

## Purchasing Policy

Adopted: August 10, 2023  
Resolution of Council: # 2023-0247

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### 1.0 POLICY STATEMENT

The Town of Fort Qu'Appelle recognizes that employees are required to make purchasing decisions daily to enable the smooth operation of the Town. Employees are trusted and empowered to make these decisions in proportion to the level of responsibility that their position requires, while adhering to the following policy.

### 2.0 PURPOSE

The purpose of this policy is to establish general guidelines for the Town of Fort Qu'Appelle for the purchase of goods, services and work.

### 3.0 DEFINITIONS

**Capital Assets** – Assets that meet the threshold of Tangible Capital Assets outlined in the Tangible Capital Asset Policy; are used on a continuing basis in the Town's operations, have a useful life extending beyond one year, and are not held for re-sale in the ordinary course of business.

**Contract** – A written document containing all terms and conditions, signed by both parties to the contract for goods and services to be delivered. Example of contracts can include leases, service contracts, and public private partnerships.

**Consultant** – Includes individuals and firms who provide professional services, reports, opinions and recommendations in areas that the Town has limited or no existing resources in, For the purpose of this policy, consultant will not include those who perform day to day functions as an extension of in-house resources or those who are retained for on-going municipal operations.

**Multiple party acquisition** - where multiple or outside organizations participate in procuring goods or services together. Example: Canoe Procurements

**Public tender** - A process requiring documents which contain the specifications and conditions on which the town will enter into a contract with the bidder to be publicly advertised and opened at the close of the tender.

**Quotations**- The process of soliciting prices from selected vendors for required goods or services via telephone, email, in-person, fax or other acceptable methods.

**Request for proposals** - A written request to the vendors/suppliers/contractors to submit a proposal without the town setting rigid specifications requests for proposals are intended to allow new or innovative solutions to meeting the Town's needs. The request for proposal will state the manner in which the proposal is to be submitted to the Town and will include information such as the purpose of the request, contact information, deadline for proposal to be submitted, etc...

**Sole Source Purchase** – An agreement for goods, services or work without first advertising or obtaining multiple quotations.

**Vendors** – includes vendors, suppliers, and contractors.

#### 4.0 ACQUISITION OF PRODUCTS AND SERVICES

4.1 When the Town decides to purchase goods or services, it shall be done through a competitive acquisition process. Requests for good and services shall utilize some or all of the following: advertising in the Fort Times, the Town's website, social media, and the SaskTender website. The monetary amounts for the acquisition process are as follows:

- a) Any purchase up to \$499 is at department Supervisors' discretion
- b) All purchases between \$500 and \$1000 shall have a minimum of two (2) facsimile/online/in-person/email or similar quotes from vendors that provide the necessary services and products
- c) All purchases between \$1001 and \$15,000 shall have a minimum of three (3) written, electronic or facsimile quotations from vendors that provide the necessary services and products
- d) Public tendering, request for proposals or requests for quotes must be used for all purchases exceeding \$15,001. Pursuant to section 5.6 all purchases exceeding \$75,000 require the approval of Town Council.
- e) All purchasing process shall comply with the requirements of the New West Trade Partnership Agreement. Which stipulate \$75,000 or greater for goods and services and \$200,000 or greater for construction.

4.2 Sole source contracts may be authorized by the Town CAO up to \$10,000 (per section 5.6(c) a sole source contract exceeding \$10,000 requires council approval) under the following circumstances:

- a) Where there is no response to a competitive process;
- b) To ensure compatibility with existing products and services, to recognize exclusive rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- c) To purchase an item for testing or trial use;
- d) Where goods or services are in short supply due to market condition, including geographic limitations and lack of competition;
- e) To purchase an item directly for resale;
- f) To exercise a purchase option under a rental contract;
- g) Where an emergency situation arises that could affect the health and safety of any person, or threaten public or private property or the environment, or adversely affect Town operations.
- h) Where goods and services relating to matters of a confidential or privileged nature are required and disclosure of these matters could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
- i) Any other situation where, with Council approval, it is deemed to be in the best interest of the Town to do so.

4.3 The Town shall make reasonable efforts to solicit quotes, tender submissions and requests for proposals from local suppliers when qualified local suppliers exist.

4.4 The minimum advertising period for all tenders and request for proposals subject to 4.1(d) above shall be 10 business days unless stated differently in provincial legislation.

4.5 Multiple Party Acquisition of goods and services is permitted under the policy providing the lead party to the procurement process follows a process in a manner similar to the requirements of Section 4.1.

## 5 ACQUISITION AUTHORIZATION LEVELS

- 5.1 With the exception of clause 4.2 (g) and (h), the provision for all purchases of goods, services or works must be provided for in the current operating or capital budgets.
- 5.2 Department Supervisors shall ensure that all purchase requests are formally documented and conform to the spending authorization levels detailed in 5.4 hereunder.
- 5.3 Department Managers may designate signing authority to appropriate staff and are responsible to ensure proper control is maintained within their respective departments.
- 5.4 Staff shall not exceed the following levels for purchases and awards of contracts without the authorization of their immediate supervisor, or in the case of the CAO, authorization from Council:
  - a) Non-Supervisory Staff- Up to \$500 per event or transaction;
  - b) Department Supervisors - Up to \$5,000 per event or transaction;
  - c) Town CAO – Up to \$75,000 per event or transaction;
- 5.5 The Town CAO, may expend up to a maximum of \$75,000 on emergency, unbudgeted purchases, when, due to the nature and timing of a situation, it is not practical to acquire goods, services or work through the normal purchasing process. The Town CAO shall notify Council as soon as practical to do so after such purchase.
  - a) On an annual basis the CAO will post on the town website requesting proposals for business to submit equipment lists and services available to perform emergency contracted services. Proposals shall contain the name of the company with their contact information (including emergency contact information that will be used as required) and the rates that they agree to for the year. A rotational basis will be used in contacting businesses for emergency work, and If they are not available when called in an emergency situation, the next business on the list will be contacted.
  - b) Whenever possible the Town shall encourage contractors to utilize Sask Heavy Construction Association rates.
- 5.6 Town Council approval is required where:
  - a) The lowest recommended bid exceeds the approved budget;
  - b) Funds have not been provided for in the approved budget, with the exception of purchases made under clause 4.2 (g) and (h);
  - c) The amount of a sole source contract exceeds \$10,000.00 as outlined in 4.2.
  - d) The contract award is of a controversial nature.
  - e) The Town CAO, of any reason, refers the award of the contract to Town Council.
  - f) The contract is for \$75,000 and greater.
  - g) Multi-year contracts pursuant to Section 10.2.
  - h) The initial upfront cost is \$2,500 or more for a product or service that is tied to an ongoing maintenance contract pursuant to Section 10.2.

## 6 SPECIFICATIONS

- 6.1 Department Supervisors, or their designate, shall be responsible for preparing tender specifications, and any changes thereto.
- 6.2 Department Supervisors shall ensure that tender specifications, or changes thereto, are as broad as practicable to assure competitive bids and should provide for equivalents and/or approved alternates in an effort to increase competition.
- 6.3 Where applicable, tender specification, or changes thereto, should consider ongoing operating costs associated with the product or service including the potential costs related to downtime associated with the maintenance or repair services.

6.4 All criteria that will be considered and analyzed in the award of a tender shall be clearly set out in the tender document. Purchasing decisions shall be based on the principle of obtaining best value for money, considering any of the following criteria, as applicable:

- a) Fitness for purpose
- b) Quality
- c) Reliability
- d) Price
- e) Lifetime costs and transaction costs
- f) Useful-life expectancy
- g) Innovation
- h) Sustainability
- i) Assurance of supply and deliverability
- j) Anticipated customer service
- k) Past performance
- l) Experience

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

## 7 TENDER/BID/PROPSAL ACCEPTANCE CRITERIA

7.1 In all cases, the Town reserves the right to refuse any or all tenders, bids or proposals. Where the Town decides to accept a tender or bid, it shall accept the best value for money, in consideration of 6.4 above, or bid meeting its specifications, unless the tender documents set out additional and/or other acceptance criteria.

7.2 A qualified tender means that in the opinion of the Town, the tenderer or bidder has the expertise and ability, physically or financially, to supply or perform the goods, services or works tendered or bid, and whose past performance or references are satisfactory to the Town.

7.3 In the case of requests for proposals, the Town shall accept the proposal which, in the opinion of the Town, best meets the requirements of the Town, unless the proposal documents set out additional and/or other acceptance criteria.

7.4 The Town shall require that a bid bond or other similar security to guarantee entry into a contract accompany a bid. Unless otherwise specified in circumstances where a bid bond or other security is required the refundable deposit required shall be:

- a) 5% for projects where Total Acquisition Cost is \$15,000 to \$75,000.
- b) 10% for project where Total Acquisition Cost is in excess of \$75,000.

Prior to commencement of work the successful bidder may be required to provide the following security in addition to the security referred to above.

- a) A performance bond to guarantee the performance of the contract, and;
- b) A payment bond to guarantee the payment of labour and materials to be supplied in connection with a contract.

The CAO shall select the appropriate means of guarantee for execution and performance of the contract. Means may include but not be limited to certified cheque, bank draft, irrevocable letter of credit, money order, and, where appropriate, a bid bond issued by an approved guarantee company properly licensed in the province.

## 8 WITHDRAWING OR AMENDING BIDS

8.1 Any tender or bid may be withdrawn or amended by the bidder prior to the close of tenders or bids.



## 9 CONFLICT OF INTEREST

9.1 No Town employee shall place himself/herself or another in position of advantage or conflict of interest when acquiring goods and services on behalf of the Town. Potential conflicts should be referred to the CAO, or Council in the case of the CAO, in advance for clarification.

## 10 CONTRACT LENGTH

10.1 Subject to the provisions of Section 4, a Department Supervisor may structure a bid/tender/request in a manner such that the successful vendor will supply the desired product(s)/service(s) for a term of up to one (1) year.

10.2 It is not uncommon for products and services like software to have an initial up-front cost with ongoing maintenance or service costs. In accordance with section 5.6(h), contracts for products and services similar to this with an initial cost of \$2,500 or more that are anticipated to have ongoing maintenance agreements, must be approved by Council.

## 11 EXCEPTIONS

11.1 This policy does not apply to the purchase of the following goods or services:

- a) Utility contracts where no competition exists (i.e. power, water, etc.)
- b) Land sales and land purchase contracts;
- c) Contracts or agreements relating to employee compensation, reimbursements, training, education, etc.;
- d) Any other items or services, which due to their nature do not lend themselves to quotation, public tender or request for proposal processes.
- e) Ongoing subscriptions, maintenance, operating and service contracts after the initial contract has been approved subject to Section 4, and Section 5.

## 12 DISCLOSURE OF INFORMATION

12.1 The Town will not disclose the names or total number of bidders prior to the closing of tender bids.

12.2 Tender opening will be done in a public manner.

12.3 The Town will make pricing information, including the unit pricing and total contract value, of the successful bidder publicly available.

12.4 Requests for proposals will not be opened publicly. Request for proposals will be opened in a process where each submission is witnessed and dated. The evaluation results utilized to determine the award of contract will be made publicly available.

12.5 Details of request for proposal documents will only be made available subject to a request and pursuant to *The Local Authorities Freedom of Information and Protection of Privacy Act (LA FOIP)*.

12.6 Details of request for proposal documents in a manner that they can be made publicly available if requested and not in contravention of *LA FOIP*.

## 13 GENERAL

13.1 All contracts above \$15,000 in value shall be reported back to Council in summary form as part of the annual reporting for Council information.