

# GHOST LAKE

## POLICY - PURCHASING

### 1. POLICY STATEMENT

It is the policy of the Summer Village of Ghost Lake to foster open, transparent, and accountable purchasing practices that comply with provincial legislation and relevant agreements such as CFTA and NWPTA.

### 2. PURPOSE

The purpose of this policy is to establish the practices under which the Summer Village conducts purchasing activities.

### 3. DEFINITIONS

**"Best value for money"** means the most advantageous balance between performance, price and quality;

**"CFTA"** means the Canadian Free Trade Agreement, an intergovernmental Canadian trade agreement established to replace the Agreement on Internal Trade (AIT, developed to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada by establishing an open, efficient, and stable domestic market that enhances the flow of goods and services, investment, and labor mobility, eliminates technical barriers to trade, greatly expands procurement coverage, and promotes regulatory cooperation within Canada;

**"Employee"** means any regular or contract employee, or volunteer providing services under the authority of the Chief Administrative Officer or the Council of the Summer Village;

**"NWPTA"** means the New West Partnership Trade Agreement, an agreement between British Columbia, Alberta and Saskatchewan to form a barrier-free interprovincial market;

**"Procurement value"** means the total estimated cost, net of Federal and Provincial taxes, of the goods or services that are or will be procured over the longer of:

- a) the term of a procurement contract, including any extension options, or
- b) the period commencing with the first procurement from a vendor or service provider and ending 12 months from that date.

**"Purchase"** means to acquire goods, services, or construction in response to a business need;

**"Request for proposal"** means an invitation for a supplier to propose a 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;

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

**"Tender"** means a formal public invitation to suppliers to bid on the provision of a service at a

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specific price, based on detailed specifications.

#### 4. PURCHASING AUTHORIZATION

The chief administrative officer is authorized to approve expenditures within the capital and operating budgets approved by council, in accordance with the Signing Authority Policy and Employee & Volunteer Expense Policy.

#### 5. UN-BUDGETED PURCHASES

Expenditures that are not approved in the operating budget, interim budgets or capital budget that are of an emergent matter, as deemed by Council to be important and timely for the community or are legally required to be paid must be presented to Council and approved for payment by Council.

Council recognizes that individual budget lines within the approved budget may go higher or lower without Council approval, so long as Administration stays within the budget as a whole.

In the case of an Emergency, as per Bylaw 164 – Municipal Disaster Services Agency, Council has the authority to enter into agreements and authorize unbudgeted expenditures required for the operation of the Municipal Disaster Services Agency.

#### 6. PURCHASING GUIDELINES

All purchasing decisions shall be based on the principles of transparency and obtaining the best value for money, considering any of the following criteria, as applicable:

- a) fitness for purpose,
- b) quality,
- c) reliability,
- d) price competitiveness,
- e) lifetime costs and transaction costs,
- f) useful-life expectancy,
- g) sustainability,
- h) assurance of supply and deliverability,
- i) anticipated customer service,
- j) past performance, and
- k) experience.

The lowest price will normally be accepted but shall not be the sole determinate of best value for money.

Purchases from a business based in the Summer Village of Ghost Lake or owned by a resident of the Summer Village may be preferred if:

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- a) in the case of goods and services, the value is below \$75,000, or
- b) in the case of construction contracts, the value is below \$200,000, and
- c) best value for money is obtained, and
- d) the quotation, proposal or tender is within 5% of the lowest qualified alternative.

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

### 7. PURCHASING PROCESS

For purchases of goods and services of \$5,000 or less:

- a) no competitive quote is required, and
- b) where more than one supplier has been considered, the CAO or employee making the purchase must record the reason for their selection.

For purchases of goods and services between \$5,001 and \$9,999 and of construction up to \$24,999:

- a) a minimum of two written quotations or proposals must be received.

For purchases of goods and services with a procurement value between \$10,000 and \$74,999 and of construction with a procurement value between \$25,000 and \$199,999:

- a) a request for quotations or request for proposals must be issued and posted on the Summer Village website, and
- b) a minimum of three written quotations or proposals must be received.

For purchases of goods and services with a procurement value of \$75,000 or greater, and for construction with a procurement value of \$200,000 or greater:

- a) a request for quotations, request for proposals or tender must be issued, advertised, and posted through an electronic tendering system such as the Alberta Purchasing Connection, in accordance with NWPTA and CFTA,
- b) a minimum of three written quotations or proposals must be received, and
- c) in accordance with the requirements of articles 516 and 517 of the CFTA, a detailed public disclosure of the contract award, including the name of the supplier and value of the contract, be made.

If 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 Council.

Exceptions to the purchasing process may be authorized by Council:

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- 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 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, or
- g) in an emergency.

Purchases may be combined into a single purchase if this results in best value for money. This policy will apply as if the combined purchases were one purchase.

Contracts may be extended:

- a) where there is a continuing need for the product or service being supplied, and
- 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 tender, or was offered through a purchasing process approved in this policy.

**8. PROHIBITIONS**

Employees may not seek or receive personal gain when engaging in purchasing activities for the Summer Village.

The Employee responsible for the managing or supervising of contracts:

- a) is 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.

Purchases may not be split to avoid the requirements of this policy.

**9. RESPONSIBILITIES**

The Chief Administrative Officer must ensure:

- a) all employees are aware of and understand this policy,
- b) all employees comply with this policy, and
- c) the policy is reviewed once every five years, or when a practice change.

Any employee engaged in purchasing for the Summer Village must ensure:

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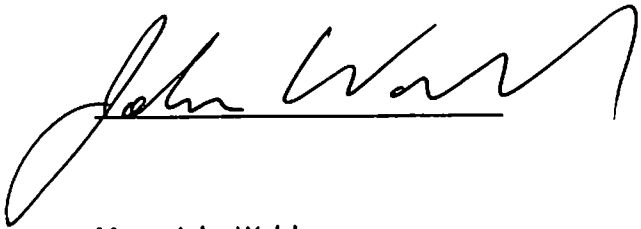
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- a) all purchases are performed in accordance with this policy,
- b) all providers are given the same information and equal opportunity,
- c) the selection process is carried out honestly and impartially, and
- d) They can account for all decisions and provide evidence that this Policy was followed.

Approved by Council this 26<sup>th</sup> day of February 2019



Mayor John Walsh



Sherri Bureyko

Chief Administrative Officer

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