Policy, Council delegates the CAO to incur expenditures in accordance with approved budgets.

MGA: Employees must follow regulations as set out in the Municipal Government Act (MGA), Section 248 Expenditure of Money.

Exemption: Procurement not subject to this Policy is listed in Schedule B. The final determination of whether procurement qualifies for exemption under Schedule B shall be determined by the General Manager. This may also include single source procurement however documentation must still be gathered on why the single source was chosen.

Contract Splitting: Subdividing, splitting or otherwise structuring procurement requirements or contracts to reduce the value of the procurement or in any way circumvent the requirements or intent of this Policy is not permitted.

Supplier's Conduct and Conflicts of Interest: The County requires its suppliers to act with integrity and conduct business in an ethical manner. The County may refuse to do business with any supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage or fails to adhere to ethical business practices.

DEFINITIONS

“Bid” means a submission in response to a Solicitation Document, and includes proposals, quotations, or responses.

“Canadian Good” means a good which, if exported outside of Canada, would qualify as a good of Canada under appropriate rules of origin as per the Canadian Free Trade Agreement.

“Canadian Service” means a service provided by a natural person based in Canada as per the Canadian Free Trade Agreement.

“Canadian Supplier” means a supplier that has a place of business in Canada as per the Canadian Free Trade Agreement.

“Canadian Value-Added” means: (a) in relation to services, the proportion of the service contract performed by natural persons based in Canada; and (b) in relation to goods, the value of the portion of the good produced in Canada or the difference between the dutiable value of imported goods and the selling price, taking into account any value-added by manufacturers and distributors, and including any costs in Canada related to research and development, sales and marketing, communications and manuals, customization and modifications, installation and support, warehousing and distribution, training, and after-sales service.

“Construction” means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in a procurement.

“Environmentally Preferred” means products or services that have a lesser impact on human health and the environment when compared with competing products or services. This comparison may consider raw materials, acquisition, production, recycles content, manufacturing, waste management, packaging, distribution, re-use, operation, maintenance, or disposal.

“Ethically Preferred” means products or services that are produced or delivered under conditions that meet or exceed the standards for employment conditions and human rights for manufacturers and suppliers established by national or provincial governments, or the International Labour Organization.

“Goods” refers to moveable property and includes raw materials, products, equipment, and other physical objects of every kind and description whether in solid, liquid, gaseous, or electronic form as per the Canadian Free Trade Agreement.

“Total Cost of Ownership” means the cost over the full lifetime of a product. Examples of costs include maintenance, insurance, staffing, training, disposal, and cost savings that may be achieved over the lifetime of the product such as environmental efficiencies (i.e. energy saving or water use) or potential revenues.

“Procurement” means a set of activities performed by Wheatland County to facilitate the acquisition of procurement in response to a business need.

“RFX” is an acronym that means “request for x”, with x representing any of the form bid documents used to obtain information or cost estimates for the sourcing and/or procurement of goods, services or construction. Bid documents can include: Request for Bid (RFB), Request for Information (RFI), Request for Proposal (RFP), Request for Quotation (RFQ), Request for Tender (RFT), Expression of Interest (EOI) and Request for Prequalification (RFPQ) among others.

“Services” means services supplied or to be supplied, by a person.

“Single Source” refers to procurement that is only available by one provider or company, where additional quotes cannot be obtained due to the uniqueness or other vendor limitations.

EMPLOYEE RESPONSIBILITIES

All procurement activities must be conducted with integrity, openness and transparency, and all employees involved in procurement activities must act in a manner consistent with Wheatland County Human Resources Policy Section 6.1, Code of Conduct and Ethics, as well as all other applicable County policies. Responsibilities of employees as defined in Policy Section 6.1 include but are not limited to avoidance of conflicts of interest, protection of confidential or sensitive information, and adherence to a professional standard of conduct.

In addition to all responsibilities outlined in this Policy, employees shall endeavour to secure the best value for money to maximize value for the residents of Wheatland County, and ensure compliance with all applicable laws, regulations, policies and procedures related to procurement activities. Employees are responsible for evaluating the performance of suppliers and reviewing available performance evaluations for bidding suppliers prior to purchase as per Wheatland County's Performance Management Policy 2.14.

Prior to a purchasing decision, employees will review current legislation such as the NWPTA to ensure that procurement is in compliance. When making any purchasing decisions, proper process, protocol and accurate record maintenance are crucial to ensure a fair and equitable process for all involved and to ensure that employees and rate payers are protected from any possible challenges that could arise.

REFERENCES

Policies

- Corporate and Financial Services Policy 2.14 Performance Management – Contracted Services
- Human Resources Policy Section 6.1 – Code of Conduct and Ethics

Bylaws

- Records Retention and Disposition Bylaw 2018-23

External

- Canadian Free Trade Agreement (CFTA)
- Agreement on Internal Trade (AIT)
- New West Partnership Trade Agreement (NWPTA), formerly the Trade, Investment and Labour Mobility Agreement (TILMA)
- Municipal Government Act (MGA)
- Freedom of Information and Protection of Privacy Act (FOIP)

PROCEDURE

A. Low Dollar Value Procurements (up to \$5,000) – as per Schedule A

A low dollar procurement shall utilize applicable County contracts and shall otherwise be in accordance with this Policy.

Quotes: Obtaining competitive quotes is considered a good business practice and where practical, quotes should be obtained.

Corporate Credit Card: A corporate credit card may be used for low dollar value procurements provided the user complies with the section on corporate credit cards within this Policy.

Records Management: All information on this procurement must be documented and maintained on file as outlined in the current Records Retention and Disposition Bylaw.

RFx: Low dollar procurements do not require a bid process.

B. Informal Quotation (\$5,001 to \$20,000) – as per Schedule A

An informal quotation procurement shall utilize applicable County contracts and shall be in accordance with this Policy.

Two Written Quotes: An informal quotation process shall be used wherein two written quotations are requested.

Corporate Credit Card: A corporate credit card may be used for informal quotation procurements provided the user complies with the section on corporate credit cards within this Policy.

Records Management: All information on this procurement must be documented and maintained on file as outlined in the current Records Retention and Disposition Bylaw.

RFx: Informal quotation procurements do not require a bid process.

C. Semi-Formal Quotation (\$20,001 to \$74,999) – as per Schedule A

Semi-formal quotation procurement shall utilize applicable County contracts and shall otherwise be in accordance with this Policy.

Three Written Quotes: A semi-formal quotation process shall be used wherein a minimum three written quotations are requested.

Records Management: All information on this procurement must be documented and maintained on file as outlined in the current Records Retention and Disposition Bylaw.

RFx: Semi-formal quotation procurements do not require a bid process.

D. Goods (greater than \$75,000) – as per Schedule A Services (greater than \$75,000) – as per Schedule A

RFx: To comply with requirements of trade agreements such as the NWPTA, any procurement for goods and/or services greater than \$75,000 shall consist of a formal bid document process. The bid document will be posted on the Alberta Purchasing Connection (APC) and Wheatland County website.

Authorization: All amounts greater than \$75,000 shall be authorized by the General Managers prior to awarding.

Records Management: All information on this procurement must be documented and maintained on file as outlined in the current Records Retention and Disposition Bylaw and trade agreements.

E. Construction (\$75,000 to \$200,000) – as per Schedule A

Any construction procurement between \$75,000 and \$200,000 shall consist of a Request for Proposal (RFP) process. The RFP will be posted on the Wheatland County website and other procurement websites.

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.

Authorization: All amounts between \$75,000 and \$200,000 shall be authorized by General Managers prior to awarding.

Records Management: All information on this procurement must be documented and maintained on file as outlined in the current Records Retention and Disposition Bylaw.

F. Construction (greater than \$200,000) – as per Schedule A

RFx: To comply with requirements of trade agreements such as the NWPTA, any procurement for construction greater than \$200,000 shall consist of a formal bid document process. The bid document will be posted on the Alberta Purchasing Connection (APC) and Wheatland County website.

Authorization: All amounts greater than \$200,000 shall be authorized by the General Manager prior to awarding.

Records Management: All information on this procurement must be documented and maintained on file as outlined in the current Records Retention and Disposition Bylaw and trade agreements.

G. Corporate Credit Cards

Authorization: The General Manager of Corporate and Financial Services shall approve who is authorized to have a corporate credit card and those authorized must sign an agreement for the use of the card as attached to this policy as Schedule C.

Requirements for Use: Schedule C outlines employee requirements for purchasing and using a corporate credit card. Only budgeted and approved expenditures may be made using a corporate credit card. Any purchase over the employee's limit must be approved by a supervisor prior to purchase.

Record Management: Employees who have been issued corporate credit cards will be responsible for maintaining accurate documentation of all purchases and submitting all required backup to the Finance Department with the monthly credit card statement. Any missing documentation must be obtained by the card holder and submitted to the Finance Department. Employees who do not maintain accurate documentation may have their corporate credit card revoked.

DOCUMENT OWNER

Chief Administrative Officer

ADDENDUM TO 2.1 PROCUREMENT POLICY FOR GOODS, SERVICES AND CONSTRUCTION

SCHEDULE A – Levels of Contract Approval Authority

All applicable taxes and duties shall be excluded in determining the price of a contract for the supply of goods and/or services for the purpose of the relationship of the price to the preauthorized expenditure limit. In the case of multi-year supply good and/or service contract, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

Where there is an immediate threat to public health, maintenance of essential services, or the welfare and protection of persons, property, or the environment and the situation requires immediate need for goods and services to mitigate the emergency, a competitive procurement process is not required.

Only under a Council declared State of Local Emergency shall any expenditure exceed the Council approved budget. All procurement shall follow the guidelines outlined by Provincial or Federal legislation.

Preauthorized Expenditure Limits for Contracts

Dollar Value (excluding taxes, duty or shipping)	Minimum Requirements	Approval Authority Within Current Budget Year
Up to \$5,000	Quotes / single source	Managers
>\$5,001 to \$20,000	Two written quotes requested	Managers
>\$20,001 to \$74,999	Three written quotes requested	Managers
>\$75,000 Goods and Services	RFx	General Managers
>\$75,000 to \$200,000 Construction	RFP	General Managers
>\$200,000 Construction	RFx	General Managers

ADDENDUM TO 2.1 PROCUREMENT POLICY FOR GOODS AND SERVICES

SCHEDULE B – Goods and Services NOT Subject to this Policy

The following items are not subject to this Policy, provided that their cost is not greater than \$75,000 as per the NWPTA, unless they are specifically referred to in Part V:

Exceptions, of that agreement.

- Conferences, Seminars, Courses and Conventions
- Magazines, Subscriptions, Periodicals
- Memberships
- Employee Development
- Employee Workshops
- Payroll deductions
- Tax remittances
- Postage
- Charges to and from other Governments
- Newspaper advertising
- Retirement and other recognition awards
- Licenses, certificates, and other required approvals
- Election materials
- Contributed assets
- Insurance (property, liability, etc.)
- Construction work completed by Railways (CN and CP) and billed to Wheatland County
- Items available from only one supplier (i.e. sole sourcing)

ADDENDUM TO 2.1 PROCUREMENT POLICY FOR GOODS AND SERVICES

SCHEDULE C – Corporate Credit Card Usage Waiver

Wheatland County may issue a corporate credit card to certain employees for use in their positions; this waiver sets out the acceptable and unacceptable uses of such corporate credit cards. Use of Wheatland County-issued credit cards is a privilege, which Wheatland County may withdraw in the event of any abuse. Any corporate credit card issued to an employee must be used for business purposes only, in conjunction with the employee's position duties. Employees with corporate issued credit cards shall not use them for any non-business, non-essential purpose, i.e., for any personal purchase or any other transaction that is not authorized or needed to carry out their duties. Employees must pay for personal purchases (i.e., transactions for the benefit of anyone or anything other than the Wheatland County) with their own funds or personal credit card. Wheatland County will not regard expenses for one's own business-related use, such as lodging and meals while on Wheatland County-approved business trips, as personal purchases, as long as such expenses are consistent with Wheatland County's Travel and Expense Policy. If any employee uses a corporate credit card for personal purchases in violation of this waiver, the cost of such purchase(s) will be considered an advance of future wages payable to that employee, and will be recovered in full from the employee's next paycheck; any balance remaining will be deducted in full from subsequent paycheques until the wage advance is fully repaid. Such deductions may take the employee's pay below minimum wage for the pay period(s) in question. An employee may also provide repayment in the form of cash, cheque, or electronic payment (Interac or personal credit card) prior to any payroll deductions. If an employee uses a corporate credit card for any other type of unauthorized transaction in violation of this waiver, i.e., incurs financial liability on Wheatland County's part that is not within the scope of the employee's duties or the employee's authorization to make business-related purchases, the cost of such purchase(s) or transaction will be the financial responsibility of that employee, and the employee will reimburse Wheatland County. Such deductions will be in the amount of the unauthorized purchase(s), but if a deduction for such amount would take the employee below minimum wage for the pay period in question, the deductions will be in equal increments that will not take the employee's pay below minimum wage for any pay period involved. In addition to financial responsibility and liability for wage deductions, any purchases an employee makes with a corporate credit card in violation of this waiver will result in disciplinary action, up to and possibly including termination of employment, depending upon the severity and repeat nature of the offense.

Agreement for Wage Deductions Associated with Improper Use of Corporate Credit Card

I, **[INSERT EMPLOYEE'S NAME]**, hereby certify that I understand and agree to abide by the Wheatland County's waiver regarding use of a Wheatland County-issued corporate credit card, a copy of which I have received, and which has been explained to me. I agree that if I make any personal purchases (i.e., transactions for the benefit of anyone or anything other than Wheatland County) in violation of that waiver, the amount of such purchases is an advance of future wages payable to me, that Wheatland County may deduct that amount from my next paycheque, and that if there is a balance remaining after such deduction, Wheatland County may deduct the balance of the wage advance from my future paycheques until the amount is repaid in full. I further agree that if I make any non-personal transactions in violation of the waiver in question, i.e., incur financial liability on Wheatland County's part that is not within the scope of my duties or my authorization to make business-related purchases, I am financially responsible for any such expenses and agree to reimburse Wheatland County via wage deductions for such amounts until the unauthorized amounts are fully repaid. Such deductions will be in the amount of the unauthorized purchase(s), but if such amount would take my pay below minimum wage for the pay period in question, the deductions will be in two or more equal increments that will not take my pay below minimum wage for any pay period involved.

Signature of Employee

Name – printed

Date

Wheatland County Representative

Date

ADDENDUM TO 2.1 PROCUREMENT POLICY FOR GOODS AND SERVICES

SCHEDULE D – Bid Evaluation Framework

Employees may use this framework to ensure that bids are being evaluated in accordance with Wheatland County Procurement Policy. This framework does not apply to bid processes being evaluated by price only.

Evaluation criterion and weights provided in this framework are suggestions; they may be modified at the discretion of employees depending on the nature of the good and/or service being purchased and any unique requirements of the selection process.

Criterion Weight %

1. Corporate profile:	5%
2. Qualifications/experience of personnel assigned to the project:	15%
3. Experience and past performance working with local governments:	10%
4. Availability and capability to meet work requirements as assigned:	20%
5. Experience completing similar projects:	25%
6. Estimated Project Cost:	<u>25%</u>
	100%

Individual Criterion Ranking

Scoring shall be awarded on a scale of 0 to 5. Partial scores or scores not defined below will not be used.

The range is defined as follows:

5	Fully exceeds expectations. Proponent clearly understands the requirements, excellent probability of success.
4	Somewhat exceeds expectations, high probability of success.
3	Fully meets expectations. Proponent has a good understanding of the requirements, no weaknesses or deficiencies, good probability of success.
2	Partially meets expectations, minor weakness or deficiencies, fair probability of success.
1	Does not meet expectations or demonstration of the understanding of the requirements, major weakness or deficiencies, low probability of success.
0	Lack of response or complete misunderstanding of the requirements, no probability of success.

Other Considerations

Where appropriate, employees are encouraged to include statements and selection criteria enabling them to effectively evaluate total cost of ownership, environmental, and ethical considerations within procurement and bid documents.

Total Cost of Ownership: Where appropriate, employees should consider the total cost of ownership of goods in procurement activities.

Environmental and Ethical Standards: Where appropriate, employees should purchase goods and/or services that meet the highest possible environmental and ethical standards.

Ethically Preferred: Where appropriate, employees should purchase products or services that are produced or delivered under conditions that meet or exceed the standards for employment conditions and human rights for manufacturers and suppliers established by national or provincial governments, or the International Labour Organization.

Environmentally Preferred: Where appropriate, employees should purchase products or services that have a lesser impact on human health and the environment when compared with competing products or services.

Sample:

Please provide a copy of your business' Ethical and Environmental Policies and/or Procedures for consideration.

OR

Please describe the ethical and environmental merits of the good or service being offered.