

PURCHASING POLICY

Policy Name:	Purchasing Policy	Effective Date:	April 18, 2024
Policy Number:	GG-FI-001	Approval Date:	April 18, 2024
Policy Area:	General Government	Council Resolution Number:	2024-55
Policy Section:	Finance	Replaces Policy:	
No. of Pages:	6		

1) POLICY STATEMENT

The Resort Village of Elk Ridge will purchase the quality of goods desirable for the end use, to be as environmentally responsible as possible and practical, at the best value available, and to endeavor to ensure that as many suppliers as practical are given the opportunity to quote on Resort Village business.

2) PURPOSE

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 works for the Resort Village of Elk Ridge.

3) SCOPE

This policy applies to all Resort Village of Elk Ridge staff, Mayor and Council and all Committees and Boards of Council.

4) DEFINITIONS

- a) **Bid:** Is an offer to supply goods, services and works 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 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) **Contract:** A written document containing terms and conditions, signed under seal by both parties.
- d) **Purchase:** Any procurement of goods, services and works 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.
- e) **Emergency Operational Purchase:** Any purchase made by the CAO that is required in order to continue operations and is typically needed on short notice for repairs resulting from plant or equipment failures.
- f) **Kinetic Group Purchasing Organization (GPO):** A cooperative, purchasing organization

established for Broader Public Sector and Municipal Authorities, Schools, Hospitals (MASH) entities across Canada; with the purpose of reducing procurement costs by leveraging the purchasing power of group buying by simplifying the steps for the entity to procure. CentralSource, formerly SUMAdvantage, has partnered with Kinetic GPO to provide additional purchasing power for Saskatchewan municipalities. The Resort Village is a member of this GPO organization.

- g) **Public Tender:** A process requiring the tender to be publicly advertised or through electronic tendering and the tender award be made in public at a Council meeting.
- h) **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 existing processes or rigid specifications, but, encourage new approaches, techniques and methods for meeting the Resort Village requirements. RFPs need not be advertised unless the value of the purchase is expected to exceed \$75,000.00. RFPs will not be opened publicly.
- i) **Sole Source Contract:** An agreement entered into by the Resort Village for the purchase of goods, services and work which has not been publicly advertised or for which written quotations or telephone quotations have not been received from more than one vendor.
- j) **Telephone/email Quotation:** A process of securing price quotations from selected vendors by telephone and/or email.
- k) **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

When the Resort Village of Elk Ridge decides to purchase goods, services or works from outside parties, it shall do so through the competitive bidding practices as outlined below:

- a) Public tendering may be used when the value of the purchase is expected to exceed \$20,000.00 and shall 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.
- b) 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.
- c) Telephone quotations may be obtained when the value of the purchase is not expected to exceed \$2,000.00.
- d) Requests for Proposals (RFPs) may be used for the procurement of goods, services and works when, in the opinion of the Resort Village, the above competitive bidding practices are not practical or advantageous to the Resort Village.
- e) 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.
- f) In an effort to comply with the MASH procurement agreement, the bid must be advertised on the national electronic tendering service (www.merx.com) when purchase of goods is over \$75,000.00 or construction contract is over \$200,000.00 and the project has received provincial or federal funding.¹

¹http://www.newwestpartnershiptrade.ca/government_mash_sector.asp

- g) In an effort 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 purchase of goods and services is over \$75,000.00 or construction contract is over \$200,000.00.²
- h) If the vendor that the Resort Village wishes to procure goods, services, or works from is a member of the Kinetic GPO, the Resort Village may choose to use that vendor without completing the above competitive bidding practices with the reasoning that Kinetic GPO has already gone through the required bidding practice.

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 who's 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 the Council establishes the spending authority for a program and establishes the provision for all purchases of goods, services or works for a program.
- b) The CAO shall ensure that expenditures do not exceed the approved program budgets and any change in the approved operating budget requires appropriate prior authorization. For all revenue shortfalls, over-expenditures and expenditure reallocations from that approved in the operating estimates, the following authorization is required:
 - i. The CAO may approve a budget variance provided the variance can be absorbed within the Resort Village's total budget;
 - ii. Council approval is required when the variance cannot be absorbed within the Resort Village's total budget; and
 - iii. Council is to be informed of any change to program or service delivery.
- c) The capital budget approved by the Council establishes the spending authority for a capital project and establishes the provision for all purchases of goods, services or works 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) Department Managers will group-purchase common items whenever possible.

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

8) PURCHASE AUTHORIZATION LEVELS

- a) Resort Village purchases must be made by designated Resort Village personnel, be formally documented and conform with the approved spending authorization levels.
- b) The Chief Administrative Officer (CAO) can authorize an expenditure for a single purchase for amounts up to \$100,000.00 for budgeted expenditures without further Council review.
- c) The CAO can also authorize an expenditure that meets the requirements of any agreement approved by Council in the amount determined by the agreement.
- d) The CAO does not have the authority to exceed the total net approved Resort Village budget without the knowledge and authority of Council in accordance with this policy. The CAO is responsible to report any concerns or forecasts in this regard to Council.
- e) The CAO may expend up to a maximum of \$25,000.00 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 CAO shall provide Council, at its next regular or committee meeting, with full details and written justification for all emergency purchases.
- f) The CAO 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 given the opportunity to quote with respect to Resort Village purchases and shall attempt to obtain a minimum of three quotations. Wherever possible, Managers should try to avoid specifying exclusive products and should provide for equivalents and/or approved alternates, in an effort, 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

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

Any tender or bid may be withdrawn or amended by the bidder prior to the close of tenders or bids.

12) AWARDING CONTRACTS

- a) The CAO 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 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, with the exception of purchases made under clause 6) i).
 - iv. the amount of a sole source contract exceeds \$20,000.00.
 - v. the contract award is of a controversial nature.
 - vi. the CAO, 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) The CAO shall be responsible for preparing specifications, and any changes thereto, and ensure that such specifications, or changes thereto, are as broad as practicable to assure competitive bids.
- b) Criteria that will be considered and analyzed in the award of a tender, other than and/or in addition to lowest qualified bid meeting the Resort Village's specifications, shall be clearly set out in the tender document.
- c) For the purpose of 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 suitability, price, availability, parts availability, warranty and ongoing service.
- d) The CAO 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 Elk Ridge named as an additional insured to that policy.
- e) 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 Elk Ridge named as an additional insured to that policy.

14) PAYMENTS/DEPOSITS

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

The Resort Village of Elk Ridge shall dispose of all valuable surplus items by way of public sale. The CAO may approve disposal by way of trade-in allowance, auction sale, bids or public solicitation. Exceptions must be approved in writing by the Council.

16) CONFLICT OF INTEREST

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 CAO in

advance for clarification.

17) PAYMENT OF CERTAIN EXPENDITURES

In accordance with Bylaw 23 of 2022, A Bylaw to Authorize Certain Expenditures, the following are hereby authorized for payment in a timely fashion, namely:

- a) wages and salaries payable to municipal employees;
- b) employee payroll deductions, including municipal contributions;
- c) telephone, heat, power, water, sewer and waste disposal services;
- d) collections on behalf of other taxing authorities;
- e) contracts approved in current year's budget.

18) EXCEPTIONS

General Exemptions from the Purchasing Policy Include:

- a) Petty Cash Items
- b) Professional and Special Services
 - i. Committee Fees
 - ii. Witness Fees
 - iii. Honorarium
 - iv. Arbitrators
 - v. Legal Settlements
- c) Training and Education
 - i. Conferences
 - ii. Courses
 - iii. Conventions
 - iv. Memberships
 - v. Seminars
 - vi. Periodicals, magazines, subscriptions
 - vii. Staff Training and Development
- d) Employee /Council Expenses
 - i. Travel Advances
 - ii. Meal Allowances
 - iii. Travel & Hotel Accommodation
 - iv. Related expenses
- e) Employer's General Expenses
 - i. Licenses (vehicles, elevators, radios, etc.)
 - ii. Debenture Payments
 - iii. Grants to Agencies
 - iv. Payments of Damages
 - v. Tax Remittances
 - vi. Charges to/from Other Government or Crown Corporations
 - vii. Advertising
 - viii. Postage, Courier Charges