



Action step to

Council Policy C14

## PURCHASING POLICY

**Approved by Council Resolution 24/12/05**

### 1. PURPOSE:

This Policy has been established to define standards for the procurement of goods, services, and construction contracts by the City of Beaumont.

### 2. POLICY STATEMENT:

This Policy provides a framework for the City's procurement activities to obtain overall best value for the City, and to create positive economic, social, and environmental impacts while maintaining open, fair, and transparent procurement processes.

This Policy shall ensure that the City's purchasing activities support the strategic priorities as identified by Council while complying with to the *Municipal Government Act* and all other statutes and regulations governing purchasing and procurement.

### 3. DEFINITIONS:

**"Alberta Purchasing Connection (APC)"** is the Government of Alberta's official electronic tendering site where the City posts notices and solicitation documents for purchasing opportunities and allows vendors to access and download these opportunities for goods, services, and construction in Alberta.

**"Buying Group"** is a group which may consist of a combination of procuring entities, private sector entities, or not-for-profit organizations where members combine their purchasing requirements and activities into one joint procurement process. Buying Group may involve cooperative arrangements where individual members administer the procurement function for specific contracts for the group and more formal corporate arrangements in which the representative for the buying group administers the procurement for group members.

**"Canada-UK Trade Continuity Agreement (Canada-UK-TCA)"** is a trade agreement between the United Kingdom and Canada whereby the procuring entities are subject to the rights and obligations as outlined in CETA.

**"Canadian Free Trade Agreement (CFTA)"** is an agreement between the federal, provincial and territorial governments that seeks to eliminate trade barriers to the free movement of persons, goods, services and investments within Canada. Building upon its



predecessor, the Agreement on Internal Trade, the CFTA establishes a comprehensive and modern framework for internal trade in Canada providing a clear set of trade rules.

**"Comprehensive Economic and Trade Agreement (CETA)"** is a free trade agreement between Canada and the European Union and its member states, where all procuring entities subject to the procurement obligations of the CETA must provide open and non-discriminatory access to the suppliers of all EU member states in accordance with the CETA, where the procurement is not otherwise excluded and is valued at or above the procurement thresholds.

**"City"** means the City of Beaumont, in the Province of Alberta.

**"Chief Administrative Officer (CAO)"** refers to the Chief Administrative Officer of the City, or whatever title the City may call the position from time to time.

**"Conflict of Interest"** means a situation where the independence or impartiality of an employee's decisions or actions is impaired or may reasonably be expected to be impaired because of outside employment, political, business or family interests.

**"Council"** refers to the municipal Council of the City of Beaumont.

**"Diverse or Indigenous Supplier"** means any business or enterprise that is owned, managed and controlled by persons belonging to a group that the City identifies as traditionally underrepresented or marginalized.

**"Goods"** is used in relation to a procurement/moveable property (including the cost of installing, operating, maintaining or manufacturing such moveable property), and includes supplies, materials, raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form.

**"New West Partnership Trade Agreement (NWPTA)"** is an agreement between the Governments of Alberta, British Columbia, Manitoba and Saskatchewan and is applicable to municipalities when procuring goods, services, and construction contracts at or above the procurement thresholds of \$75,000 for goods and services and \$200,000 for construction contracts.

**"Procurement"** means the acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services, and construction contracts, but does not include any form of government assistance such as grants, loans, equity infusion, guarantees or fiscal incentives, or government provisions of goods and/or services to persons or other government organizations.

**"Services"** means all services to be supplied, including construction and consulting.

**"Vendor"** includes, but is not limited to, an individual, firm, partnership or proprietorship, Vendor, contractor, architect, consultant, bidder or tenderer.

#### **4. OBJECTIVES**

##### **Overall Best Value**

The City shall utilize procurement activities that yield the highest benefit to the City. Overall best value may include, but is not limited to price, warranty, past & proven performance, sustainability, capacity, life cycle analysis, risk vs. reward, and value-added benefits. These



criteria are to be assessed through quantitative and qualitative analysis as part of the purchasing process.

### **Open & Fair Competition**

The City shall ensure that procurement activities are performed through a fair, open, transparent, and competitive process that uniformly balances the best interests of the City with the fair and equitable treatment of vendors. The City publishes public procurement opportunities that meet the trade agreement thresholds, and subsequent award results on [Alberta Purchasing Connection \(APC\)](#).

### **Sustainability**

The City shall ensure that its procurement activities consider, evaluate and analyze the economic, social, and environmental impacts, options and alternatives that deliver sustainable value.

### **Compliance**

The City shall ensure that all procurement of goods, services, and construction contracts are in compliance with:

- a) The *Municipal Government Act*
- b) The *Canadian Free Trade Agreement (CFTA)*
- c) The *Comprehensive Economic and Trade Agreement (CETA)*
- d) *Canada-UK Trade Continuity Agreement (Canada-UK-TCA)*
- e) *New West Partnership Trade Agreement (NWPTA)*
- f) Any subsequent federal or provincial legislation, regulations, or agreements governing Municipal procurement, and
- g) All City policies, bylaws and established procedures governing standards of conduct by City employees.

## **5. GUIDELINES**

The Chief Administrative Officer or appointed delegate shall establish appropriate guidelines, procedures, and internal controls:

- a) To achieve the objectives identified within this policy.
- b) For authorizing officers, employees and persons to engage in purchasing activities.
- c) For the accounting, record keeping, and reporting of procurement activities.

### **Best Value Considerations**

The City shall consider overall cost in the procurement of goods, services, and construction contracts including, but not limited to acquisition costs, operating costs, life cycle costing, salvage value, availability, serviceability, and delivery.

The City shall consider and evaluate the relevant price and non-price factors prior to commencing a competitive process. Non-price factors such as warranty, past & proven performance, sustainability, capacity, life cycle analysis, risk vs. reward, and value-added benefits shall be considered in determining the best value to the City.

### **Budget and Approval**

All purchases are subject to available budget funds and must be properly authorized in accordance with all applicable procedures.



**Ethics**

The City is committed to acting ethically in all its procurement activities. City employees shall ensure that specifications in procurement competitions are performance-based, accurate, and clear, and that consistent procurement activities are maintained.

The City shall ensure that all vendors and potential vendors are treated equitably under this Policy and that neither an advantage nor disadvantage is created. City employees will not participate in any unfair, unethical, or illegal procurement practices.

The City shall require vendors and their subcontractors to adhere to minimum standards related to ethical business practices. These ethical standards encompass minimum requirements related to labour standards, employee treatment, wages and benefits, working conditions, and other business practices.

**Conflict of Interest**

City employees are to exercise caution when dealing with vendors or potential vendors where there is the possibility or perception of a conflict of interest, either through a direct or indirect relationship of any kind. Such vendor will not be disqualified due to the existence of such a conflict of interest, provided that it is identified, recorded and acknowledged at the outset and that proper precautions have been exercised to limit any such conflict of interest.

City procurement documents shall specify the requirement for vendors to declare that there are no conflicts of interest or provide details of any actual or potential perception of conflicts of interest with City employees or elected officials. City employees will not use their public role to influence or seek to influence a City procurement decision which could further a personal interest of the employee.

**Confidentiality**

Pursuant to the City's obligations and duties under the *Freedom of Information and Protection of Privacy Act*, as amended or repealed and replaced from time to time, the City shall protect confidential information from unauthorized access or disclosure, especially information of a confidential nature.

**Social Value Considerations**

The City supports equity, diversity and inclusion, and shall implement social value considerations for existing purchasing opportunities, provided any such social value considerations are consistent with the City's obligations under applicable trade agreements. These social value considerations would include promoting and participating in viable procurement opportunities with Diverse Suppliers and Indigenous Suppliers when conducting Procurement activities.

Social value considerations will address social and economic issues that are descriptive in social impact outcomes related to employment, training and skills development, social value supply chain, and community development.

**Local Vendors**

The City may provide preferential treatment to local vendors when the procurement of goods, services, and construction contracts are under the procurement limits as prescribed in the NWPTA, granted that the use of said vendors does not contradict other objectives and guidelines in this Policy, specifically overall best value.



## **Environmental Sustainability**

The City shall identify and integrate environmental sustainability requirements into purchasing procedures and supply chain management processes including, but not limited to emissions management, reduced pollution, energy efficiency and waste minimization.

## **Risk Mitigation**

The City shall ensure that prudent controls and safeguards in procurement procedures, practices and processes are put in place to mitigate risks to the City that could potentially bring about damage to and loss of assets, economic loss, fraud, negative public image or any other means that causes harm to the City. The City shall maintain an effective system of written procedures and controls to ensure that all procurement authority is being properly executed.

## **6. SCOPE/APPLICATION:**

City employees that have been delegated procurement authority must adhere to this policy when performing procurement activities on behalf of the City. This policy applies to the procurement of goods, services, and construction contracts.

## **7. SUSPENSION OF VENDORS**

For the purposes of this section, Vendors shall be deemed to include any related entity and any partner, principal, director or officer of such Vendor as well as any other legal entity with one or more of the same partner(s), principal(s), director(s) or officer(s).

A Vendor may be excluded from eligibility to submit a bid, proposal or quote, or a submitted bid, proposal or quote may be summarily rejected and returned to a Vendor, where the City determines, in its absolute sole discretion that one of the following circumstances has occurred:

- a) the Vendor is or has been involved in litigation with the City, its elected officials, or employees;
- b) the Vendor has failed to pay an amount owed to the City when due and owing;
- c) there is documented evidence of poor performance, non-performance or default by the Vendor in relation to any contract with the City or goods, work or services otherwise provided to the City;
- d) the Vendor or its personnel have demonstrated abusive behaviour or threatening conduct towards City employees, their agents or representatives;
- e) the Vendor has been convicted of a criminal offence including but not limited to fraud or theft; or
- f) the Vendor has been convicted of any quasi-criminal offence pursuant to applicable legislation or regulations including but not limited to the Occupational Health and Safety Act, where the circumstances of that conviction demonstrate a disregard on the part of the Vendor for the health and safety of its workers, City employees or the general public.

In arriving at a determination for the disqualification of a Vendor pursuant to this section, the City will consider whether the circumstances are likely to affect the Vendor's ability to work with the City, its consultants and representatives, and whether the City's experience with the Vendor indicates that the City is likely to incur increased staff time and/or legal costs in the administration of any dealings with the Vendor.



Based on the severity of the events leading to the disqualification, the City shall establish the duration of the period during which the disqualification shall be effective.

In the event the City concludes that a Vendor should be disqualified pursuant to this section, it shall first provide written notice to the Vendor indicating the City's intention to disqualify the Vendor, its reasons for doing so, and the duration of the intended disqualification. Such notice shall indicate that the Vendor will have a period of at least fourteen (14) days to respond to such notice in writing, setting out (if the Vendor so chooses) any reasons it opposes or disputes either the disqualification or the duration of the disqualification.

Any notice of appeal from an affected Vendor received by the City within the time frame set above shall be reviewed and considered by the Chief Administrative Officer, who may either uphold, overturn, or vary the terms of disqualification. Any such decision will be final and not subject to further appeal, and will be communicated in writing to the Vendor.

## **8. AUTHORITY/RESPONSIBILITY TO IMPLEMENT**

City Council is responsible for approving the annual municipal operating, utility operating, and capital budgets. Procurement authority is formally delegated from Council to the Chief Administrative Officer in accordance with this Policy.

The Chief Administrative Officer is ultimately responsible and accountable for the control, management, and administration of the City's purchasing in accordance with the purchasing policy approved by Council. The Chief Administrative Officer may formally delegate this responsibility.

Procurement authority may be delegated and limited to those employees specifically charged with the responsibility and accountability for budgets of departments, service areas, and cost centres by the Chief Administrative Officer and as confirmed in the approved municipal operating, utility operating and capital budgets.

All delegated or assigned procurement authority shall be in writing and approved by the Chief Administrative Officer, identifying the limits of spending authority and the type of spend authority.

The Director, Finance must ensure that the policy requirements are met and updated as required.

### **Compliance Monitoring and Reporting**

In line with our purchasing policy, the City takes charge of monitoring its own compliance and reporting. The City recognizes the importance of adhering to trade agreements to avoid reputational harm and legal problems.

Each department oversees its compliance, seeking guidance from the City's Procurement Services in Finance if needed. Procurement Services is to monitor compliance across the organization and report any issues to department heads for resolution. Additionally, the City will conduct internal audits of all procurement activities through our Finance Department. The City also provides an annual summary report of our procurement activities to ensure transparency and accountability within the City.



## **Policy Record**

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**Adopted by Council: December 10, 2024**

**Council Resolution: 24/12/05**

**Cross Reference:** *Municipal Government Act, New West Partnership Trade Agreement, Canadian Free Trade Agreement, Canada-UK Trade Continuity Agreement, Comprehensive Economic and Trade Agreement*

**Administrative Responsibility:** Director, Finance

**Next Administration Review Date:** January 2027