

PROCUREMENT

POLICY NO.:	CP-174.24
DIVISION DEPARTMENT	Corporate Services and Financial Services
REVIEW PERIOD	Every 3 Years or upon Legislative Change

1. POLICY PURPOSE

- 1.1 To establish the basic direction, philosophies, and values for the procurement of Goods, Services and Construction for use by the Town of Blackfalds.

2. POLICY STATEMENT

- 2.1 The Town of Blackfalds' delivery of Services and acquisition of assets will be performed in a manner that might best achieve a high-quality product and/or Service while maintaining an accountable, transparent, efficient, and fair purchasing process.

3. DEFINITIONS

- 3.1 **“Administrative Procedure”** means a documented procedure that outlines a consistent approach to carrying out a specific Policy in the day-to-day operations of the Town.
- 3.2 **“Bid”** means a bid, proposal, tender or quote offered to the Town of Blackfalds.
- 3.3 **“CAO”** means the Chief Administrative Officer of the Town of Blackfalds.
- 3.4 **“Conflict of Interest”** means a situation where the independence or impartiality of an employee’s decisions or actions are impaired or may be reasonably expected to be impaired because of outside employment, political, business or family interests.
- 3.5 **“Construction”** means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.
- 3.6 **“Council”** means elected officials, including the Mayor of the Town of Blackfalds.
- 3.7 **“Employees”** means individuals who are employed by the Town of Blackfalds.

- 3.8 **“Emergency”** means a situation that requires prompt action for the safety and protection of persons or property, or the environment.
- 3.9 **“Good”** means an item that is produced, manufactured, grown, or obtained and used for a commercial purpose.
- 3.10 **“MGA”** means the *Municipal Government Act* of Alberta.
- 3.11 **“Service”** means a service supplied or to be supplied.
- 3.12 **“Town”** means the municipality of the Town of Blackfalds.
- 3.13 **“Vendor”** means an individual, business, or organization that sells goods or services to another party.

4. SCOPE

- 4.1 This Policy applies to Council, CAO (or their designate) and Employees who purchase, rent or lease on behalf of the Town.

5. AUTHORITY AND RESPONSIBILITIES

5.1 Council to:

- 5.1.1 Adopt and support this Policy and any amendments by resolution.
- 5.1.2 Consider the allocation of resources for the successful implementation of this Policy in the annual budget process.
- 5.1.3 Adopt the Council Policy that establishes the primary direction, philosophies, and values for the procurement of Goods, Services, and Construction for use by the Town and amendments thereto.

5.2 Chief Administrative Officer to:

- 5.2.1 Implement this Policy and develop the associated Administrative Procedure.
- 5.2.2 Authorize the expenditure of funds and payment of accounts according to the approved budget once the operating, interim and/or Capital Budget is passed by Council, as per the MGA.
- 5.2.3 Ensure that the procurement procedures and programs of the municipality are developed and implemented to carry out programs identified by the Town Council.

- 5.2.4 Delegate authority to develop and implement applicable procedures through Directors and the Financial Services Manager.
- 5.2.5 Delegate budget authority to Town Employees in accordance with the annual budget.
- 5.2.6 Override this Policy when required as a sound business decision, in accordance with 6.3.1.
- 5.2.7 Ensuring that procurement and contract activities are carried out under this Policy and applicable Administrative Procedures.
- 5.2.8 Ensure budget funds are available for procurement requests.
- 5.2.9 Advise Council on the development, implementation, and amendment of this Policy.
- 5.2.10 Ensure Policy review occurs and verify the implementation of this Policy.

6. POLICY

6.1 Principles

- 6.1.1 The Town will manage its procurement activities in accordance with all applicable legislation, including but not limited to the trade agreements, as well, competitive bidding laws and procurement best practices, as amended from time to time. The Town will adhere to the following minimum general principles.
 - 6.1.1.1 Competition process will be open, transparent, and fair.
 - 6.1.1.2 According to applicable trade agreements, the Town cannot give preferential treatment for competitions over a \$75,000 threshold.
 - 6.1.1.3 Departments may direct competitions for Goods and Services under \$75,000 to a Vendor only if there are at least two Vendors who are available and competitive.
 - 6.1.1.4 Whenever practical, the Town will consider environmental impact and sustainability.
 - 6.1.1.5 The Town is committed to the highest level of ethical standards in all procurement and contracting practices.
 - 6.1.1.6 The Town encourages the best value consideration in procurement.

- 6.1.1.7 The Town expects all Vendors to perform their obligations to the Town in good faith.
- 6.1.1.8 Town Employees shall not have any Conflict of Interest, direct or indirect, in any contract with the Town of Blackfalds. No Employee of the Town or partnership of which an Employee is a member may submit a bid for the supply of Goods, or Services or Construction to the Town. Any corporation (other than those whose shares are publicly traded) submitting a bid must disclose the names of any shareholder who is a Town Employee and the number of shares owned by the Employee.
- 6.1.1.9 Town Employees shall not make any recommendations about the awarding of any bid, or quotation when they are a member of the immediate family of any individual who is:
 - 6.1.1.9.1 submitting the tender.
 - 6.1.1.9.2 a shareholder or employee of a company submitting the tender.
 - 6.1.1.9.3 a member or employee of any partnership submitting the tender.

6.2 Sole Sourcing

- 6.2.1 Sole source purchase may be used when there is only one available supplier of a required Good or Service that meets the needs of the Town, subject to regular review. Negotiations should be used to complete the terms and conditions for this purchase. A sole source purchase may occur:
 - 6.2.1.1 When the compatibility of a purchase with existing equipment, facilities or Services is a paramount consideration, and the purchase must be made from a single source.
 - 6.2.1.2 Where an item is purchased for testing or trial use.
 - 6.2.1.3 Where the Town purchases supplies for resale.
 - 6.2.1.4 For direct purchases under \$10,000 (See Table 1 below).
 - 6.2.1.5 Where the Town has a rental contract with a purchase option and such purchase option would be beneficial to the Town.
 - 6.2.1.6 Where purchase from another vendor would violate warranties and guarantees where Service is required.

6.2.1.7 For matters involving security or confidential issues, a purchase may be made to protect the confidentiality of the contractor of the Town.

6.3 Procurement Process

**Table 1
Summary of Procurement Process based on the value for Goods and Services:**

Procurement Threshold	Process	Process Required
\$0 - \$4,999	Direct Purchase	<ul style="list-style-type: none"> Direct Purchases should be made locally whenever a Vendor is available and competitive.
\$5,000- \$9,999	Non-competitive	<ul style="list-style-type: none"> Three written quotes are recommended but not required.
\$10,000 - \$74,999	Informal Competitive Bidding	<ul style="list-style-type: none"> Three written quotes are required.
Equal to or greater than \$75,000	Formal Competitive Bidding	<ul style="list-style-type: none"> Fully open competition Requires sealed Bids. May involve a prequalification process. Must be posted on Alberta Purchasing Connection. Ability to Use RMA Canoe Trade Program by Approval of Director

**Table 2
Summary of Procurement Process based on Value for Construction:**

Procurement Threshold	Process	Process Required
\$0 - \$9,999	Direct Purchase	<ul style="list-style-type: none"> Direct purchases should be made locally whenever a Vendor is available and competitive
\$10,000 - \$199,999	Written Quotation	<ul style="list-style-type: none"> Three written quotes are required.
Equal to or greater than \$200,000	Formal Competitive Bidding	<ul style="list-style-type: none"> Fully open competition Requires sealed Bids. May involve a prequalification process. Must be posted on Alberta Purchasing Connection

6.4 Capital Projects

6.4.1 Managing Capital Projects – all contracts for capital projects shall be awarded according to the Town’s Procurement Policy. The CAO is responsible for the administration of the capital projects and may delegate such responsibility to the appropriate Employee.

6.4.2 The CAO or delegate shall:

6.4.2.1 Approve expenditures up to the approved contract price.

6.4.2.2 Ensure that the work, Goods, Services, and Construction Services supplied meet the contracted specifications.

6.4.2.3 Ensure the terms and conditions specified by the Town have been met.

6.5 Purchasing Authority

6.5.1 Council shall approve all annual Operating Budgets, Capital Budgets, and long-term Capital Plans of the Town.

6.5.2 The CAO is delegated purchasing authority to purchase and approve the purchase of Goods, Services, and Construction Services within the limits of a Council approved budget on behalf of the Town.

6.5.3 As per the Town's CAO Bylaw and the MGA, purchasing authority may be delegated by the CAO to Directors, Department Managers, and other Employees at their discretion. Purchasing authority may be revoked by the CAO at their discretion due to:

6.5.3.1 Repetitive non-compliance.

6.5.3.2 Lack of due diligence.

6.5.4 Any Employee granted purchasing authority through an Administrative Procedure must ensure that all applicable policies and procedures are followed and the budget approval for purchasing Goods, Services, and Construction services are in place. Employees must ensure they have control over the budget and that the budget dollars are available during the entire period of procurement.

6.5.5 The CAO may approve individual line-item expenditures that vary from the operating budget only if the Town's revenue requirement is unchanged from Councils' approved budget and the department's bottom line is under budget.

6.6 Contracts and Agreements

6.6.1 Under the MGA, the CAO has the authority to sign contracts and agreements for the Town.

6.6.2 Council will be informed of contracts with a total value of up to \$500,000 or a length of no more than three (3) years through the CAO report.

6.6.3 Council will approve contracts with a total value exceeding \$500,000 or a length of greater than three (3) years.

6.7 Expenditure Review

6.7.1 That one (1) signature from Group I and one (1) signature from Group II be required for bank account documents and materials, forms, and legal documents. The following be designated signing officers for the Town of Blackfalds:

Group I	Group II
Mayor	CAO
Deputy Mayor	Directors
Members of Council	Financial Services Manager

6.7.2 The Mayor or Deputy Mayor and CAO (or their designate) should conduct a general review of each general cheque run, noting payees and amounts. The Mayor or Deputy Mayor and the CAO (or their designate) will sign the cheque register confirming the review has occurred.

6.7.3 The cheque register listing the payees and amounts for each general cheque run should be made available to Council for examination.

6.7.4 As per the MGA, a municipality must ensure that all money belonging to or held by the municipality is deposited in a bank, credit union, loan corporation, treasure branch or trust corporation designated by Council.

7. EXCLUSIONS

7.1. This Policy does not apply to:

- 7.1.1 Purchase of land.
- 7.1.2 Banking, Investments and Borrowing.
- 7.1.3 Postage purchases.
- 7.1.4 Employee vehicle use expenditures.
- 7.1.5 Grants to nonprofit agencies and societies.
- 7.1.6 Employment services/agreements.
- 7.1.7 Legal Services.
- 7.1.8 Corporate or individual Employee memberships.

- 7.1.9 Insurance Premiums.
- 7.1.10 Workers' Compensation Premiums.
- 7.1.11 Freight charges.
- 7.1.12 Software Renewals.
- 7.1.13 Memberships.
- 7.1.14 Electricity and Natural Gas purchases.
- 7.1.15 Purchases where the Vendor is a department, agency or utility of federal, provincial, regional or municipal government.

8. SPECIAL SITUATIONS

- 8.1. Notwithstanding anything in this Policy, the CAO may authorize any required expenditures in Emergency situations where:
 - 8.1.1 Where an unforeseeable situation of urgency exists and the Goods, Services or Construction could not be obtained in time by means of open procurement procedures. This includes when the health and safety of Employees, the public, or the environment is at risk.
 - 8.1.2 The loss or failure of critical infrastructure is at risk.
 - 8.1.3 Any delay in procuring Goods Services and Construction could jeopardize the Town's ability to provide essential services; or
 - 8.1.4 Pursuant to an enactment such as the *Emergency Management Act*.

9. RELATED DOCUMENTS

- 9.1 *Municipal Government Act (MGA)*,
- 9.2 *New West Partnership Trade Agreement (NWPTA)*
- 9.3 *Comprehensive European Trade Agreement (CETA)*
- 9.4 *Canadian Free Trade Agreement (CFTA)*
- 9.5 *Protection of Privacy Act*
- 9.6 *Access to Information Act*

10. END OF POLICY

-Original Signed-

Mayor

-Original Signed-

Chief Administrative Officer

-Original Dated-

Date

-Original Dated-

Date

POLICY RECORD HISTORY

	Resolution No:	Date
Policy Adopted	RCM 021/24	January 23, 2024
Policy Reviewed	SCC 046/26	May 19, 2026
Policy Revised	RCM 182/26	May 26, 2026

ADMINISTRATIVE REVISIONS

Date	Description