

# Town of High Level Policy 269-22

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**Title:** Procurement Policy  
**Authority:** Council  
**Council Motion:** Resolution# 233-22  
**Date:** June 27, 2022  
**Rescinds:** Purchasing Policy 212-06

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## **1.0 Purpose of Policy**

This Policy establishes the basic direction, philosophies, and values for the procurement of goods and services for use by the Town of High Level.

## **2.0 Policy Statement**

The Town of High Level 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.

## **3.0 Applicability**

3.1 This policy applies to employees or council members who purchase, rent, lease on behalf of the Town of High Level.

3.2 This policy does not apply to:

- 3.2.1 Purchase or sale of land
- 3.2.2 Investments or borrowing
- 3.2.3 Postage purchases
- 3.2.4 Employee vehicles use expenditure
- 3.2.5 Payroll withholding remittances
- 3.2.6 Training fund disbursements
- 3.2.7 Grants to nonprofit agencies and societies
- 3.2.8 Employment service/agreements
- 3.2.9 Development agreements excluding construction
- 3.2.10 Legal or Professional Lobby Services
- 3.2.11 Provincial and federal funding agreements and grant applications
- 3.2.12 Corporate or individual memberships and subscriptions
- 3.2.13 Various rights of use, easements, encroachments, crossing agreements etc.
- 3.2.14 The acquisition of art by the Town of High Level as defined in policy is exempt from the terms of this policy except for the following:
  - 3.2.14.1 Requests for commissioned art may be subject to a Call to Artist or a request for qualifications established in accordance with the Town's Policy.

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#### **4.0 Non-Compliance**

4.1 Non-compliance with this Policy may result in legal liability, reputational damage as well as disciplinary action for the employee.

#### **5.0 Definitions**

- 5.1 **Bid** means a bid, tender or price offered to the Town of High Level.
- 5.2 **Chief Administrative Officer (CAO)** is the individual appointed by Council to the position of Chief Administrative Officer as per the Municipal Government Act.
- 5.3 **Conflict of Interest** means a situation where the independence or impartiality of an elected official or an employee's decisions or actions are impaired or may be reasonably expected to be impaired because of outside employment, political, business or family interests.
- 5.4 **Construction** means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply or products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.
- 5.5 **Council Members** shall mean elected officials, including the Mayor.
- 5.6 **Employees** shall mean individuals who are employed by the Town of High Level.
- 5.7 **Emergency** is a situation that requires prompt action for the safety and protection of persons or property.
- 5.8 **Good** means a good that is produced, manufactured, grown, obtained in, or used for a commercial purpose in the Town of High Level.
- 5.9 **Local Vendor** means a business having a Town of High Level resident business license, or is a business that maintains an office in the corporate limits of the Town of High Level and is exempt from requiring a business license.
- 5.10 **Service** means a service supplied or to be supplied to the Town of High Level.

#### **6.0 Roles and Responsibilities**

- 6.1 Council is responsible for:
  - 6.1.1 Approving the Procurement Policy that establishes the basic direction, philosophies, and values for the procurement of goods and services for use by the Town and amendments thereto.
- 6.2 The CAO is responsible for:
  - 6.2.1 Authorizing the expenditure of funds and payment of accounts according to the approved budget once the operating, interim and/or Capital budget is passed by Council, as per the MGA.
  - 6.2.2 Ensuring that the procurement procedures and programs of the municipality are developed and implemented to carry out programs identified by the Town Council.

- 6.2.3 Delegating authority to develop and implement applicable procedures through Directors and the senior managers.
- 6.2.4 Delegating Budget Authority to Town staff in accordance with Town policy.
- 6.2.5 Overriding procurement policy and procedures when required as a sound business decision, in accordance with 7.3.1.
- 6.2.6 Ensuring that procurement and contract activities are carried out under the Town's policy and applicable procedures.
- 6.2.7 Ensure budget funds are available for procurement requests

## **7.0 Policy Details**

### **7.1 Principles**

- 7.1.1 The Town will manage its procurement activities in accordance with all applicable legislation including but not limiting to the trade agreements as well as competitive bidding law and procurement best practices. The Town will adhere to the following minimum general principles:
  - 7.1.1.1 Competition process will be open, transparent, and fair.
  - 7.1.1.2 Applicable trade agreements.
  - 7.1.1.3 Whenever practical the Town will consider environmental impact and sustainability.
  - 7.1.1.4 The Town is committed to the highest level of ethical standards in all procurement and contracting practices.
  - 7.1.1.5 The Town encourages the best value consideration in procurement.
  - 7.1.1.6 The Town expects all vendors to perform their obligations to the Town in good faith.
  - 7.1.1.7 Town employees shall not have any pecuniary interest, direct or indirect, in any contract with the Town of High Level. No employee of the Town or partnership of which an employee is a member of may submit a tender for the supply of goods or services to the Town. Any corporation (other than those whose shares are publicly traded) submitting a tender must disclose the names of any shareholder who is a Town employee and the number of shares owned by the employee.
  - 7.1.1.8 Town employees shall not make any recommendations about the awarding of any tender or quotation when they are a member of the immediate family of any individual who is:
    - 7.1.1.8.1 submitting the tender
    - 7.1.1.8.2 a shareholder or employee of a company submitting the tender
    - 7.1.1.8.3 a member or employee of any partnership submitting the tender

### **7.2 Local Vendors**

- 7.2.1 To be compliant with applicable trade agreements, the Town cannot give preferential treatment to local vendors for competitions over the \$75,000 threshold for goods and services and \$200,000 threshold for construction

contracts. For competitions below \$75,000 for goods and services or below \$200,000 for construction contracts, the following local provisions can be applied:

7.2.1.1 Departments can direct competitions up to \$74,999 for goods and services and up to \$199,999 for Construction contracts, to local vendors if the vendors' expertise is competitive.

7.2.1.2 A bid submitted by a local vendor and having local content shall be awarded to that business if:

7.2.1.2.1 They have submitted the lowest bid from a local business, and

7.2.1.2.2 That the bid is not more than five percent (5.00%), to a maximum amount of \$5,000, above the lowest cost submitted by a non-local vendor

### 7.3 Sole Sourcing

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

7.3.1.1 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;

7.3.1.2 Where an item is purchased for testing or trial use;

7.3.1.3 Where the Town purchases supplies for resale;

7.3.1.4 For direct purchases under \$10,000;

7.3.1.5 Where the Town has a rental contract with a purchase option and such purchase option could be beneficial to the Town;

7.3.1.6 Purchase from another vendor would violate warranties and guarantees where service is required;

7.3.1.7 For matters involving security or confidential issues a purchase may be made in a manner that protects the confidentiality of the contractor of the Town.

### 7.4 Capital Projects

7.4.1 All contracts for capital projects shall be awarded according to the Town's Procurement Policy. The Chief Administrative Officer is responsible for administration of the capital projects and may delegate such responsibility to the appropriate staff.

7.4.2 The Chief Administration Officer or the delegated person shall:

7.4.2.1 Approve expenditures up to the approved contract price;

7.4.2.2 Ensure that the work, goods, or services supplied meets the contracted specifications;

7.4.2.3 Ensure the terms and conditions specified by the Town have been met.

### **7.5 Purchasing Authority**

- 7.5.1 Council shall approve all annual Operating Budgets, Capital Budget, and long term Capital Plans of the Town.
- 7.5.2 The CAO is delegated purchasing authority to purchase, and approve the purchase of, goods or services within the limits of a Council approved budget on behalf of the Town.
- 7.5.3 As per the Town's CAO Bylaw, and the Municipal Government Act, purchasing authority may be delegated by the CAO to Directors, Department Managers, and other staff at their discretion. Purchasing authority may also be revoked by the CAO at their discretion due to:
  - 7.5.3.1 Repetitive non-compliance
  - 7.5.3.2 Lack of due diligence
- 7.5.4 Any staff granted purchasing authority, through an administrative directive, must ensure that all applicable policies and procedures are followed and the budget approval for the purchase of goods and/or services is in place. Staff must ensure they have control over the budget and that the budget dollars are available during the entire period of procurement.
- 7.5.5 The CAO may approve individual line-item expenditures that vary from the operating budget only if the Town's revenue requirement is unchanged from Councils' approved budget.
- 7.5.6 If the CAO determines an operational emergency exists, the competitive bidding requirements for purchases may be waived and expenditures not included in the annual operating budget or that cause the functional area to exceed the total annual budget may be approved.
  - 7.5.6.1 The CAO must report any expenditure under this section to Council at the next regular Council meeting for review and approval.

### **7.6 Contracts and Agreements**

- 7.6.1 Under section 214 (4) of the MGA the CAO has the authority to sign contracts and agreements for the Town.
- 7.6.2 Council will be informed of contracts with a total value exceeding \$1,000,000, or a length or greater than three years, through the CAO report.

### **Assistance & Interpretation Contact Information**

**Director of Finance and Administration**

Office: (780) 821-4002

Email: dfa@highlevel.ca

**Chief Administrative Officer**

Office: (780) 821-4001

Email: cao@highlevel.ca

Cell phone contact details may be listed in the staff directory.

**8.0 Revision History**

<i>Rev. No.</i>	<i>Date</i> <i>(YYYY/MM/DD)</i>	<i>Description</i>	<i>Status</i>
212-06	2006/03/27	Approved by Council Res# 122-06	Repealed
	2022/06/27	Repealed by Council Resolution	
223-22	2022/06/27	Approved by Council Res #223-22	Active