

Title: Procurement Policy

Resolution: 2023-0267 (Nov 27 2023)

Revised:

Special Notes/Cross Reference:

Next Review Date:

Canadian Free Trade Agreement, 1 July 2017

New West Partnership Trade Agreement, 1 July 2010

Municipal Government Act, RSA 2000 c M-26

POLICY STATEMENT : The Town of Westlock (the Town) is committed to conducting procurements in a consistent, open, fair, and transparent manner that achieves the best value for the Town and which supports the Town's environmental, social and economic objectives, as well as the strategic priorities as identified by Council.

PURPOSE : The purpose of this Policy is (1) to set out the guiding principles for procurements; (2) to protect the Town's finances and the Town's interests; and (3) to ensure the Town complies with legislated requirements.

1. DEFINITIONS

- 1.1. Chief Administrative Office (CAO) - the person appointed as chief administrative officer of the Town of Westlock or his/her designate.
- 1.2. Competitive Procurement Process – a procurement process where Submissions are solicited from Suppliers by invitation or through a publicly posted Solicitation Document.
- 1.3. Conflict of Interest – any situation or circumstance where there is a conflict or incompatibility between personal interest and professional responsibility. A Conflict of Interest can arise where: the personal interests of a person impair their impartiality in or ability to fulfil their professional responsibility; or the person would be able to pursue their personal interest based on information acquired while fulfilling their professional responsibility.
- 1.4. Deliverables – any or any combination of goods, services or construction.
- 1.5. External Evaluator – a Supplier who is party or who is involved in conducting a Procurement Process pursuant to an existing Purchase Agreement or other arrangement with the Town. External Evaluators typically include consultants engaged by the Town to assist with preparing documents or participating in evaluations for a Procurement Process.

- 1.6. Non- Competitive Procurement Process – a procurement process where Deliverables are purchased without conducting a Competitive Procurement Process.
- 1.7. Procurement Process – the entire lifecycle of a purchase of Deliverables by the Town. The Procurement Process commences upon the identification of the need for the purchase by a Department and ends upon the later of the execution of the Purchase Agreement and the completion of any debriefing obligations.
- 1.8. Purchase Agreement – a binding agreement between two or more persons that sets out the terms of a purchase, including but not limited to the description of the Deliverables being purchased, the pricing and the timetable.
- 1.9. Purchasing Card - a purchasing card is a form of banking charge card that allows goods and services to be procured.
- 1.10. Solicitation Document – the document issued by the Town to solicit Submissions from Suppliers.
- 1.11. Standard Operating Procedures or SOP – the documents developed and maintained by Procurement Services to outline and detail the responsibilities and procedures for conducting procurement activities.
- 1.12. Submission – a submission in response to a Solicitation Document, and includes bids, proposals, quotations, and responses.
- 1.13. Trade Agreement Rules – the Canadian Free Trade Agreement, the New West Partnership Trade Agreement, and any other international, national, and regional trade agreements that are applicable to the Town or with which the Town intends to adhere.

2. GUIDING PRINCIPLES

- 2.1. The Town will ensure Procurement activities and decisions are guided by the following principles:
 - a) All procurement strategies, practices, and processes are developed in compliance with all regulations for the New West Partnership Trade Agreement (NWPTA), the Canadian Free Trade Agreement (CFTA), the Comprehensive Economic and Trade Agreement (CETA) and any other legislations which may be enacted with other governmental authorities in the future.

- b) All procurement strategies, practices, and processes are developed in compliance with all applicable Town regulations, bylaws, and policies.
- c) All procurement strategies and practices are consistent with the strategic goals and objectives of the Town and of priorities identified by Council.
- d) Procurement processes must ensure fair, open, and transparent practices that affords equal access to all qualified suppliers and are applied consistently for all suppliers wherever possible.
- e) Procurement practices must protect the financial assets of the Town through an effective, efficient, and flexible system of controls that ensure risks are managed prudently without impairing the Town's ability to acquire the best value in the goods and services that it requires to be successful.
- f) Procurement practices should incorporate due regard and consideration of sustainable options and alternatives (social, economic, environmental, governance, cultural) to ensure the preservation of the natural environment and the Town's recycling programs where practical.
- g) Procurement practices may incorporate processes to encourage positive social outcomes. The emphasis shall be on recognizing and rewarding initiatives undertaken by Town contractors and suppliers. The purpose is to enable procurement to effectively contribute to the building of a stronger community.

3. PROCEDURE

3.1. Application and Interpretation

- a) Subject to the exceptions set out in this Guideline, this Policy applies to all purchases of Deliverables by the Town and to all Town employees who participate in Procurement Processes.
- b) This Policy does not apply to the following:
 - i Purchases, leases or licenses of land or existing buildings from another person. For clarity, a sale, lease, or license by the Town of its lands and buildings is not a "purchase" and so is also exempt from the application of this Policy;
 - ii Acquisitions of infrastructure and municipal improvements pursuant to Part 17 of the Municipal Government Act;
 - iii Hiring and compensating Town employees, as well as reimbursement of Town employees for expenses related to their employment;
 - iv Purchases that are exempted from the application of Trade Agreement

Rules based on the specific Deliverables being purchased (which for clarity is based on what is being purchased not the value of such purchase). For purposes of this Policy such exemption is applicable to all purchases of such specific Deliverable regardless of whether the total value would result in the application of such Trade Agreement Rules; and

- v Purchases of Deliverables otherwise exempted pursuant to direction from the Director of Finance.
- c) When used with reference to the estimated value of a purchase, the dollar amount set out in this Policy excludes GST and other applicable taxes.
- d) References in this Policy to employees participating in a Procurement Process should be interpreted broadly and for clarity includes employees giving approvals of certain activities or steps related to a Procurement Process.

3.2. Standards of Conduct for Town Employees

- a) Attend Procurement Training. Before participation in any part of a Procurement Process by the Town and otherwise as required by the Director of Finance, Town employees involved in Procurement Processes must attend the training prescribed by the Director of Finance.
- b) No Circumvention of this Policy. Town employees must not engage in subdividing, splitting, or otherwise structuring a purchase in order to reduce the estimated total value or in any way circumvent the requirements or intent of this Policy. Without limiting the generality of the foregoing, Town employees must not pursue a Non-Competitive Procurement Process for the purpose of avoiding competition amongst Suppliers.
- c) Maintain Confidentiality of Information. During and after the term of their employment with the Town, Town employees must maintain any information acquired as part of their participation in a Procurement Process as confidential in accordance with their employment agreements, Town policies and directives, and applicable law, and Town employees must not use that information for personal benefit.
- d) No preferential Treatment of Suppliers. Town employees must act and communicate in a manner that promotes fair, equitable, professional and respectful treatment of Suppliers and that is not intended to and does not provide an advantage or disadvantage to any Supplier. This includes refraining from imposing or considering criteria that are designed to favour or discriminate against a particular Supplier, Deliverable, or geographic location (region, Province or Country), that unnecessarily favour local content or economic benefits (unless required for furtherance of social procurement objectives) or that include any

practices that could be deemed to be discriminatory or non-compliant with Trade Agreement Rules.

- e) Disclose Conflict of Interest. Before and during participation in any part of a Procurement Process by the Town by a:
 - i Town employee, that Town employee must determine whether they have, could have, or could be perceived to have a Conflict of Interest; and
 - ii External Evaluator, the Department must determine whether that External Evaluator (including any individual participating on behalf of an External Evaluator) has, could have, or could be perceived to have a Conflict of Interest.
- f) If a Town employee determines they have, could have, or could be perceived to have a Conflict of Interest, then that Town employee must disclose in writing that Conflict of Interest to their Supervisor. If despite the Conflict of Interest the Director still desires that Town employee to participate in any part of the Procurement Process, then the Director must disclose in writing that Conflict of Interest to the Director of Finance.
- g) If a Department determines that an External Evaluator (including any individual participating on behalf of an External Evaluator) has, could have, or could be perceived to have a Conflict of Interest, then that Department must disclose in writing that Conflict of Interest to the Director of Finance.
- h) Upon receipt of disclosure of a Conflict of Interest from a Town employee the Director of Finance will determine whether the Conflict of Interest prevents the participation of the person in the Procurement Process and, if not, the Director of Finance will also determine whether any additional actions need to be taken in order to ensure the integrity of the procurement Process.
- i) Disclose Non-Compliance with this Policy. If a Town employee is of the opinion that there has been or soon will be an event of non-compliance with this Policy, then that Town employee should disclose this to their Director or to the Director of Finance. If that disclosure is made by a Town employee to their Director, then the Director should disclose this to the Director of Finance. Upon receipt of disclosure of an event of non-compliance, the Director of Finance will determine whether actions need to be taken to mitigate risk to the Town related to the event of non-compliance.


3.3. Solicitation Documents and Purchase Agreements

- a) When use of a Solicitation Document is required by this Policy, the current versions of the Town templates for that Solicitation Document and for the other documentation (such as for correspondence) must be used.

- b) Departments may only conduct Competitive Procurement Processes when the estimated value of the purchase does not exceed \$75,000 for goods and services or \$200,000 for construction.
- c) Departments must submit a request in accordance with applicable Director of Finance procedures to engage Director of Finance for all Competitive Procurement Processes when:
 - i The estimated value of the purchase exceeds \$75,000 for goods and services or \$200,000 for construction;
 - ii The Department desires to engage in any form of negotiations, demonstrations or interviews as part of the short listing or selection process.
- d) In addition to the above section, Departments must ensure that:
 - i If the purchase includes or pertains to security, CCTV systems, AV systems, the installation or maintenance of electrical, data, or low voltage systems in buildings or office furniture (which may also include the installation of such office furniture), then the Deliverables of that purchase must be pre-approved; and
 - ii If the purchase includes or pertains to computers, servers, digital equipment, software, has a geographic information systems component, or involves employee or Town owned data, then the Deliverables of that purchase must be approved by Director of Finance.

3.4. Types of Procurement Processes

- a) Existing Purchase Agreement
 - i Whenever possible and provided there is not a compelling reason to do otherwise, the Town should purchase Deliverables pursuant to an existing Purchase Agreement (such as a standing offer or on-demand arrangement for the supply of Deliverables).
 - ii A purchase made by way of an amending agreement to or change order pursuant to an existing Purchase Agreement must be considered by the Department to determine whether a Competitive Procurement Process or approval for a Non-Competitive Procurement Process is required. If a Competitive Procurement Process was conducted for the purchase of the Deliverables pursuant to the existing Purchase Agreement, then an amending agreement or change order that does not substantially change the scope of the Deliverables procured is unlikely to necessitate a Competitive Procurement Process or approval for a Non-Competitive Procurement Process (such as a change order to accommodate the difference between estimated and actual quantities provided new scope has not been added).



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- b) **Competitive Procurement Process.**
Unless the purchase may be conducted by way of a non-Competitive Procurement Process in accordance with this Policy, the Town must purchase Deliverables by way of a Competitive Procurement Process:
 - i When the estimated value of the purchase is greater than \$10,000 (excluding GST and other taxes);
 - ii By using a Solicitation Document as permitted by this Policy or as approved by the Director of Finance; and
 - iii That complies with the Trade Agreement Rules if the estimate value of the purchase would result in the application of Trade Agreement Rules.
- c) **Non-Competitive Procurement Process**
The Town may purchase Deliverables by way of a Non-Competitive Procurement Process in the following circumstances;
 - i When the estimated value of the purchase does not exceed \$10,000 (excluding GST and other taxes);
 - ii In accordance with exemptions enabling a Non-Competitive Procurement Process set out in Trade Agreement Rules (such as emergency needs or absence of receipt of any Submissions in response to a Competitive Procurement Process) as validated by the Director of Finance; or
 - iii When approved by the Director of Finance and the Chief Administrative Officer.
- d) If the Town intends to purchase Deliverables by way of a Non-Competitive procurement Process pursuant to section 3.4 c) ii and iii, and the estimated value of the purchase is greater than \$75,000 for goods and services, and \$200,000 for construction, then before the Supplier and the Town enter into the Purchase Agreement a notice of intent must be posted in accordance with financial procedures. If a challenge is received in response to such notice of intent, the Director of Finance will determine whether actions should be taken to mitigate risk to the Town related to such challenge. Such recommended actions will be presented to the individual who approved the Non-Competitive Process pursuant to section 3.4 c) ii and iii so that such individual can determine whether to withdraw such approval.

3.5. Procedures for Procurement Process

- a) All Town Procurement Processes must be conducted in accordance with the SOPs developed and maintained by the Director of Finance.

3.6. Responsibilities

- a) **Chief Administrative Officer**
 - i Approve this Policy and all amendments to it;



- ii Support the implementation of this Policy; and
- iii Support and recommend any amendments to this Policy.

b) Director of Finance

- i Develop and maintain detailed procedures to support the Policy;
- ii Develop procurement strategies based on best practices and analysis of Town requirements and spending patterns in order to identify opportunities for more strategic purchasing;
- iii Develop and provide appropriate training, tools and advice to Town employees involved in and related to Procurement Processes, which includes but is not limited to;
- iv Develop, provide, and prescribe training for Town employees as required by this Policy;
- v Develop and maintain the Town templates for Solicitation Documents and other documentation related to Procurement Processes (such as for correspondence), and making those Town templates available to Town employees to the extent necessary to enable their Departments to fulfil their responsibilities for Procurement Processes in accordance with this Policy;
- vi Provide advice in order to address questions, issues or concerns that arise during or related to a Procurement Process; and
- vii Monitor compliance with this Policy by Town employees and reporting the results of that monitoring to their Director.

c) Directors and Managers

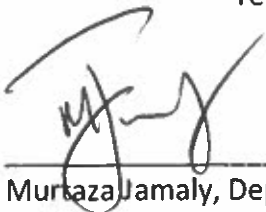
- i Directors and Managers are responsible to ensure that Procurement Processes conducted in order for their Departments to purchase Deliverables are conducted in accordance with this Policy, that Town employees of their Departments adhere to this Policy, and that Procurement Processes are not initiated unless sufficient funding by way of an approved Council budget is in place for the estimated value the Town will be committed to spend as a result of the Procurement Process.

d) Employees

- i Employees are responsible to ensure that they conduct Procurement Processes in accordance with this Policy, and the applicable SOPs that outline and detail the process and responsibilities of each procurement activity.
- ii Town Purchasing Card -- are the cards issued by Financial Institutions that the Town of Westlock has deemed to be most beneficial for the day to day activities of the Town.
- iii The Town of Westlock will make purchasing cards available for Town related business including staff representation on local government related activities. Limits will be established by Directors in coordination with the

Director of Finance, in accordance with the level of responsibility and the combined purchasing amount of all cards shall not exceed \$150,000.

- iv Each employee as noted above must sign a Cardholder Acknowledgement and Responsibilities Agreement. This agreement is attached as schedule "A" and shall form part of this policy.
- v The Town Purchasing Card shall only be used for Town related expenses. No personal expenses shall be allowed to be charged on the account.
- vi Reporting shall be done monthly and due within one week following the billing cycle of the card. Each cardholder shall be required to print copies of their purchasing card expense report using the tools supplied to them by the Director of Finance. Slips are to be verified by the cardholder and attached. The report is to be submitted to the immediate supervisor for verification and approval. Reports are to be submitted to the Finance Department for processing. In the case of the CAO and Mayor, each person shall review the reports of the other, sign and submit as indicated above.
- vii Any suspicion of fraud detected by the employee must be reported to the Director of Finance immediately for the purpose of reporting to the purchasing card company.
- viii If the card is lost, the cardholder must contact the purchasing card company immediately upon discovery. The employee will then report the incident to the Director of Finance immediately for the purposes of review with the purchasing card company.
- ix All employees using the Town Purchasing Card must submit to Accounts Payable all receipts related to that purchasing card. If an expense slip is missing, the employee who misplaces the slip shall be required to submit a form, attached to this policy as Schedule B stating the purpose of the expense, why the slip is missing and the methods used by the employee to replace the slip.
- x Upon leaving the employment of the Town, purchasing cards shall be returned immediately to the employee's supervisor.


Murtaza Jamaly, Deputy Mayor
Simone Wiley, CAO

TOWN OF WESTLOCK SCHEDULE "A"
CARDHOLDER ACKNOWLEDGMENT AND RESPONSIBILITIES
AGREEMENT

I, _____, hereby acknowledge receipt of the Purchase Card (the Card) issued by the (XXXBANK) and acknowledge that this Card numbered _____ has been issued to make purchases in the course of my regular duties in connection with the Town of Westlock. I fully understand the purchases made using this Card are to be authorized either by the CAO, Council, or budget.

I acknowledge that I have read and agree to the terms and conditions outlined in Policy 100-2023 printed on the reverse side of this acknowledgment and that I will not follow any policies or procedures that contradict, limit or vary the terms and conditions set out in Policy 100-2023. I confirm my agreement to the said terms and conditions by signing below.

I shall undertake to protect the Card while it is in my possession and the Card account number and realize that it is for my use only, not to be divulged to any other person (except a merchant with whom I am transacting on behalf of the Town of Westlock) without written permission of the CAO and/or Finance Director. Should the Card be lost, stolen or suspended or compromised in any manner, I shall advise the (XXXBANK) and the CAO and/or Finance Director immediately.

I acknowledge that the Card does not provide me personally with (NAME OF CARD) benefits or features and all times remains the property of the Town of Westlock who has the right at any time without notice, to cancel the Card and to revoke or withdraw all my rights and privileges in respect of the Card.

I acknowledge that the Town of Westlock may amend, modify or discontinue any of the terms of this Agreement and/or any benefits, features or privileges available or offered with the Card and may replace the Card at any time and that any notices that may be required shall be sufficiently provided upon the Town of Westlock sending written notice.

Furthermore, I understand that this Card is the property of the Town of Westlock, assigned to me on behalf of the Town of Westlock and that in the event of wilful or negligent default of these obligations or the obligations of the Town of Westlock as outlined on the agreement, the Town of Westlock shall take recovery action as they deem appropriate which shall include, but not be limited to, a holdback of pay.

If any provision of this Agreement is held to be unenforceable, invalid or void, all other provisions will nevertheless continue in full force and effect.

 Cardholder Signature

 Date

 Director of Finance Signature

 Date

 CAO Signature

 Date



**TOWN OF WESTLOCK
NOTIFICATION OF LOSS OF PURCHASING CARD EXPENSE SLIP**

SCHEDULE "B"

Date: _____

Cardholder: _____

Department: _____

Date of Purchase: _____

Vendor: _____

Transaction Amount: _____

GL Account Number: _____

Reason for Purchase: _____

Reason for loss and subsequent actions taken to obtain replacement:

Cardholder Signature

Date

Supervisor

Date

CAO Signature

Date

This form is to be filled out in the event that a purchasing card slip (receipt) has been lost or destroyed.
The completed form shall be submitted with the purchasing card activity report to which it applies.

