

Policy

The Village of Innisfree Strategic Plan Core Values includes “Efficiency – the best use of resources.” The Village is committed to providing for the long-term viability of our local community, by supporting local business opportunities while ensuring the Village is accountable for the responsible use of its financial resources.

Purpose

To ensure accountability to the Strategic Plan and the annual budget and, in compliance with the *Municipal Government Act* and to provide for a uniform and transparent purchasing process pursuant to legislative requirements.

Scope

This policy applies to all Village employees and all Expenditures procured by the Village.

1.0 RESPONSIBILITIES

- 1.1 The Chief Administrative Officer or Designate has the authority to adjust the transaction limits as required, and Council be notified at the next scheduled Council Meeting.
- 1.2 The CAO and all Designated employees are responsible for adherence to this policy and shall be familiar with Village of Innisfree Policy 1200-02 – Documents and Data Security.
- 1.3 Administration is responsible for implementation of and adherence of this Policy regarding expenditures received at the Village Office.
- 1.4 The CAO is responsible for auditing the adherence of this policy, the updating of this Policy and ensuring the policy is brought to the next scheduled Council meeting for approval.

2.0 EXPENDITURE GUIDELINES

- 2.1 After the annual operating and capital budgets have been approved, the guidelines will be followed:
 - 2.1.1 Items within the approved budget that have received an indication of political sensitivity or are over the amount of **\$2,500** will be approved by the CAO. Upon approval, that Council be notified at the next scheduled Council meeting.
 - 2.1.2 Items between **\$1,000** and **\$2,500** will be approved by the CAO prior to procurement and prior to purchase within the limits of the operating budget.
 - 2.1.3 The CAO can approve an increase or reduction in budget items within the same line item; ensuring expenses do not exceed the line-item budget.
 - 2.1.4 The CAO can approve an increase or reduction in budget items within the department budget; ensuring expenses do not exceed the department budget.
 - 2.1.5 Any transfer of budget items between departments must be approved by Council.

2.2 Expenditures that are not included in the budget shall be authorized and verified by specific resolution of Council.

2.3 Emergency expenditures will be approved pursuant to the Unbudgeted Expenditures Policy 1300-01, as amended from time to time.

3.0 PROCUREMENT GUIDELINES

As an Alberta municipality, the Village of Innisfree must comply with the terms of the Canadian Free Trade Agreement (CFTA), the Trade, Investment and Labor Mobility Agreement (TILMA) and the New West Partnership Agreement (NWPTA.)

This requires that the Village advertise all procurements with a value of \$75,000 (goods and services and \$200,000 (construction) on the Alberta Purchasing Connection (APC) website (www.purchasingconnection.ca)

3.1 **Competitive Methods:** Competitive method means an open, invitational, or limited competition to provide goods or services to the Village of Innisfree, as follows:

- a. Request for Information (RFI) – This process is used to conduct market research and gather information to determine availability of products or services to help make a decision on the next steps that should be taken by the Village.
- b. Request for Proposal (RFP) – This format is used for more complex deliverables where the expertise of the vendor community it being sought to recommend an approach or solution to address a need.
- c. Invitation to Tender (ITT) – Also know as the “Call for Tender,” is a format used when the specifications or requirements are well-defined, including “what,” “why,” “when,” and “how” the work/project/product will be provided or completed, and the terms of the contract are clear.
- d. Request for Pre-Qualification (Q) – This process is used to select a vendor based on qualifications rather than price.

3.2 **Non-competitive methods:** Non-competitive method means a procurement process where a vendor is selected without conducting a competitive process.

- a. **Negotiated methods:**
 - i. Telephone solicitation – this process is used to call potential vendor(s) to obtain a verbal quote for goods and/or services.
 - ii. Written quote – this process is used to obtain a written quote from potential vendor(s) for goods and/or services.
- b. **Selective method (sole-source):** In some cases the Village may procure certain goods and services through one company, without obtaining prices from several sources based on the following:
 - i. Technological Continuity: When technology has been created or updated specifically for the Village and is not available from another supplier.

- ii. Ongoing Service Contracts: When it is most cost effective to continue to acquire legal, accounting, management, engineering, or other consulting services from a single source to avoid expensive learning curves or duplication of work, or to avoid costly errors due to miscommunication or misinterpretation resulting from a lack of historical information or background

Periodically, the Village will review these arrangements to ensure quality standards are maintained and pricing remains competitive.

4.0 PROCUREMENT PROCESS

Types of Purchase	Value of Goods/Services	Procurement Method
Operating	Below \$500	• Non-Competitive – Negotiated method – telephone solicitation
Operating	Below \$10,000	• Non-Competitive – Negotiated method – written quote(s) only
Operating and Capital	\$10,000 and up to \$24,999	• Non-Competitive – Negotiated method – written quote(s) only
Operating and Capital	\$25,000 and up to \$74,999	• Competitive method; or • Non-Competitive – Selective method
Operating and Capital	Over \$75,000 and up to \$100,000	• Competitive method; or • Non-competitive – Negotiated Method <i>*must comply with the exceptions of the New West Partnership Trade Agreement*</i>
Operating and Capital	Greater than \$100,000	• Competitive method

4.1 All applicable legislation is to be observed, including, but not limited to the *Municipal Government Act*, the *Freedom of Information and Privacy Act*, the Agreement for Internal Trade (AIT), the New West Partnership Trade Agreement (NWPTA) and advertising through the Alberta Purchasing Connection.

4.2 The NWPTA applies to all government procurement. It requires open and non-discriminatory procedures where the anticipated costs are at, or above the following thresholds:

- \$75,000 or greater for goods
- \$75,000 or greater for services
- \$200,000 or greater for construction

4.3 If it is determined to be the best business decision, the Village will utilize the Rural Municipalities of Alberta (RMA) Cooperative trade program through the Canoe Procurement Group of Canada. Canoe is an initiative of the RMA to expand cooperative procurement for municipalities across Canada. By collaborating with like-minded associations throughout the country, Canoe is a unified national presence that helps create efficiencies, expand offerings,

and establish better pricing for members. This program complies with trade agreement requirements.

- 4.4 Payments for goods or services will be made when the Village is satisfied that the goods or services provided meet the specification.

5.0 AWARD CONSIDERATIONS

In addition to price, consideration may be given to the following factors in determining the successful bidder/proponent:

1. The ability and skill of the bidder/proponent to provide the goods/services requested.
2. The ability of the bidder/proponent to perform the contract or provide the services promptly or at a time specified without delay or interference.
3. The character, integrity, reputation, judgement, experience, and efficiency of the bidder/proponent.
4. The quality and performance of previous contracts, goods or services provided by the bidder/proponent.
5. The sufficiency of the financial resources and the ability of the bidder/proponent to perform the contract or provide the goods or services (this includes reviewing the bidder's/proponent's payment history with the Village if necessary.)
6. The quality, availability and adaptability of the goods or contractual services to the particular required, and ability to best meet the Village's operational needs.
7. The ability of the bidder/proponent to provide future maintenance and services for the items required.
8. The number and scope of conditions attached to the bid/proposal.
9. Any litigation between the bidder/proponent and affiliated individuals and corporations and the Village whether pending, past, threatened or suggested.
10. The total acquisition cost of the goods and/or services covered by the bid or proposal.
11. The Village may give preference to local businesses that can provide the desired goods and services under the trade agreement thresholds if they are within 10% of the best value bid.
12. All contractors, vendors or other service providers wishing to conduct business with the Village of Innisfree or provide other services must meet all insurance requirements. These requirements will be specified per project or purchase of goods and/or services within a tender package.

6.0 CONFLICT OF INTEREST

If a purchase or contract for goods or services is to be placed with:

- An employee of the Village
- Any company in which an employee of the Village has an interest, or
- A relative of an employee of the Village,

the employee shall declare an interest and that employee shall not be placed in a position to approve the purchase or provide any oversight or direction on the project.

7.0 END OF PROCEDURE

Effective Date:
Resolution No.

Amendments: Effective Date_____ Resolution No.
Effective Date_____ Resolution No._____