



POLICY TITLE: PROCUREMENT POLICY

POLICY #: F-003-005

EFFECTIVE DATE: May 11, 2009

ADOPTED BY COUNCIL ON: May 11, 2009

RESOLUTION #: 165.05.09

SUPERCEDES: L-001-001A

USED IN CONJUNCTION WITH: FINANCE DEFINITIONS; PROCUREMENT PROCEDURE; CORPORATE CREDIT CARD USE POLICY; BUDGET ADJUSTMENT POLICY; C.A.O. BYLAW; ORGANIZATIONAL CHART; SIGNING AUTHORITY TABLE; LICENSE BYLAW; TANGIBLE CAPITAL ASSETS POLICY

**POLICY STATEMENT**

The Town of Sylvan Lake will ensure openness, transparency and accountability in its procurement of goods, services, and construction works.

**PURPOSE**

To maintain financial flexibility, viability and efficiency in procurement activities, uphold fairness and equal application of this policy, and provide increased opportunities for Sylvan Lake businesses to supply goods and services to the Town of Sylvan Lake.

**PROCEDURES**

**1. Procurement Authority**

- 1.1 The Chief Administrative Officer has authority for the procurement of services, goods, and construction works for the Town of Sylvan Lake, subject to the following conditions:
  - 1.1.1 The procurement is included in the Town’s approved annual budget;
  - 1.1.2 The procurement value is equal to or lower than the amount approved in the budget for the procurement in question;
  - 1.1.3 The type or scope of goods, services, or construction work required by the procurement is fundamentally the same as when approved in budget;

- 1.1.4 The means of acquisition (purchase, lease, conditional sale, etc.) are the same as when approved in budget;
  - 1.1.5 More than one vendor submission was received, and;
  - 1.1.6 The procurement value is less than \$75,000.
- 1.2 If the procurement does not satisfy all of the conditions set out in section 1.1, the award must be authorized by a resolution of Council.

## **2. Competitive Procurement Thresholds**

- 2.1 When the Town seeks to procure services, goods, or construction works from outside parties, it shall follow processes outlined below:
- 2.1.1 The formal public procurement process is required when the procurement value is expected to be equal to or greater than \$25,000.
  - 2.1.2 A minimum of three (3) written quotations are required when the procurement value is equal to or greater than \$5,000 but less than \$25,000.
  - 2.1.3 At least three (3) verbal quotations are required when the procurement value is equal to or greater than \$500 but less than \$5,000.
  - 2.1.4 Quotations are not required for procurement values of less than \$500.
- 2.2 All procurement of equal to or greater than \$25,000 in procurement value shall require the authorization of the Chief Administrative Officer before being awarded.

## **3. Emergency Procurement**

- 3.1 In accordance with the Chief Administrative Officer Bylaw, in the case of an emergency, Council grants unrestricted procurement and expenditure authority related to the emergency to the Chief Administrative Officer.

## **4. Contractor Requirements**

- 4.1 The Town shall procure services only from contractors who have:
- 4.1.1 A valid Workers' Compensation Board account number,
  - 4.1.2 Proof of liability insurance appropriate to the service, and;
  - 4.1.3 A valid Town of Sylvan Lake Business License.

## **5. Local Preference**

- 5.1 In the case of a vendor submission from a local supplier that is equal to or better than a vendor submission from a non-local supplier, but of a higher price, the Town shall accept the submission from a local supplier subject to the following conditions:

- 5.1.1 The maximum price variance allowed in giving preference to a local supplier shall be 5%, and;
- 5.1.2 The value of the procurement is less than \$75,000 after price variance.

## **6. Exceptions**

- 6.1 The regulations outlined in Section 2.1 do not apply in any of the following situations:
  - 6.1.1 Travel and accommodation-related expenses;
  - 6.1.2 Where it can be demonstrated that only one supplier is able to meet the requirements of a procurement;
  - 6.1.3 The receipt of zero satisfactory bids in response to the formal procurement process for a given procurement; or;
  - 6.1.4 An urgent operational procurement is required.

## **7. Conflicts of Interest**

- 7.1 No Town employee shall derive a benefit to themselves or for an immediate family member by making procurements on behalf of the Town.
- 7.2 Employees must disclose any potential conflict of interest to their immediate supervisor and remove himself/herself from the procurement process in cases where:
  - 7.2.1 The employee has a financial interest in a prospective vendor, and/or;
  - 7.2.2 The employee tasked with procurement has an immediate family member who is a prospective vendor.
- 7.3 Failure to abide by Sections 7.1 or 7.2 is grounds for disciplinary action.
- 7.4 Upon an employee disclosing a conflict of interest as outlined in Section 7.2, the immediate supervisor may determine whether or not to proceed with the procurement as governed by Sections 1 and 2.