



Policy Number	<b>A2023-02</b>
Policy Type	<b>Administration</b>
Policy Name	<b>Procurement &amp; Purchasing Policy</b>
Original Approval Date	Policy A5 – December 1, 2002; revised March 2007
Revised	February 8, 2023 (Motion# 2023-62)

#### Version 4

The Town of Eston Procurement and Purchasing Policy (the “Policy”) establishes the process for the procurement of goods, services and construction by the Town of Eston (the Town) in a manner that:

- (a) Promotes open and fair competition (where a competition is deemed by the Town to offer best value);
- (b) Complies with applicable legislation;
- (c) Ensures accountable, efficient, transparent and ethical practises are used to acquire goods, services, and construction;
- (d) Complies with all applicable trade agreements, including the Agreement on Internal Trade (AIT), Canada Free Trade Agreement (CFTA), and New West Partnership Trade Agreement (NWPTA), and all other legal obligations, including but not limited to, municipal, provincial and federal law as applicable and as amended.

This Policy addresses who has the authority to sign Agreements and approve payments.

#### 1. DEFINITIONS

The following terms shall have the following meanings:

- (a) **“Agreement”** shall mean a written document containing terms and conditions for a contractor or supplier to carry out certain work or provide certain products or services.
- (b) **“AIT”** shall mean the Agreement on Internal Trade, as amended from time to time.
- (c) **“Budgeted”** shall mean those items (goods and services) that have been predetermined as justifiable expenses by Administration and subsequently approved by Council in the Town of Eston Annual Budget following the budgeting process.
- (d) **“CFTA”** MEANS THE Canadian Free Trade Agreement, as amended from time to time.
- (e) **“Administrator”** shall mean the (CAO) **Chief Administrative Officer** of the Town of Eston, or designate.
- (f) **“Community Project”** shall mean a project in which the goods and/or services to design and build the whole Project originate from and are provided by:
  - i. Residents, without cost or fee to the Town; or
  - ii. Philanthropic institutions as a donation or grant; or
  - iii. Persons with disabilities; or

- iv. A non-profit organization; or
- v. Any combination of the above.
- (g) **“Council”** shall mean the Council of the Town of Eston.
- (h) **“Director”** shall mean the Town employee of the same title who is in charge of a Department of the Town of Eston, and is one step below the CAO on the Organization Chart chain of command.
- (i) **“Local Provider”** shall mean a business which provides goods or services locally to Town of Eston residents and businesses, and who also pays Town of Eston municipal property taxes.
- (j) **“Mayor”** shall mean the Mayor of the Town of Eston.
- (k) **“NWPTA”** shall mean the New West Partnership Trade Agreement, as amended from time to time.
- (l) **“Project”** shall mean any development or facility which” (i) provides a good or service to the public on behalf of or in conjunction with, the Town; or (ii) is located on lands owned or otherwise controlled by the Town.
- (m) **“Proponent”** shall mean any entity or individual who submits a response to a call for competitive procurement, (i.e. an RFP or Tender).
- (n) **“Request for Expressions of Interest”** or **“REOI”** shall mean a request to entities or individuals to submit confirmation they may be interested in participating in a potential project and in some REOIs to submit details regarding such participation.
- (o) **“Request for Proposals”** or **“RFP”** shall mean a non-binding request to entities or individuals to submit proposals for unspecified good and /or services.
- (p) **“Request for Qualifications”** or **“RFQ”** shall mean a pre-qualification stage of the procurement process where a formal request is issued by the Town to suppliers or contractors to submit an explanation and outline of their qualifications and ability to carry out the work or provide the goods or services required for a particular project.
- (q) **“Tender”** shall mean a request to entities or individuals to submit pricing for the supply of specific goods and/or services.
- (r) **“Town”** shall mean Town of Eston
- (s) **“Value”** shall mean the monetary worth of goods and services as pertaining to this Procurement and Purchasing Policy.

## 2. PURCHASING PROCESS

### 2.1 Pre-Approval

All expenditures made by the Town must be pre-approved prior to the purchase in one of the following manners; they must be:

- (a) Budgeted; or
- (b) Approved by Council Resolution; or
- (c) Authorized by the Chief Administrative Officer (CAO) as per article 3.1 (a); or
- (d) Approved under a declaration of a Local State of Emergency.

### 2.2 Procurement

All goods and services shall be procured by the Town in a way that is consistent with this Policy and with its goals and objectives.

The Town acknowledges that following a competitive procurement process for goods and services will result in the lowest price in most situations but it may not be appropriate, economical, or

administratively reasonable for some procurement situations, and therefore, the following process shall be followed:

- (a) For purchases below \$75,000. Local Providers shall be sourced whenever possible, provided that safety and security are not jeopardized, and provided that the costs of purchasing from Local Providers is not greater than seven percent (7%) above the costs of sourcing from providers outside of the Town of Eston region.
- (b) For purchases below \$75,000, no single provider shall be unilaterally sourced when other Local Providers offer equivalent goods or services. Attempts shall be made to make purchases on a rotational basis to all Local Providers of equivalent goods or services provided that the cost of such purchases is not greater than seven percent (7%) above the cost of sourcing from a single provider.
- (c) Value up to \$5,000 – no competitive procurement process is required.
- (d) Value of \$5,001 - \$25,000 – the Town shall obtain written quotations (quotes) from at least two (2) contractors or suppliers. Quotes may be received by email, fax, phone, or in person at office.
- (e) Value of \$25,001 - \$75,000 – the Town shall obtain quotes from at least three (3) contractors or suppliers; or, at the discretion of the CAO if deemed to be in the best interest of the municipality, the Town may utilize a competitive procurement process (i.e. Tender, RFP, REOI, or RFQ) to select the successful Proponent.
- (f) Value of \$75,001 or greater – the Town shall utilize a competitive procurement process of it choosing in order to select a successful Proponent to provide the goods or services.
- (g) Notwithstanding the foregoing Value thresholds, the Town shall be entitled at any time to utilize a competitive process regardless of the Value where it deems it necessary, appropriate or desirable in the circumstances.
- (h) The Town may make its selection of a successful Proponent based on whatever criteria the Town deems appropriate, in its sole discretion, and in keeping with article 1.1.

**Payment for Goods and Services Rendered**

After the goods have arrived or the services have been completed, they will be assessed for quality, and the associated invoice will be reviewed for accuracy before the authorized staff person approves the issuance of the payment.

### 3. AUTHORIZATIONS

#### 3.1 Authorizing Purchases

Purchasing Authorities have the authority to authorize single purchases within the following value parameters:

(a) For Budgeted items:

- Purchases over \$5,000 must be authorized by a Director, and the Chief Administrative Officer. by filling out and submitting an authorized spending form. (Form A)

(b) For Non-Budgeted Items

- Non-budget items CAO can approve up to \$1000. Purchases over \$1000 CAO must get Council approval unless already budgeted.

#### 3.2 Signing Authority

(a) All cheques for expenditures are to be co-signed by two of the following Signing Authorities:

- i. The Mayor, or in his/her absence, any member of Council (with signing authority);
- ii. The Chief Administrative Officer.

(c) All Agreements are to be co-signed by two of the following Signing Authorities, within the values:

- i. Up to \$5,000 – signed by the Director and CAO.
- ii. \$5,001 to \$10,000 – signed by the Director, and/or CAO, and/or Mayor. (Should be in budget and have a Council resolution)
- iii. \$10,001 and above – signed by the Director, and CAO, a Council Resolution is required to approve any agreement valued at \$10,001 or more prior to being signed.

### 4. GENERAL

4.1 The values limit in this policy exclude applicable taxes.

4.2 No single purchase shall be divided in order to avoid any restrictions identified in this policy. Review.

4.3 If at the sole discretion of the Town, a Project is deemed to be a Community Project, then this Purchasing Policy shall not apply to such goods or services provided to the Community Project by an entity other than the Town. The Community Project shall be subject to any other regulation put forward by the Town to regulate the development of such Community Projects.

This Procurement and Purchasing Policy shall continue to apply to any goods or services procured or provided by the Town to the Community Project. For the sake of clarity, if the Town will procure or provide any good or services for the Community Project, then any procurement procedures utilized by the Town shall not be used to:

- (a) Avoid completion; or
- (b) Discriminate between suppliers; or
- (c) Protect the Town's current suppliers from competition.

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Mayor Signature

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Chief Administrative Officer