

SECTION: GENERAL ADMINISTRATION

SUBJECT: PURCHASING POLICY

Original Resolution No.: 06-05-61
Revision Resolution No.: 07-01-44

Purchasing Policy

It is the policy of the County of Warner No. 5 that it is committed to purchasing services and goods in a fair and ethical manner and to ensure that all services and goods provide the best value for the County ratepayers. This policy will also provide guidance for an open and honest purchasing program that is fair and impartial.

Guidelines

1. Purchasing Authority

- a. The County Administrator and Department Heads will approve all County purchases unless authority has been delegated by them, in writing, to other members of their staff. Limitations, based on dollar limits, are specified in Clause 3.
- b. It is the responsibility of the County Employees to conduct the necessary research into goods and services, prepare the specifications sheet, and negotiate the pricing of those goods and services.
- c. It is the responsibility of the County Council to “grant approval for the purchase” or “decline the approval for purchase” of certain goods and services as outlined within this policy. Council may wish to provide reasons for declining the approval for purchase of goods and services.
- d. Purchases must be included in the current year’s budget, or interim budget, or as otherwise approved by Council.

2. General Statements

- a. All applicable legislation is to be observed, including but not limited to the Municipal Government Act, Agreement on Internal Trade and the Freedom of Information and Privacy Act.
- b. The following dollar values must be advertised through an Agreement on Internal Trade approved system:
 - i. \$100,000 or greater, in the case of goods or services
 - ii. \$250,000 or greater, in the case of construction
- c. Purchases through the A.A.M.D.&C. Purchasing Department will be made, if it is determined to be the best business decision.
- d. Payments for goods or services will be made when the County is satisfied that the goods and or services provided meet the specifications.

3. Monetary Guidelines Regarding Purchasing Authority

- a. Purchases of less than \$500.
 - i. Lower value buying normally relates to miscellaneous purchases of goods and services and may be conducted with telephone solicitation. Two or three telephone

- quotations should be obtained where appropriate and with applicable notes recorded.
- ii. Authority is granted to the County Administrator, Management/Department Heads, Purchasing Agent and other staff that have received prior approval of the applicable Department Head.
- b. Purchase of more than \$500 but less than \$5,000.
 - i. All purchasing activity for the acquisition of goods or services having an estimated aggregate value of more than \$500 but less than \$5,000 require documented telephone solicitation from a minimum of two potential suppliers.
 - ii. Authority to purchase is granted to the County Administrator, Department Heads and Purchasing Agent.
 - c. Purchases of \$5,000 and higher, but less than \$25,000.
 - i. All purchasing of goods or services having an estimated aggregate value of \$5,000 or more or less than \$25,000 shall require written bids or quotations from a minimum of three potential suppliers.
 - ii. Authority to purchase is granted to the County Administrator and Department Heads.
 - d. Purchases of \$25,000 or greater
 - i. All purchases of goods or services \$25,000 or higher will be carried out by a competitive process of one on the following:
 - (1) Tenders,
 - (2) Request For Proposals (RFP), or
 - (3) Request for Quotation (RFQ).
 - ii. Authority to purchase is granted to the County Administrator and Department Heads for goods and services less that \$25,000
 - iii. Authority to purchase is granted to the County Administrator for goods and services more than \$25,000 but less than \$50,000 for all County Departments
 - iv. Approval for the purchase is granted to the County Council or the Ag Service Board for all purchases within the range of \$50,000 or greater in the case of goods or services, or within the range of \$50,000 or greater in the case of construction.
 - v. In order to assist County Council in evaluating purchases over \$50,000, Department Heads will be required to provide the following:
 - (1) a formal written recommendation for a particular good or service to be purchased,
 - (2) justification and reasons for the recommended purchase, and
 - (3) information to be forwarded to the County Councillors at least three (3) days prior to the meeting in which the decision is scheduled to be made.
 - e. In some cases, the County purchases certain services and goods through one company, without obtaining prices from several sources. This arrangement is established due to the uniqueness, quality and/or type of services or goods provided by the contractor/company. Periodically the County will review these arrangements to ensure quality goods and services are being provided and the County is receiving competitive pricing. This arrangement of selective purchasing is required to ensure County business is conducted efficiently and effectively.

- f. Each Department Head, on an annual basis, will document why it is using a certain services or goods provider mentioned in (e) above and when it will periodically review the use of a certain provider.

4. **Tenders**

- a. The "Tender" process should be used when price is the main award factor, providing all specifications, terms and conditions have been satisfied. There is to be no negotiation after closing.
- b. All tenders must include the date and time of the competition closing.
- c. All tenders must indicate that submissions are to be sealed and delivered to the address specified, with the content clearly noted.
- d. All tenders are to be dated and time stamped upon receipt at the location specified and are to remain unopened until the closing time for that competition has passed.
- e. Any submissions which are received after the closing date and time are to be returned unopened to the originator. Such submissions may be opened solely to determine the return address of the submission.
- f. It is the responsibility of the vendor to ensure their bid has been received into competition without exception.
- g. Electronic transmission tenders will not be accepted unless otherwise stated.
- h. All tenders shall be subject to public opening. The time, location and conditions of the public opening shall be made known in advance and shall be contained in the competition documentation provided potential suppliers.
- i. Only the name of the supplier and the total cost or price in the submission are to be released during a public opening and thereafter.
- j. The lowest or any tender will not necessarily be accepted.
- k. The following criteria may be considered when a tender decision is made:
 - i. price
 - ii. capability to perform work
 - iii. past experience with bidder
 - iv. result of reference check
 - v. information relating to financial state of bidder
 - vi. length of construction period
 - vii. specific time for construction
 - viii. availability
 - ix. brands
 - x. warranties
 - xi. expertise in product/service area
 - xii. quality
 - xiii. support and service availability
 - xiv. resale value of goods or equipment
- l. The tender will be an irrevocable bid by the vendor.
- m. To assist the County of Warner No. 5 in having a good defense in case of a "legal" challenge to a tender procedure, including the following clause in the advertising and tender packages will assist:
 - i. "The County of Warner No. 5 reserves the right to accept or reject any or all tenders and to waive irregularities and informalities at its discretion. The County

reserves the right to accept a tender other than the lowest tender. Without limiting the generality of the foregoing, The County of Warner No. 5 may consider any other factor besides price and capability to perform the work that it deems in its sole discretion to be relevant to its decision, including but not limited to the following:

- (1) Any past experience with the Bidder, or lack thereof;
- (2) The results of any reference check done by the County of Warner No. 5;
- (3) Information relating to the financial state of the bidder, however obtained;
- (4) List other criteria the County of Warner No. 5 deems appropriate.”

- n. The Administration will determine if the Tender is to be by open or invitational tender, depending on Department circumstances and pertinent Legislation and the Internal Trade Agreement.
- o. If the County wishes to rely on selection criteria other than price, that criteria should be specified.
- p. Detailed criteria for tender submissions will be prepared by the applicable Department Head or their designate.

5. **Request for Quotations (RFQ)**

- a. The “Request for Quotations” process is normally used where cost and other factors are considered in the award. Specifications may not be conclusive and an element of review is required to ascertain lowest net cost and appropriate quality prior to award. Quotations are open to review with the vendor. Electronic submissions will be accepted.
- b. If a closing date (and time) is provided for “RFQ”, submissions after this date (and time) will not be accepted.

6. **Request For Proposals (RFP)**

- a. The “Request for Proposals” process may be used as an alternative to the tender process, normally for the provision of services or completion of a given project. This method provides the vendor with an opportunity to bid on work or service using their unique skills.
- b. Specifications are general in nature. The selection of the successful supplier is based on County of Warner No. 5's appreciation of the proposal and the suppliers ability to complete the project or provide the service. Electronic submissions will be accepted.
- c. If a closing date (and time) is provided for “RFP”, submissions after this date (and time) will not be accepted.

7. **Emergency Purchases**

- a. Department Heads shall be authorized to make emergency purchases in excess of \$5,000.00 upon the approval of the County Administrator. The Department Head shall present a report to Council at its next meeting providing sufficient details on the purchase, emergency involved, and impact on approved departmental budget.