

Policy Area – General Government		Content Last Updated: NEW
Policy Section: Finance		Supersedes Policy: 500-01
Policy Name: Purchasing		Approval: 2021-12-10
Policy No: GG-FIN02		Number of Pages: 7

1) **POLICY STATEMENT**

- a) The Resort Village of Candle Lake will purchase the quality of goods, services, and work desirable for their end-use: as environmentally responsible as possible; as practical as possible; at the best value available possible; and will endeavour to ensure that as many suppliers as practical are provided the opportunity to quote on Resort Village business.

2) **PURPOSE:**

- a) The purpose of this policy is to outline administrative procedures and establish general guidelines for the purchase, acquisition, sale, or lease of goods, services, and work for the Resort Village of Candle Lake.

3) **APPLICABILITY**

- a) This policy applies to all Resort Village of Candle Lake staff, Mayor and Council, and all Committees and Boards of Council.

4) **DEFINITIONS:**

- a) **Bid:** Is an offer to supply goods, services, and work by an outside party under defined terms and conditions.
- b) **Best Value:** To establish the best value of goods/services/construction/facilities offered, bids may be evaluated not only on the purchase price and total cost of ownership, but also on environmental and/or social considerations, delivery, servicing, and the capacity of the bidder to meet other criteria, all stated in the bid/proposal documents.
- c) **Change Order:** A written alteration to a Contract or Purchase Order, authorized by the Manager of the Department acquiring the goods, or services, in accordance with the terms of the Contract, directing the vendor to make the changes.
- d) **Consulting & Professional Services:** Services provided by architects, engineers, designers, planners, accountants, auditors, appraisers, lawyers, management, software and financial consultants, and any other similar services.
- e) **Contract:** A written document containing terms and conditions, signed under seal by both parties.
- f) **Purchase:** Any procurement of goods, services, and work made by any department and meets the following criteria:
 - i) Conforms to a plan or program approved by Council in the budget process; and
 - ii) Complies with established spending limits as set out in this Purchasing Policy.
- g) **Purchase Order:** A Resort Village document used to formalize a purchase transaction with a vendor.
- h) **Emergency Operational Purchase:** Any purchase made by any department that is required to continue operations, and is typically needed on short notice for repairs resulting from

- plant or equipment failures.
- i) **Public Tender:** A process requiring the tender to be publicly advertised or through electronic tendering and the tender award be made publicly at a Council meeting.
 - j) **Request for Proposal (RFP):** A request to suppliers to submit innovative proposals for the supply of goods and/or services. RFPs do not bind firms to the existing processes or rigid specifications, but, encourages new approaches, techniques, and methods for meeting the Resort Village requirements. RFPs need not be advertised on SaskTenders unless the value of the purchase is expected to exceed \$75,000.00. RFPs will not be opened publicly.
 - k) **Sole Source Contract:** An agreement entered into by the Resort Village for the purchase of goods, services, and work that has not been publicly advertised or for which written quotations or telephone quotations have not been received from more than one vendor.
 - l) **Telephone/Fax/Email Quotation:** A process of securing price quotations from selected vendors by telephone and/or fax and/or email.
 - m) **Written Quotation:** A process requiring selected vendors to submit written quotations upon request of the Resort Village. Such quotations are not advertised and are not opened publicly.
- 5) **COMPETITIVE BIDDING POLICY:**
- a) When the Resort Village of Candle Lake decides to purchase goods, services, or work from outside parties, it shall do so through the competitive bidding practices as outlined below:
 - i) Public tendering may be used when the value of the purchase is expected to exceed \$20,000.00 and will be used for purchases over \$75,000.00, subject to the direction of Council and where detailed specifications are available or required, permitting the evaluation of bids against clearly stated criteria and specifications.
 - ii) Written, including email or facsimile quotations may be obtained when the value of the purchase is expected to be between \$2,000.00 and \$20,000.00.
 - iii) Telephone quotations may be obtained when the value of the purchase is not expected to exceed \$2,000.00.
 - iv) Requests for Proposals (RFPs) may be used for the procurement of goods, services, and work when, in the opinion of the Resort Village, the above competitive bidding practices are not practical or to the advantage of the Resort Village.
 - v) Sole Source Contracts may be awarded if the acquisition is expected to be less than \$10,000.00 unless it is deemed to be in the best interests of the Resort Village to obtain written quotations.
 - vi) To comply with TILMA (Trade, Investment and Labour Mobility Agreement) with the MASH (Municipal Authorities, Schools, Hospitals) procurement agreement, the bid must be advertised on the national electronic tendering service (www.sasktenders.ca) when the purchase of goods is over \$75,000.00 or a construction contract is over \$200,000.00 and the project has received provincial or federal funding.¹
 - vii) To comply with the New West Partnership Trade Agreement procurement agreement, the bid must be advertised on the provincial electronic tendering service (www.sasktenders.ca) when the purchase of goods and services is over \$75,000.00 or a construction contract is over \$200,000.00.²

¹ http://www.tilma.ca/faq_MASH_sector.asp

² http://www.newwestpartnershiptrade.ca/government_procurement.asp

6) TENDER/BID/PROPOSAL ACCEPTANCE CRITERIA

- a) In all cases, the Resort Village reserves the right to refuse any or all tenders, bids, or proposals and shall state this on all procurement documents.
- b) Where the Resort Village decides to accept a tender or bid, it shall accept the lowest qualified tender or bid meeting its specifications, unless the tender documents set out additional and/or other acceptance criteria.
- c) Qualified means that in the sole opinion of the Resort Village, the tenderer or bidder has the expertise and ability, physically and financially, to supply or perform the goods, services, or works tendered or bid, and whose past performance or references are satisfactory to the Resort Village.
- d) In the case of requests for proposals, the Resort Village shall accept the proposal which, in the sole opinion of the Resort Village, best meets the requirements of the Resort Village, unless the proposal documents set out additional and/or other acceptance criteria.

7) SPENDING AUTHORITY:

- a) The operating budget approved by Council establishes the spending authority for a program and establishes the provision for all purchases of goods, services, or work for a program.
- b) Department Managers shall ensure that expenditures do not exceed the approved program budgets and any change in the approved operating budget requires appropriate prior authorization as follows:
 - i) For all revenue shortfalls, over-expenditures, and expenditure reallocations from that approved in the operating estimates, the following authorization is required:
 - (1) Managers may approve a budget variance provided the variance can be absorbed within the Department's total budget;
 - (2) The CAO may approve a budget variance provided the variance can be absorbed within the Resort Village's total budget.;
 - (3) Council approval is required when the variance cannot be absorbed within the Resort Village's total budget.;
 - (4) Council is to be informed of any changes to the program or service delivery.
- c) The capital budget approved by Council establishes the spending authority for a capital project and establishes the provision for all purchases of goods, services, or work for a capital project.
- d) Department Managers shall ensure that expenditures do not exceed the approved capital budget and any change in the approved capital budget is subject to authorization by Council.
- e) All purchases for equipment, materials, supplies, or services are to be made by purchase order. Purchase order books can only be signed out by Managers. Wherever conveniently possible, the price of the items purchased or services received shall be reflected on the Resort Village copy of the said purchase order.
- f) Department Managers will group-purchase common items whenever possible.

8) PURCHASE AUTHORIZATION LEVELS:

- a) Resort Village purchases shall only be made by designated Resort Village personnel.
Department Managers shall ensure that all purchase requests are formally documented and

conform with the approved spending authorization levels.

- b) The CAO can authorize expenditure for a single purchase for amounts up to \$30,000.00 for budgeted expenditures without further Council review.
- c) The CAO can also authorize an expenditure that meets the requirements of any agreement approved by the Council in the amount determined by the agreement.
- d) The Chief Administrative Officer may delegate purchase authority to Department Managers for goods or services not exceeding the CAO procurement level.
- e) The CAO will approve in advance, assigned purchasing authority to Department Managers and others at their discretion not to exceed the authority of the CAO. Assignments of purchasing authority will be provided in writing to the Manager of Finance and may change from time to time at the sole discretion of the CAO.
- f) No Manager has the authority to exceed the net total approved budget of that Department without the authorization of the CAO following this policy.
- g) The CAO does not have the authority to exceed the total net approved Resort Village budget without the knowledge and authority of the Council following this policy. The CAO is responsible to report any concerns or forecasts in this regard to Council.
- h) The CAO will authorize all expenditures for a single item for amounts over \$10,000.00.
- i) A Manager, in consultation with the Chief Administrative Officer or his/her designate, may expend up to a maximum of \$30,000.00 on emergency operational purchases, when, due to the nature and timing of a situation, it is not practicable to acquire goods, services or work through the normal purchasing process. The Chief Administrative Officer shall provide Council, at its next regular or committee meeting, with full details and written justification for all emergency purchases.
- j) The Chief Administrative Officer may authorize a sole source contract, when it is deemed to be in the best interests of the Resort Village, to a maximum of \$10,000.00. Sole source contracts exceeding \$10,000.00 must be authorized by Council.

9) **SOURCES OF SUPPLY:**

- a) The Resort Village shall endeavor to ensure that as many suppliers as practicable are provided the opportunity to quote for Resort Village purchases, and shall attempt to obtain a minimum of three quotations. Wherever possible, Managers should avoid specifying exclusive products and should provide for equivalents and/or approved alternates, to increase competition.
- b) The Resort Village will not consider suppliers/contractors whose past performance has been unsatisfactory as deemed solely by the Resort Village.
- c) Where in the opinion of the Resort Village, no competitive supply markets exist, the Managers may employ whatever value analysis and negotiation methods consistent with the intent of the overall policy, they deem appropriate to obtain acceptable products at the lowest possible price.

10) EQUAL TENDERS:

- a) Where, in the opinion of the Resort Village, bids or tenders are equal, the successful bidder shall be determined by departmental preference.

11) WITHDRAWING OR AMENDING BIDS:

- a) Any tender or bid may be withdrawn or amended by the bidder before the close of tenders or bids.

12) AWARDING CONTRACTS:

- a) The Chief Administrative Officer shall award all contracts where funds have been provided for in the approved budget and where the contract is to be awarded to the lowest qualified bidder meeting all criteria and specifications. Resort Village Council shall award contracts where:
 - i) in the case of public tenders, Administration is recommending the award of a contract to someone other than the lowest qualified bidder meeting established criteria and specifications.
 - ii) the lowest recommended bid would exceed the approved budget.
 - iii) funds have not been provided for in the approved budget, except for purchases made under clause 6) i).
 - iv) the amount of a sole-source contract exceeds \$10,000.00.
 - v) the contract award may be of a controversial nature.
 - vi) the Chief Administrative Officer, for any reason, refers the award of the contract to Resort Village Council.
- b) All unsuccessful bidders, who submitted bids in writing, shall be given written notification of the name of the successful bidder.
- c) In all cases, the Resort Village reserves the right to refuse any or all tenders or bids where it is deemed to be in the best interests of the Resort Village to do so.

13) SPECIFICATIONS:

- a) Managers, or their designates, shall be responsible for preparing specifications, and any changes thereto.
- b) Staff shall ensure that such specifications, or changes thereto, are as broad as practicable to assure competitive bids.
- c) Criteria that will be considered and analyzed in the award of a tender, other than and/or in addition to the lowest qualified bid meeting the Resort Village's specifications, shall be set out in the tender document.
- d) For clarity to all prospective bidders, tender documents shall include a list of all criteria that will be evaluated and considered in the awarding of the contract. Staff will give favorable consideration to the tender or quotation meeting the specifications at the lowest cost to the Resort Village, taking into consideration such factors as but not limited to: suitability, price, availability, parts availability, warranty, and ongoing service.
- e) Managers, or their designates, shall specify in the tender documents that the successful contractor shall provide the Resort Village with proof of insurance showing Commercial General Liability of no less than \$2 Million per occurrence based on the nature of the project, and have the Resort Village of Candle Lake named as an additional insured to that policy. General contractors that complete work for the Resort Village shall provide the

Resort Village with yearly proof of insurance showing Commercial General Liability of no less than \$2 Million per occurrence and have the Resort Village of Candle Lake named as an additional insured to that policy.

- f) The Resort Village shall have the authority to enter into multi-year contracts, or contracts beyond the current year, if the contract is advantageous to the Resort Village, provided:
 - i) The original term of the multi-year contract does not exceed five years in total including the current year;
 - ii) The contract includes a clause enabling the cancellation of the contract in the event that funding is not provided in subsequent years;
 - iii) The contract includes a clause that the acquisition of the goods and/or service in the second and subsequent years of the contract is subject to continued acceptable performance by the vendor and/or continued acceptable quality of good and/or services acquired under the contract.
 - iv) Multi-year contracts are subject to the financial limits of the Purchasing Policy, as outlined within. For the purpose of financial limits, the multi-year contract shall be evaluated and approved on the basis of the annual amounts.

14) PAYMENTS/DEPOSITS:

- a) All Departments shall provide the Finance Department with such documentation as may be required to effect payment of invoices. The Financial Department shall not approve for payment any invoices for goods, materials, or services within the scope of Purchasing, without proper documentation.
- b) Variances between invoices and corresponding purchase orders shall require department Manager approval before such invoices are paid.
- c) All monies forwarded with tenders/RFPs shall immediately be deposited in the Resort Village's bank account. The Resort Village shall refund the deposits submitted by unsuccessful bidders.

15) DISPOSAL OF SURPLUS ITEMS:

- a) The Resort Village of Candle Lake shall dispose of all valuable surplus items by way of public sale. The Department Manager may approve disposal by way of trade-in allowance, auction sale, bids, or public solicitation. Exceptions must be approved in writing by the Chief Administrative Officer.

16) CONFLICT OF INTEREST/UNAUTHORIZED PURCHASES:

- a) No Resort Village employee shall place himself/herself or another in a position of advantage or conflict and must adhere to the Resort Village Employee Code of Conduct Policy when acquiring goods or services on behalf of the Resort Village. Potential conflicts must be referred to the appropriate Department Manager or Chief Administrative Officer in advance for clarification.
- b) Any employee, who wilfully acquires any supplies for the Resort Village in contravention of any of the provisions of the Policy, or of any regulation or order made hereunder, shall be deemed to have committed an act of malfeasance in office and is liable to disciplinary action.

17) PAYMENT OF CERTAIN EXPENDITURES

- a) The following are hereby authorized for payment in a timely fashion, namely:
 - i) wages and salaries payable to municipal employees;
 - ii) employee payroll deductions, including municipal contributions;
 - iii) telephone, heat, power services;
 - iv) collections on behalf of other taxing authorities;
 - v) expenditures authorized and specified by resolution of Council;
 - vi) budgeted expenditures requiring payment prior to the next Regular Meeting of Council and approved by the Finance Committee;
 - vii) contracts approved in the current year's budget.

18) EXCEPTIONS:

- a) General Exemptions from the Purchasing Policy Include:
 - i) Petty Cash Items
 - ii) Professional and Special Services
 - (1) Committee Fees
 - (2) Witness Fees
 - (3) Honoraria
 - (4) Arbitrators
 - (5) Legal Settlements
 - iii) Training and Education
 - (1) Conferences
 - (2) Courses
 - (3) Conventions
 - (4) Memberships
 - (5) Seminars
 - (6) Periodicals, magazines, subscriptions
 - (7) Staff Training and Development
 - iv) Employee /Council Expenses
 - (1) Travel Advances
 - (2) Meal Allowances
 - (3) Travel & Hotel Accommodation
 - (4) Related expenses
 - v) Employer's General Expenses
 - (1) Licenses (vehicles, elevators, radios, etc.)
 - (2) Debenture Payments
 - (3) Grants to Agencies
 - (4) Payments of Damages
 - (5) Tax Remittances
 - (6) Charges to/from Other Government or Crown Corporations
 - (7) Advertising
 - (8) Postage, Courier Charges
 - vi) Other
 - (1) All Contracts for Consulting or Professional Services must be approved by Council.

DATE APPROVED: Dec. 10/2021

RESOLUTION NUMBER: 510 | 2021

Mayor

Administrator

Handwritten signatures in red ink. The top signature is a large, stylized cursive signature. The bottom signature is a smaller, more compact cursive signature. Both are written over horizontal lines.