TITLE: PURCHASING POLICY EFFECTIVE: JUNE 3, 2013

1.0 PURPOSE

This purchasing policy is a guide for the Town of Irricana purchasing methods. The policy will enable the Town to obtain needed materials, equipment, supplies and services efficiently and economically and provides the foundation for sound purchasing procedures.

2.0 POLICY STATEMENT

The Town of Irricana will give fair and equitable treatment to all suppliers and contractors when purchasing goods and services and awarding construction contracts.

3.0 REASON FOR POLICY

3.1 The Town of Irricana shall comply with purchasing practices legislated under the Agreement of Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA). Goods and Services over $75,000 and construction contracts over $200,000 must be procured openly.

3.2 The Town of Irricana will provide increased opportunities for Irricana businesses to supply goods and services and perform construction contracts for the Town of Irricana. When preference to local businesses is not allowed under AIT or NWPTA, all vendors will be provided equal opportunities to supply goods and services and perform construction contracts for the Town of Irricana.

4.0 RESPONSIBILITIES

4.1 Town Council to:

a. Approve by resolution this policy and any amendments.

b. Consider the allocation of resources for successful implementation of this policy in the annual operational and capital budget process.

4.2 Chief Administrative Officer to:

a. Implement this policy and approve procedures and methods.

b. Ensure that budgetary limits are taken into account when purchases are being considered.

c. Ensure that sufficient information is provided to Council to make a proper decision regarding expenditures required over the budgeted amount.

d. Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.

4.3 All Employees to:

a. Understand and adhere to this policy, procedures and methods.

5.0 AUTHORIZATION

5.1 The Chief Administrative Officer is responsible for the overall oversight of all municipal operations and staff under the direction of the Mayor and Council, as per the approved budget, policies and procedures of the Town of Irricana.

5.2 The Chief Administrative Officer is responsible for all aspects of the financial operations of the Town of Irricana in accordance with the Municipal Government Act (MGA), all applicable laws and agreements, and all related Bylaws.

6.0 PROCEDURAL GUIDELINES

6.1 Purchasing shall follow guidelines set out in the New West Partnership Trade Agreement (NWPTA) and Annex 502.4 of the Agreement on Internal Trade (AIT).

6.2 Administration shall endeavour to obtain the best possible price for purchasing of all goods and services based on comparable quality, specifications, delivery and service.

6.3 All goods and services shall be necessary and properly requisitioned.

6.4 All requisitions shall be properly assessed and approved according to appropriate levels of authority.

6.5 In evaluating all quotations, tenders or bids from suppliers and contractors, the Town shall consider the following purchasing criteria:

1. Quality
2. Price
3. Innovation
4. Assurance of supply and deliverability; and
5. Anticipated customer service

6.6 For goods and services below $75,000 and construction contracts below $200,000, the Town may favour local business. If based on all criteria, a quotation or tender bid by an Irricana business is, other than price, equal or better than a quotation or bid from a non-Irricana business, then the Town may prefer a quotation or bid from an Irricana business for the provision of goods or services or construction contracts in accordance with the following variance guidelines:

Value of Service	Maximum Percentage and Variance
Goods and Service	$5,000-$75,000 5%
Construction Contracts	$5,000-$200,000 5%

6.7 1. Purchases under $5,000 do not require a quote.

2. Purchases $5,000-$75,000 require at least three quotes.

3. Purchases over $75,000 require a tender or proposal process.

6.8 Authority to purchase any item or service shall be as follows:

1. Up to $1,000 per transaction, any authorized permanent Town employee.

2. $1000-$5,000 any Supervisor or Department Head.

3. Over $5,000 the Chief Administrative Officer.

6.9 In a situation for purchases over $5,000 where it is not possible to obtain three bids or quotes, reasons for the lack of sufficient bids have to be documented prior to purchasing and submitted to the CAO for approval.

6.10 Any tender which exceeds $250,000, is not the lowest tender received, or exceeds the budgeted figure must receive prior approval of Council before being awarded.

6.11 In an emergency situation, defined by the CAO or the Director of Disaster Services, authority is granted to spend up to $25,000 without the need to tender on the sole authority of the CAO or the Director of Disaster Services. During the emergency, spending in excess of $25,000 is to be approved by the Mayor or Deputy Mayor, or in the absence of both any Councillor and the CAO or Director of Disaster Services without the need to tender.

7.0 PURCHASING METHODS

7.1 Quotations

a. Quotations shall be used when purchasing materials, supplies or services or supplies necessary for the ongoing operation of the municipality. In instances where the total purchase price is between $5,000 and $75,000, quotes are to be broken down to show the purchase price for each item requested plus any taxes.

b. When requested, quotes must include unit cost per item or hour, cost of all like items or cost per hour of total service. When and where appropriate, quotes will also provide delivery costs, travel fees, warranty charges, servicing fees and recommended maintenance schedules.

7.2 Tenders

a. Tenders shall be used for capital purchases of items or contracted services for capital projects over $75,000 and shall follow the guidelines set out in the New West Partnership Trade Agreement (NWPTA) and Annex 502.4 of the Agreement on Internal Trade (AIT).

b. Tenders shall be advertised in at least one local newspaper and on the Alberta Purchasing Connection website.

7.3 Requests for Proposals/Tenders

a. Requests for Proposals (RFPs) may be used to procure goods or services and will include as much information and detail possible of a proposed purchase to ensure fair comparisons from vendors.

b. RFPs typically involve more than a request for the price.

c. RFPs brings structure to the procurement decision and is meant to allow the risks and benefits to be identified clearly up front.

d. The RFP process can be used for any purchase at any price point.

7.4 Purchasing Cards

a. Town purchasing cards or credit cards are to be used for authorized purchases only in accordance with the yearly operating budget and shall not be used for personal purchases.

7.5 Petty Cash

a. Petty cash is established at $200.00 for goods and services that are incidental or immediate in nature.

b. The CAO may delegate one employee to administer petty cash.

c. The CAO or delegate shall not dispense petty cash without a receipt or petty cash voucher.

MAYOR:_____ **MOTION: 141:13**

CHIEF ADMIN. OFFICER:_____ **DATE: June 3, 2013**