



Council Policy C14

PURCHASING POLICY

Approved by Council Resolution #21/08/11

1. PURPOSE:

This Policy has been established to define standards for the procurement of goods, services, and construction contracts by the City of Beaumont.

2. POLICY STATEMENT:

This Policy provides a framework for the City's procurement activities in order to obtain overall best value for the City, and to create positive economic, social, and environmental impacts while maintaining open, fair, and transparent procurement processes.

This Policy shall ensure that the City's purchasing activities support the strategic priorities as identified by Council while complying with to the *Municipal Government Act* and all other statutes and regulations governing purchasing and procurement.

3. DEFINITIONS:

"Agreement on Internal Trade (AIT)" is an intergovernmental trade agreement that requires municipalities to apply non-discriminatory procurement policies in the procurement of goods, services, and construction contracts over given monetary values.

"City" means the City of Beaumont, in the Province of Alberta.

"Chief Administrative Officer (CAO)" refers to the Chief Administrative Officer of the City, or whatever title the City may call the position from time to time.

"Conflict of Interest" means a situation where the independence or impartiality of an employee's decisions or actions is impaired or may reasonably be expected to be impaired because of outside employment, political, business or family interests.

"Council" refers to the municipal Council of the City of Beaumont.

"Diverse or Indigenous Supplier" means any business or enterprise that is owned, managed and controlled by persons belonging to a group that the City identifies as traditionally underrepresented or marginalized.

"Goods" is used in relation to a procurement/moveable property (including the cost of installing, operating, maintaining or manufacturing such moveable property), and includes supplies, materials, raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form.

“New West Partnership Trade Agreement (NWPTA)” is an agreement between the Governments of Alberta, British Columbia, and Saskatchewan and is applicable to municipalities when procuring goods, services, and construction contracts over given values.

“Procurement” means the acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services, and construction contracts, but does not include any form of government assistance such as grants, loans, equity infusion, guarantees or fiscal incentives, or government provisions of goods and/or services to persons or other government organizations.

“Services” means all services to be supplied, including construction and consulting.

“Vendor” includes, but is not limited to, an individual, firm, partnership or proprietorship, Vendor, contractor, architect, consultant, bidder or tenderer.

4. OBJECTIVES

Overall Best Value

The City shall utilize procurement activities that yield the highest benefit to the City. Overall best value may include, but is not limited to price, warranty, past & proven performance, sustainability, capacity, life cycle analysis, risk vs. reward, and value-added benefits. These criteria are to be assessed through quantitative and qualitative analysis as part of the purchasing process.

Open & Fair Competition

The City shall ensure that procurement activities are performed through a fair, open, transparent, and competitive process that uniformly balances the best interests of the City with the fair and equitable treatment of vendors.

Sustainability

The City shall ensure that its procurement activities consider, evaluate and analyze the economic, social, and environmental impacts, options and alternatives that deliver sustainable value.

Compliance

The City shall ensure that all procurement of goods, services, and construction contracts are in compliance with:

- a) the *Municipal Government Act*;
- b) *Agreement on Internal Trade (AIT)*;
- c) *New West Partnership Trade Agreement (NWPTA)*;
- d) Any subsequent federal or provincial legislation, regulations, or agreements governing Municipal procurement; and
- e) All City policies, bylaws and established procedures governing standards of conduct by City employees.

5. GUIDELINES

The Chief Administrative Officer or appointed delegate shall establish appropriate guidelines, procedures, and internal controls:

- a) To achieve the objectives identified within this policy.
- b) For authorizing officers, employees and persons to engage in purchasing activities.
- c) For the accounting, record keeping, and reporting of procurement activities.

Best Value Considerations

The City shall consider overall cost in the procurement of goods, services, and construction contracts including, but not limited to acquisition costs, operating costs, life cycle costing, salvage value, availability, serviceability, and delivery.

The City shall consider and evaluate the relevant price and non-price factors prior to commencing a competitive process. Non-price factors such as warranty, past & proven performance, sustainability, capacity, life cycle analysis, risk vs. reward, and value-added benefits shall be considered in determining the best value to the City.

Ethics

The City is committed to acting ethically in all its procurement activities. City employees shall ensure that specifications in procurement competitions are performance-based, accurate, and clear, and that consistent procurement activities are maintained.

The City shall ensure that all vendors and potential vendors are treated equitably under this Policy and that neither an advantage nor disadvantage is created. City employees will not participate in any unfair, unethical, or illegal procurement practices.

The City shall require vendors and their subcontractors to adhere to minimum standards related to ethical business practices. These ethical standards encompass minimum requirements related to labour standards, employee treatment, wages and benefits, working conditions, and other business practices.

Conflict of Interest

City employees are to exercise caution when dealing with vendors or potential vendors where there is the possibility or perception of a conflict of interest, either through a direct or indirect relationship of any kind. Such vendor will not be disqualified due to the existence of such a conflict of interest, provided that it is identified, recorded and acknowledged at the outset and that proper precautions have been exercised to limit any such conflict of interest.

City procurement documents shall specify the requirement for vendors to declare that there are no conflicts of interest or provide details of any actual or potential perception of conflicts of interest with City employees or elected officials. City employees will not use their public role to influence or seek to influence a City procurement decision which could further a personal interest of the employee.

Confidentiality

Pursuant to the City's obligations and duties under the *Freedom of Information and Protection of Privacy Act*, as amended or repealed and replaced from time to time, the City shall protect confidential information from unauthorized access or disclosure, especially information of a confidential nature.

Social Value Considerations

The City supports equity, diversity and inclusion, and shall implement social value considerations for existing purchasing opportunities, provided any such social value considerations are consistent with the City's obligations under applicable trade agreements. These social value considerations would include promoting and participating in viable procurement opportunities with Diverse Suppliers and Indigenous Suppliers when conducting Procurement activities.

Social value considerations will address social and economic issues that are descriptive in social impact outcomes related to employment, training and skills development, social value supply chain, and community development.

Local Vendors

The City may provide preferential treatment to local vendors when the procurement of goods, services, and construction contracts are under the procurement limits as prescribed in the NWPTA, granted that the use of said vendors does not contradict other objectives and guidelines in this Policy, specifically overall best value.

Environmental Sustainability

The City shall identify and integrate environmental sustainability requirements into purchasing procedures and supply chain management processes including, but not limited to emissions management, reduced pollution, energy efficiency and waste minimization.

Risk Mitigation

The City shall ensure that prudent controls and safeguards in procurement procedures, practices and processes are put in place to mitigate risks to the City that could potentially bring about damage to and loss of assets, economic loss, fraud, negative public image or any other means that causes harm to the City. The City shall maintain an effective system of written procedures and controls to ensure that all procurement authority is being properly executed.

6. SCOPE/APPLICATION:

City employees that have been delegated procurement authority must adhere to this policy when performing procurement activities on behalf of the City. This policy applies to the procurement of goods, services, and construction contracts.

7. AUTHORITY/RESPONSIBILITY TO IMPLEMENT

City Council is responsible for approving the annual municipal operating, utility operating, and capital budgets. Procurement authority is delegated from Council to the Chief Administrative Officer in accordance with this Policy.

The Chief Administrative Officer is ultimately responsible and accountable for the control, management, and administration of the City's purchasing in accordance with the purchasing policy approved by Council. The Chief Administrative Officer may delegate this responsibility.

Procurement authority may be delegated and limited to those employees specifically charged with the responsibility and accountability for budgets of departments, service areas, and cost centres by the Chief Administrative Officer and as confirmed in the approved municipal operating, utility operating and capital budgets.

All delegated or assigned procurement authority shall be in writing and approved by the Chief Administrative Officer, identifying the limits of spending authority and the type of spend authority.

The Director, Finance must ensure that the policy requirements are met and updated as required.

Policy Record

Adopted by Council: August 24, 2021

Council Resolution: #21/08/11

Cross Reference: *Municipal Government Act*, New West Partnership Trade Agreement

Administrative Responsibility: Director, Finance

Next Administration Review Date: May 2023