



POLICY NAME:	PURCHASING AND EXPENDITURE POLICY
Effective Date:	February 26, 2025
Policies Rescinded:	1504
Document Owner:	Corporate Services
Required Review Date:	February 1, 2029, or as required.
References:	Municipal Government Act; Canadian Free Trade Agreement, New West Partnership Trade Agreement

PURPOSE

To establish a policy for consistent and fair purchasing practices while ensuring efficient allocation of available resources of both a financial and non-financial nature, in accordance with the *Municipal Government Act*, the Canadian Free Trade Agreement (CFTA), and the *New West Partnership Trade Agreement (NWPTA)*.

POLICY STATEMENT

The purpose of this policy is to establish the basic direction, philosophies, and values for the procurement of goods and services for use by the County. The County is committed to the acquisition of goods and services at the best value while treating all vendors equitably through procurement processes that ensure integrity, transparency, accountability, efficiency and consistency.

DEFINITIONS

CAO is the person appointed as the CAO according to the *Municipal Government Act*, or a person delegated responsibilities by the CAO in this policy in accordance with the *Municipal Government Act*.

Council means the elected Council of Woodlands County

Construction Project includes roads and infrastructure construction (water, sewage, landfills, buildings, site improvements, etc.), which would result in a tangible capital asset. Examples include:

- Paving and construction of streets and roads;
- Intersection lighting;
- Fiber optics;
- Gas and utility lines;
- Bridge construction.

CFTA means the Canadian Free Trade Agreement (CFTA) is an inter-governmental trade agreement regulating trade within Canada. It took effect on 1 July 2017. The goal of the agreement was to reduce or eliminate regulations against the free movement of goods, services,



and investments within Canada. The officials who framed the new deal said they wanted to ensure that Canadian firms got the same access to the Canadian market as firms from the country's international trading partners. CFTA also more closely matches the terms of the Canada-European Union Comprehensive Economic Trade Agreement (CETA), which began taking effect in 2017.

Direct Purchase shall mean the direct ordering and purchase of goods and services from a supplier with or without negotiation. This method of purchase will be used primarily for the purchase of low value goods where the cost and administrative burden of other methods of purchase may be equal to or greater than the price or value of the goods purchased. Employees are encouraged to use their own judgment to promote the principles of this policy in any direct purchase.

Director shall mean the Director, Corporate Services, Director of Community Services, Director of Infrastructure Services.

Goods and Services shall mean all non-construction purchases including professional services, operational contracts, and special category expense. Examples include:

- Furniture and equipment
- Office supplies;
- Grader blades;
- Fuel;
- Tires;
- Computer hardware and software
- Janitorial services;
- Legal services;
- Engineering services;
- Maintenance agreements
- Vehicles and heavy equipment.

Goods and Services Tax (GST) means the Goods and Services Tax or Harmonized Sales Tax as described in the *Excise Tax Act*. All numbers in this policy exclude GST.

Manager shall mean the Manager, Infrastructure Technical Services, Manager, Agriculture Services, Manager, Planning and Development, Manager, Parks and Recreation, Manager, Airport, Area Supervisor and the Project Coordinator.

Negotiated Method shall mean the negotiation of an agreement for the purchase of goods and services from a supplier where there is no open competition. The conditions under which this method of purchase can be utilized are listed in the Purchasing Procedure Manual – Procedure B – Purchase by Negotiation.

New West Partnership and Trade Agreement (NWPTA), formerly the **Trade, Investment, and Labour Mobility Agreement (TILMA)**, is a companion agreement to the **AIT** in Alberta, British Columbia and Saskatchewan. It prescribes financial thresholds where advertising of purchasing opportunities is required for goods and services of \$75,000 and over and construction projects of \$200,000 and over, with some exceptions as described in the agreement.



Relative shall be defined as per the definition of councillor's family, under Section 169(b) of the *Municipal Government Act*, and shall apply to both relatives of County councillors and County employees. For further clarification, this is defined as the councillor's or employee's spouse or adult interdependent partner, the councillor's or employee's children, the parents of the councillor or employee and the parents of the councillor's or employee's spouse or adult interdependent partner.

Request for Tender shall mean a competitive method of purchase which may include supplier or contractor pre-qualification. The tender process follows the general procedures set out in the Purchasing Procedures Manual.

Request for Proposal shall mean a method of purchase which involves the solicitation of proposals. It may include prequalification. In this method of purchase, some or all of the specifications and contract terms may not be finally determined with sufficient certainty to form the basis of a final contract before proposals are solicited and submitted. It may be expected that there will be some variation in the final specification and contract terms among and between responsive proponents.

Request for Quotes/Price Quotation (RFQ) shall mean a competitive method of purchase where the specifications for the goods and services and terms of purchase will be established with sufficient particularity to permit comparable quotations to be made by suppliers. A sufficient number of suppliers are requested to submit quotations on the specifications and terms of purchase. The procedures Request for Quotation process does not require advertising and the receipt of sealed bids

Director shall mean the Director responsible for the tender/RFP/RFQ, or a person designated by the Director.

Total Acquisition Cost - includes but is not limited to such factors as repairs, fuel consumption, operating cost per hour (or other unit of measure), staff training, suitability, compatibility, warranty, trade-in values, recycling and disposal concerns.

ADMINISTRATIVE RESPONSIBILITY

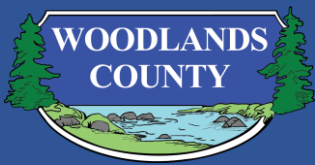
This policy applies to employees or council members who purchase, rent, lease on behalf of the County.

Council is responsible for:

- Approving the Procurement Policy that establishes the basic direction, philosophies and values for the procurement of goods and services for use by the County and amendments there to.

CAO is responsible for:

- Authorizing expenditure of funds and payments of accounts according to the approved budget once the operating, interim and/or Capital Budget is passed by Council as per the MGA.



- Ensuring that the procurement procedures and programs of the municipality are developed;
- Delegating the purchasing and expenditure authority unless otherwise approved by Council, or a policy adopted by Council;
- Delegating Budget authority to County Staff in accordance with the Annual Budget;
- Overriding procurement policy and procedures when required as a sound business decision in accordance with the Sole Sourcing section of this Policy.

Staff is responsible for:

- Ensuring compliance with this policy when tendering or purchasing goods for Woodlands County.

Guidelines

Local Vendors

To be compliant with applicable trade agreements, the County cannot give preferential treatment to local vendors for competitions over \$75,000.00 threshold for goods and \$200,000.00 threshold for construction contracts. For competitions below \$75,000 for goods and services or below \$200,000.00 for construction contracts the following local provisions can be applied:

- Departments can direct competition up to \$74,999 for goods and services, and up to \$199,999 for construction contracts to local vendors if the vendor's expertise is competitive.
- A bid is submitted by a local vendor and having local content shall be awarded to that business if:
 - They have submitted the lowest bid from a local business, and
 - That the bid is not more than two percent (2%) to a maximum amount of \$2,000.00 above the lowest cost submitted by a non-local vendor.

Sole Sourcing

Sole Sourcing purchases may be used when there is only one available supplier of a required good or service that meets the needs of the County, subject to a regular review. Negotiations should be used to complete the terms and conditions for this purchase. A single source purchase may occur:

- Where the compatibility of a purchase with existing equipment, facilities or services is a paramount consideration and the purchase must be made from a single source;
- Where an item is purchased for testing or trial use;
- Where the County purchases supplies for resale;
- For direct purchases under \$10,000.00;
- Where the County has a rental contract with a purchase option and such purchase option could be beneficial to the County;
- Purchase from another vendor would violate warranties and guarantees where service is required;
- For matters involving security confidential issues a purchase may be made in a manner that protects the confidentiality of the contract of the County.



Confidentiality of Information

County employees or County councillors shall not release, to any potential supplier of goods or services, any information that is not intended to be made available to all potential suppliers.

Requests for information regarding submitted tenders and price quotes shall be handled in accordance with the *Freedom of Information and Protection of Privacy Act* (“FOIP”). Generally, the name of the bidder and total amount of bid is releasable. Details of the tender or quote are not routinely released and are to be referred to the FOIP Coordinator.

Acquisition via Purchase Order

In the absence of a contract or service agreement, a purchase order initiates the contractual obligation between the County and the supplier of goods or services to which it is addressed.

The purchase order authorizes the supplier to supply the specified goods and/or services, subject to the terms and conditions that are specified on the Purchase Order or any attachment thereto.

The purchase order shall be signed by the CAO, Director, Manager, or Coordinator/Supervisor where applicable (see “Purchase Guidelines and Approval Process”).

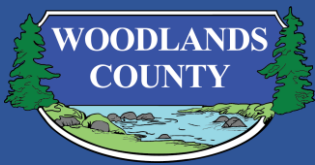
A purchase order shall only be issued if the purchase meets the limits and criteria established by this policy or any other policy of the County.

Purchase orders shall be issued for all purchases of goods or services over \$2,500 unless required by the vendor.

Purchase Guidelines and Approval Process

The following table outlines the process required for each type and/or value of purchase:

Types of Purchase	Purchase/Total Contract Value (excluding GST)	Process	Minimum Approval Required
Goods and services	Up to \$2,500.00	Direct purchase or discretion of Director or Manager	Coordinator; Supervisor,
Goods and services and construction projects,	Up to \$10,000.00	Direct purchase or discretion of Director or Manager	Manager; Economic Development Officer
Goods and services (including vehicles and heavy equipment) and construction projects	Over \$10,000.01 to \$74,999.00	Minimum attempt of three quotes (RFQ)	Director



Goods and services (including vehicles and heavy equipment) and construction projects.	Over \$74,999.99 to \$199,999.99	Minimum three quotes (RFQ), or Formal Tender or Request for Proposal (RFP)	CAO
Goods and services (including vehicles and heavy equipment) and construction projects	Over the amounts above	Minimum three quotes (RFQ), or Formal Tender or Request for Proposal (RFP) advertised on the Alberta Purchasing Connection as required by CFTA and NWPTA	CAO

Where practical, purchases shall be collectively tendered to obtain the best purchase price. If a quote, RFP or tender is being issued collectively for the purchase of several goods or services, the estimated value of the total purchase shall prevail in applying these guidelines versus individual cost estimates. For goods and services being supplied over a number of years, the estimated value of the total purchases over the entire term (including renewals) shall prevail in applying these guidelines.

These guidelines refer to purchases within budget. If the proposed unbudgeted expenditure is not an emergency and does not exceed \$30,000.00, the Director can approve the expenditure if there is a surplus in the approved department budget.

If the proposed unbudgeted expenditure is greater than \$50,000.00, Council approval is required.

If the proposed expenditure is over the budget amount by less than \$45,000 but not greater than ten percent (10%), the Director can approve the over-expenditure if there is a surplus within the department operating budget.

If the proposed expenditure is over the budget amount by less than \$70,000, the CAO, or designate, can approve the expenditure if there is a surplus within the department operating budget.

If the proposed expenditure is over the budget amount by \$70,000, Council approval is required.

The CAO may approve variations to the process when warranted. Variation is also allowed when purchase by negotiation applies.

Approval of items may be given at a higher authority level. The guidelines enlisted are the minimum approval authority required.

Emergency Purchases



State of Emergency:

In the event of an activation of the County's Emergency Operation Centre (EOC) or if a State of Emergency is declared by Council, the Federal or Provincial government for the County, the following shall apply:

- The Director/Deputy Director of Emergency Management shall have the same purchasing authorities as the CAO.
- The Logistics Section Chief and/or Finance Section Chief shall have the authority of a Director.
- The Logistics Section Chief or Finance Section Chief may increase the County's Credit Card Holders limits to a level they consider appropriate based on the nature of the emergency.
- The Supply branch coordinator, the procurement unity and Incident Commanders shall have the authority of a Manager.

For clarity, the authority of Emergency operations Centre staff described above is additional to and does not displace the authority of the CAO, Directors or Managers. Documentation and procedures established through the Incident Command System shall be followed to ensure Disaster Recovery Plan Financial eligibility is maintained.

Compliance Monitoring and Reporting

Compliance Monitoring:

Directors are required to observe and address non-compliance with this policy within their departments. Where instances of non-compliance are identified, the Director is expected to notify the CAO and obtain advice with respect to mitigating the potential risks to the County arising from the noncompliance.

Consequences of Non-Compliance

Violations of this Policy may be subject to disciplinary action, up to and including termination.

Tender, Request for Quotations and Request for Proposals Guidelines

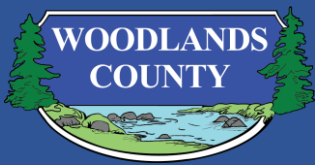
Requests for Quotations:

All requests for quotations should be in writing and from a minimum of three suppliers unless noted otherwise in the purchasing guidelines. If a written quote is not obtainable, verbal quotes must be fully documented with any supporting documentation attached. The CAO may approve purchasing goods and services with less than three quotes on a case – by – case basis.

The processes for Requests for Quotations are as established by the CAO.

Request for Tender / Request for Proposal (RFP):

The formal tendering process is intended to ensure that all interested individuals and organizations are given an equal opportunity of providing goods and services in response to the identified needs of the County.



The process for issuing Tenders/RFPs will be governed by the procedures established by the CAO and amended from time to time.

Responsibility for the preparation of the required specifications, tender/RFP documents and advertising rests with the department requiring the goods and/or services.

The lowest bid tender/proposal will not necessarily be accepted, depending on the goods and services being tendered/requested. Bid evaluation and selection may be based upon quantitative and qualitative criteria, which is to be identified and documented prior to the close of the tender/proposal call. The nature of the evaluation and selection criteria, but not the specific factors or weights, where applicable, can be made known to prospective suppliers to assist in the preparation of bids.

Adequate documentation, to record the evaluation and selection process, will be created and retained.

All Tenders, RFPs, or Requests for Quotations (RFQs) will have the following clause attached (variations may be made at the discretion of the CAO):

Woodlands County reserves the right to accept or reject any and all Tenders/Proposals, and to waive irregularities, informalities and non-compliance at its discretion. The County reserves the right to award a Tender (Proposal) other than the lowest Tender (Proposal) without stating reasons and, without limiting the generality of the foregoing, the County may consider any other factor(s), besides price, capability to perform the work and proposed specifications, in its sole and unfettered discretion. By submitting its Tender (Proposal), the Bidder/Proponent waives any right to claim, in any proceeding or court action, for loss of anticipated profit or for any other damages in excess of the reasonable costs incurred by the Bidder/Proponent in preparing its Tender.

Purchasing Involving other Partners:

The County may jointly tender or request price quotes with other municipalities, municipal organizations (examples are: RMA, Alberta Municipalities, PFA Canada, Federation of Alberta Gas Co-ops, Gas Alberta, etc.), senior governments or other government organizations if there is an opportunity for obtaining goods and/or services at a more cost-effective price. Purchasing involving other partners must comply with CFTA and NWPTA. Any involvement in joint tendering or price quotes shall be approved by the CAO.

Request for Tender vs. Request for Proposal:

A Request for Tender shall be issued as per the Purchasing Guidelines and where all of the following criteria apply:

- Two or more sources are considered capable of supplying the requirements;
- The requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria;
- The market conditions are such that tenders can be submitted on a common pricing basis; and



- It is intended to accept the lowest-priced compliant bid without negotiations.

A Request for Proposal should be issued where one or more of the criteria for issuing a Request for Tender cannot be met, such as:

- Owing to the nature of the requirements, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution, including price, rather than on price alone; or
- It is expected that negotiations with one or more bidders/proponents may be required with respect to any aspect of the requirement. In general, the Request for Proposals process encourages different solutions from vendors and actively searches for better and more creative ideas for supply of goods and services. It provides a process whereby the negotiation and award is based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.

Award Considerations

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

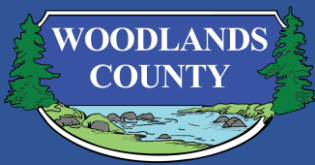
- The ability and skill of the bidder/proponent to provide the goods or services requested;
- The ability of the bidder/proponent to perform the contract or provide the services promptly or at the time specified without delay or interference;
- The character, integrity, reputation, judgment, experience and efficiency of the bidder/proponent;
- The quality and performance of previous contracts, good or services, provided by the bidder/proponent;
- 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 County if necessary);
- The quality, availability and adaptability of the goods or contractual services to the particular use required, and ability to best meet the County's operational needs;
- The ability of the bidder/proponent to provide future maintenance and services for the items acquired;
- The number and scope of conditions attached to the bid/proposal; and
- Any litigation between the bidder/proponent and affiliated individuals and corporations and the County whether pending, past, threatened or suggested.
- The Total Acquisition Cost of the goods and/or services covered by the bid or proposal.

Purchase by Negotiation

All purchases of goods and services shall be competitive, and in accordance with the guidelines set out in this section. However, there may be instances where this is not possible and purchase by negotiation is necessary.

Documentation

All documentation will be filed in accordance with the corporate records structure to ensure legal retention timelines are met.



Conflict of Interest

No requisition, purchase order, voucher, petty cash funds or any other order, written or verbal, shall be issued for personal goods and/or services for employees of the County, a member of County Council, or the public, unless approved by Council or a policy adopted by Council.

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

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

The employee shall declare an interest and that employee shall not be placed in a position to approve the purchase.

Supplier Prequalification's

The County may choose to prequalify service providers where there is a probability of services being required on an ongoing and when required basis or as part of a multistage procurement process.

The County may remove a supplier from the prequalification list where performance is not satisfactory or does not comply with the contracted terms and conditions.

Long-Term Relationships

The following services favor the County where there are long term relationships. However, all of the following services shall be put out to a competitive proposal every five years, subject to the services meeting expectations:

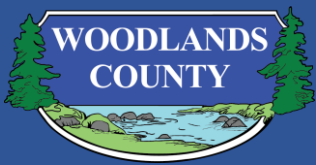
- Legal services
- Insurance
- Banking
- Audit
- Engineering services.
- Planning services

Special Category Expenditures

Subject to compliance with applicable Bylaws, policies and procedures the following expenditures are exempt from sole sourcing procedures outlined in this Policy and purchase orders are not required:

Training and Education Request for Payment

- Course payments/reimbursement
- conventions and conferences
- membership fees or dues
- periodicals, magazine, subscriptions
- training, development, workshops (instructional services, not supplies)



County purchases used in conformance to the County's Credit Card Policy

Utilities

- postage
- charges to other government bodies
- publicly regulated utilities
- telecommunication charges
- courier services.

General expenses

- RCMP Payments
- payroll and benefit remittances
- employee benefit plans
- tax remittances
- insurance
- banking
- land purchases
- software licensing fees and support fees

Original Signed

CAO Signature

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