



REVISED

FLAGSTAFF COUNTY POLICY

Title: Procurement and Expenditures	Policy: LE 001
Section: Legislative	

ACCOUNTABILITY TO VISION STATEMENT

Providing for the long-term viability of our rural community by supporting local business opportunities while ensuring that we are accountable for the responsible use of our financial resources. To ensure accountability to the annual business plan and budget and compliance with the Municipal Government Act and to provide for a uniform and transparent purchasing process.

POLICY STATEMENT

Flagstaff County commits to acquiring goods and services in a fair and transparent manner, at the best value to align with the needs and requirements of the organization while adhering to all applicable legislation.

Flagstaff County also acknowledges that we are uniquely positioned to play a critical role as a partner in building and maintaining sustainable communities. The ongoing operations of the County inherently create direct and indirect benefits. As the County's awareness grows around the relationship between how and where we purchase the goods and services, we require to maintain our operations, there is the potential to increase both the direct and indirect benefits to our communities.

The County, as a partner in building a strong community, may give preference to local businesses within the Flagstaff Region that can provide the desired goods and services under the trade agreement thresholds if they are within 10% of the best value bid. Following applicable trade agreements, the County cannot give preferential treatment to local suppliers for competitions over a seventy-five thousand (\$75,000) dollar threshold for goods and/or services or two hundred thousand (\$200,000) for construction.

AUTHORIZATION LEVELS

After the annual operating and capital budgets have been approved, the guidelines will be followed for the purchase of goods and services and capital items:

OVER \$500,000: Items within the approved budget over \$500,000 will be brought to Council for approval. Any items that have an indication of **political sensitivity** will also be brought to Council for approval.

\$75,001 to \$500,000: Items within the approved budget between \$75,001 and \$500,000 shall be reviewed and approved by the Chief Administrative Officer.

\$10,001 to \$75,000: Items within the approved budget between \$10,001 and \$75,000 shall be reviewed and approved by the Director of the department.

UP TO \$10,000: Items within the approved budget up to \$10,000 will be reviewed and approved by the supervisor as delegated by the Director of the department.

UP TO \$5,000: Items within the approved budget up to \$5,000 will be reviewed and approved by an employee as requested by the supervisor and delegated by the Director of the department.

DELEGATION REQUIREMENTS

- Expense authorization delegation shall be made in writing to the appropriate supervisor or employee, in accordance with the identified limits and authorized levels.
- Ensure that all purchases are made in compliance with this policy.
- Supervisors and employees granted delegated authority must ensure that purchasing contracts are properly completed. They should also conduct continuous reviews of the department's use of goods and services to guarantee the County receives the best quality, quantity, and service.

BUDGETARY CONTROL PROCEDURES – EXPENSE AUTHORIZATION

- Directors are authorized to approve expenditures within a designated general ledger account, ensuring that the expenses remain within the allocated budget for that specific account.
- The Chief Administrative Officer has the authority to approve expenditures within a department, ensuring that the total expenses do not surpass the department's approved budget.
- County Council must authorize any transfer of expenditures between departments to ensure proper allocation of resources.

Expenditures that are not included in the budget shall be authorized and verified by specific resolution of Council.

Emergency expenditures will be approved by the Chief Administrative Officer or in their absence, the Corporate Services Director, and only if there is inadequate time for Council to give their prior authorization for the expenditure. As emergency expenditures are not budgeted for, any expenditure will come from General Reserves. The Chief Administrative Officer will report to Council within a reasonable time after making the emergency expenditure. An emergency includes a situation in which there is imminent danger to public safety or serious harm to property.

PROCUREMENT GUIDELINES

As an Alberta municipality, Flagstaff County must comply with the terms of the Canadian Free Trade Agreement (CAFTA), and the New West Partnership Trade Agreement (NWPTA).

This requires that the County advertise all procurements with a value of \$75,000 (goods and services) and \$200,000 (construction) on the Alberta Purchasing Connection (APC) website (<https://purchasing.alberta.ca>).

PROCUREMENT METHODS

1. **Competitive methods:** Competitive method means an open, invitational or limited competition to provide goods or services to the County, as follows:
 - a) Request for Information (RFI) – This process is used to conduct market research and gather information to determine the availability of products or services to assist in decision making for the next steps.
 - b) Request for Proposal (RFP) – This format is used for more complex deliverables where the expertise of the vendor community is being sought to recommend an approach or solution to address a need.
 - c) Invitation to Tender (ITT) – Also known as the "Call for Tender", this is a format used when the specifications or requirements are well-defined including "what", "why", "when", and "how" the work/project/product will be provided or completed, and the terms of the contract are clear.
 - d) Request for Pre-Qualification (RFPQ) – This process is used to select a vendor based on qualifications rather than price. This format may be used to reduce the number of vendors, effectively creating a short list. The RFQ must be followed by another procurement method.
2. **Non-competitive methods:** Non-competitive method means a procurement process where a vendor is selected without conducting a competitive process.
 - a) **Negotiated methods:**
 - i. Telephone solicitation – this process is used to call potential vendor(s) to obtain a verbal quote for goods and/or services.
 - ii. Request for Quote (RFQ) – to acquire goods and services which are clearly defined.
 - b) **Selective method (sole sourced):** In some cases, the County may procure certain goods and services through one company, without obtaining prices from several sources based on the following:
 - i. Technological Continuity: When technology has been created or updated specifically for the County and is not available from another supplier.

- ii. Ongoing Service Contracts: When it is most cost effective to continue to acquire legal, accounting, management, engineering or other consulting services from a single source to avoid expensive learning curves or duplication of work, or to avoid costly errors due to miscommunication or misinterpretation resulting from a lack of historical information or background.

Periodically, the County will review these arrangements to ensure quality standards are maintained and pricing remains competitive.

PROCUREMENT PROCESS

Types of purchase	Value of goods and /or services	Procurement method
Operating	Below \$5000	<ul style="list-style-type: none"> Non-competitive – Negotiated method – telephone solicitation
Operating	Below \$25,000	<ul style="list-style-type: none"> Non-competitive – Negotiated method – written quote(s) only
Operating and Capital	Over \$25,000 and up to \$75,000	<ul style="list-style-type: none"> Competitive method; or Non-competitive – Selective method Non-competitive – Negotiated method – written quote(s) only
Operating and Capital	Over \$75,000	<ul style="list-style-type: none"> Competitive method; or Non-competitive – must comply with the exceptions of the New West Partnership Trade Agreement
Construction	Over \$200,000	<ul style="list-style-type: none"> Competitive method; or Non-competitive – must comply with the exceptions of the New West Partnership Trade Agreement

All applicable legislation is to be observed, including but not limited to the Municipal Government Act, Canadian Free Trade Agreement (CFTA), the Freedom of Information and Privacy Act, the New West Partnership Trade Agreement (NWPTA) and advertising through the Alberta Purchasing Connection.

The NWPTA applies to all government procurement. It requires open and non-discriminatory procedures where the anticipated costs are at or above the following thresholds:

- \$75,000 or greater for goods
- \$75,000 or greater for services
- \$200,000 or greater for construction

Flagstaff County is permitted to participate in any or all Canoe Procurement Group of Canada group purchasing programs that maximize the advantage of effective and efficient procurement practices. Such purchasing programs and their respective contracts must be awarded through a competitive tendering process that complies with group tendering obligations outlined in the Canadian Free Trade Agreement (CFTA).

The County will meet with the Canoe Procurement Group of Canada for a review of their procurement process and receive an update on general changes to applicable procurement legislation as a demonstration of the County's due diligence process towards the utilization of group buying programs and Contracts.

The County will post an annual notice of intent (NOI) to signify our interest to participate in the Canoe Procurement Group of Canada group purchasing programs. The notice will be posted on the Alberta Purchasing Connection. Payments for goods or services will be made when the County is satisfied that the goods or services provided meet the specification.

AWARD CONSIDERATIONS

The County encourages the consideration of overall best value in the Procurement of Goods and Services. An evaluation of relevant financial and non-financial factors prior will be prepared prior to commencing a competitive process.

Factors in addition to price that may be considered in determining best value may include, but are not limited to:

1. The ability and skill of the bidder/proponent to provide the goods or services requested.
2. The ability of the bidder/proponent to perform the contract or provide the services promptly or at the time specified without delay or interference.
3. The character, integrity, reputation, judgement, experience, and efficiency of the bidder/proponent.
4. The quality and performance of previous contracts, goods or services, provided by the bidder/proponent.
5. 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).
6. 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.
7. The ability of the bidder/proponent to provide future maintenance and services.
8. The number and scope of conditions submitted in the bid/proposal.
9. Any litigation between the bidder/proponent and affiliated individuals and corporations and the County whether pending, past, threatened or suggested.
10. The total acquisition cost of the goods and/or services covered by the bid or proposal.
11. Preference may be given to local businesses that can provide the desired goods and services under the trade agreement thresholds if they are within 10% of the best value bid.
12. All contractors, vendors, or other service providers must meet all insurance requirements. These requirements will be specified per project or purchase of goods and/or services within a tender package.

CONFLICT OF INTEREST

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.

Council Approved:	Resolution #:
Reference:	Signature:
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Review Cycle:	Next Review Year:
Every three (3) years	2028