

VULCAN COUNTY POLICY NO. 12-2203	PURCHASING AUTHORITY AND PROCUREMENT POLICY
Effective: December 16, 2020	Last Amendment Date: February 1, 2023
Reference: CC 2020-12-16-35 CC 2021-08-04-18 CC 2023-02-01-12	Page 1 of 6
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PURCHASING AUTHORITY AND PROCUREMENT POLICY

PURPOSE

Vulcan County (the “County”) strives to be fiscally responsible, transparent and accountable to ratepayers. The purpose of this policy is to establish formal guidance and direction to staff for the authority and direction of purchasing and procuring operating and capital items on behalf of the County.

1. DEFINITIONS

In this Policy, unless the context otherwise requires:

- a. “Buyer” means any employee or agent of Vulcan County who is authorized to make purchases on behalf of Vulcan County;
- b. “CAO” means the Chief Administrative Officer of Vulcan County;
- c. “Construction” carries the meaning specified in Part VI of the NWPTA, and is considered a capital project for the purposes of section 4 of this policy;
- d. “Council” means the Council of Vulcan County;
- e. “County” means the municipal corporation of Vulcan County and the area within its jurisdictional boundaries, as the context requires;
- f. “Capital Item” means any project or purchase resulting in a tangible capital asset, including the purchase of a vehicle, heavy equipment, or other capital asset;
- g. “Directors” means Vulcan County’s:
 - i. Director of Corporate Services;
 - ii. Director of Agricultural Services;
 - iii. Director of Operations; and
 - iv. Director of Protective Services;
- h. “Director of Emergency Management” means Vulcan County’s Director of Emergency Management, as designated by Council
- i. “Foreman” means Vulcan County’s
 - i. Shop Foreman;
 - ii. Road Construction Foreman; and
 - iii. Road Maintenance Foreman;

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- j. “Managers” means Vulcan County’s:
 - i. Manager of Information Services;
 - ii. Manager of Development Services;
 - iii. Legislative Services Manager; and
 - iv. Manager of Engineering and Infrastructure;
 - v. Financial Services Manager
- k. “NWPTA” means the New West Partnership Trade Agreement;
- l. “CFTA” means the Canadian Free Trade Agreement;
- m. “Operating Item” means any non-capital and non-construction purchase for a good required for day-to-day County operations; and
- n. “Procurement” means acquisition or purchasing by the County by one of the following methods:
 - i. “Direct Purchase” means a purchase directly from a supplier where there is no open competition;
 - ii. “Quotation” means a purchase where quotes have been acquired to determine best value to the County, but a Request for Tender or Request for Proposal has not been issued;
 - iii. “Request for Tender” means a purchase where the County has issued mandatory requirements for a good or service, and the lowest price is awarded the contract;
 - iv. “Request for Proposal” is used for complex proposals, where the County has issued a request, and bids are considered based on multiple factors.

2. POLICY GUIDELINES

The following should be considered when making purchases on behalf of Vulcan County:

- a. Items not in the approved budget must go to Council for approval before purchasing;
- b. County funds must never be used for personal expenditures;
- c. Staff must not solicit, or accept gifts, gratuities or favours from suppliers or potential suppliers other than promotional items of nominal value;
- d. Buyers should always be aware that purchases made through the County are at the expense of ratepayers and should strive to attain the best value for goods and services acquired;
- e. No purchase shall be divided to avoid any requirement of this policy.

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3. LOCAL PREFERENCE

Local businesses throughout Vulcan County should be considered when making purchases whenever possible.

4. PURCHASING AUTHORITY LIMITS

a) The following staff are authorized to make purchases on behalf of Vulcan County:

- Chief Administrative Officer (CAO)
- Directors
 - Director of Corporate Services
 - Director of Agricultural Services
 - Director of Operations
 - Director of Protective Services
- Foreman
 - Shop Foreman
 - Road Construction Foreman
 - Road Maintenance Foreman
- Managers
 - Manager of Information Services
 - Manager of Development Services
 - Legislative Services Manager
 - Manager of Engineering and Infrastructure
 - Financial Services Manager

b) The following procedure outlines the purchasing authority of the CAO, Directors, Foreman and Managers (as indicated in 4(a)) for both Operating and Capital items:

OPERATING EXPENSES

Purchasing Limit for Budgeted Operating Expenses	CAO	DIRECTOR	<u>MANAGER/ FOREMAN</u>
Under \$10,000	Authorized	Authorized	Authorized
\$10,000 - \$50,000	Authorized	Authorized	Managers Authorized <u>Shop Foreman</u> <u>Authorized</u>
Over \$50,000	Approval of Director and CAO (two signatures)	Approval of Director and CAO (two signatures)	NOT Authorized

CAPITAL EXPENSES

Purchasing Limit for Budgeted Capital Expenses	CAO	DIRECTOR	<u>MANAGER/ FOREMAN</u>
Under \$10,000	Authorized	Authorized	<u>Managers</u> <u>Authorized</u>
\$10,000 - \$50,000	Authorized	Authorized	<u>Manager of</u> <u>Engineering and</u> <u>Infrastructure</u> <u>Authorized</u>
Over \$50,000	* Council to award purchase Approval of Director and CAO (two signatures)	* Council to award purchase Approval of Director and CAO (two signatures)	NOT Authorized

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5. **PETTY CASH**

The petty cash system will be used for small items costing less than \$50.00. The petty cash fund is distributed by the Director of Corporate Services or his/her designate, upon receipt of a paid sales slip, properly authorized and coded.

6. **EMERGENCY EXPENSES**

In emergency situations, as determined by the Director of Emergency Management, the CAO, Director of Corporate Services or designate may purchase required goods or services notwithstanding any other provision of this policy. All purchases required for emergency purposes must be reported to Council.

7. **CREDIT CARD PURCHASES**

All credit card purchases (as per Policy 12-2205) are bound by the authority of this policy.

8. **PROCUREMENT**

a. **TENDERS/PROPOSALS REQUIREMENTS**

Tenders or Requests for Proposal must be issued in compliance with the New West Partnership Trade Agreement (NWPTA) and the Canadian Free Trade Agreement (CFTA). The NWPTA has lower procurement thresholds and allows fewer procurement exceptions than the CFTA. The NWPTA requires open and non-discriminatory procurement 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

In addition to the thresholds established by the NWPTA and CFTA, Vulcan County requires all capital items over \$50,000 to follow the tender/proposal process (as outlined below) and are required to be awarded by County Council.

All other operating and capital items that are not required to be set for tender/proposal, may also go through the tender/proposal process to allow the goods and services to be received at market competitive values.

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b. TENDER/PROPOSAL PROCESS

Vulcan County requires open and non-discriminatory procurement; the tender or proposal will be made publically available through Vulcan County’s website, local advertising and/or posting through applicable tools (i.e. Alberta Purchasing Connection – Alberta Government). The details of the County’s tender/proposal process are outlined in Procedure 12-2203 Purchasing Authority and Procurement.

Items tendered through the Rural Municipalities of Alberta (RMA) Sourcewell Capital Purchasing Program shall be deemed tendered and compliant with this policy.

9. REFERENCES

- Legislative: Municipal Government Act - Section 248
 New West Partnership Trade Agreement (NWPTA)
 Canadian Free Trade Agreement (CFTA)
- County Policies: Procedure 12-2203 – Purchasing Authority and Procurement