

# Rural Municipality of West River

## Purchase Policy

Policy # 2022-03

**BE IT ENACTED** by the Council of the Rural Municipality of West River as follows:

**1. Title**

1.1 This Policy shall be known as, and may be cited as, the "Purchase Policy."

**2. Definitions**

2.1 "Chief Administrative Officer" means the administrative head of a municipality appointed by the Council under subsection 86 (2)(c) of the Municipal Government Act.

2.2 "Committee" means members of the Council of the Municipality appointed by the Council under subsection Section (88) of the Municipal Government Act and Section 23 of the Procedural Bylaw authorizes Council, by resolution, to establish committees and the Mayor, who is a member of every Committee as authorized in Section (90) of the Municipal Government Act.

2.3 "Competitive Purchasing" means the process of obtaining the proposal most advantageous to the Municipality for any purchase, whether through quotation or formal bidding procedures.

2.4 "Council" means the Mayor and other members of the Council of the Municipality.

2.5 "Field Purchase" means an informal purchase of supplies needed in small quantities for day-to-day operation made directly by a CAO or his/her designated representative from any vendor.

2.6 "Informal Bid" means a written or oral quotation obtained from a prospective vendor but not required to be opened publicly at a specified day, place and time.

- 2.7 "Municipality" means the Rural Municipality of West River.
- 2.8 "Professional Services" means services provided to or for the Municipality by licensed professionals such as lawyers, architects, engineers, auditors, project managers, planners and consultants.
- 2.9 "Purchase" means buying, renting, leasing, or otherwise acquiring supplies or services for a price.
- 2.10 "Quotation" means a written or oral proposal obtained from a prospective vendor.
- 2.11 "Purchase" means buying, renting, leasing, or otherwise acquiring supplies or services for a price.
- 2.12 "Services" means the lease or rental of all grounds, buildings, offices, space or equipment required by the Municipality, the repair or maintenance of equipment or real property owned by or the responsibility of the Municipality and all labour furnished to the Municipality by persons, firms, individuals or corporations " not part of or connected with the Municipality. "Services" shall not include Professional Services or utilities such as electricity, water, and phone services.
- 2.13 "Specifications" means standards, including quality, set by "Request of Quote" and as a measure of that which successful vendors must achieve. Specifications shall be either technical specifications for bids, which shall state formulations as broadly as practicable yet shall be specific enough to describe the requirements or non-technical specifications for quotes, which shall state the quality required in general terms.
- 2.14 " Sole Source Contract" shall mean only one person, company, or vendor can provide the contractual good and services needed and that any attempt to obtain bids would only result in one person, company, or vendor being available to meet the need.
- 2.15 "Supplies" shall mean all supplies, materials and equipment. This policy may use the term "goods" interchangeably with "supplies" in this policy.

### **3. Purpose**

- 3.1 The Rural Municipality of West River is committed to operating in a transparent manner. The purpose of this policy is to establish procedures under which Municipality employees may purchase goods and services.
- 3.2 This policy is administered with the knowledge that the taxpayers of the Rural Municipality of West River have the right to receive the highest level of goods and services at the best available value.
- 3.3 These purchasing guidelines will also ensure the most cost-effective, cost-efficient methods are used to purchase goods and services for the Municipality in the manner approved by Council.

### **4. Applicability**

- 4.1 This regulation shall apply to purchases made by the Municipality, except as otherwise specified herein.

### **5. Conflict of Interest**

- 5.1 No Goods or Services shall be purchased from any business in which Municipality's employee, Mayor, or any member of Council is a stakeholder or has any involvement without first declaring and advising of the conflict of interest at the time of submission.

### **6. Responsibilities**

- 6.1 The Standing Committees of Council (according to their Term of Reference) are responsible for administering this policy.
- 6.2 The Chief Administrative Officer is responsible for maintaining, monitoring, applying, and implementing this policy.

## **7. Purchase Limits**

- 7.1 The Chief Administrative Officer shall have the authority to make purchases up to \$3,000.00 plus HST; if the purchase falls within the approved budget allocation, it should not consider "Informal Bids" and can be placed without the Standing Committee's recommendation and Council's approval.
- 7.2 The purchase of goods or services within a budget between \$3,001.00 plus HST and \$30,000.00 plus HST should consider "Informal Bids," done by requesting quotes and requires the Standing Committee's recommendation and Council's approval.
- 7.3 All expenditures exceeding \$30,001.00 plus HST shall be tendered in accordance with the Municipality's Procurement Policy #2022-04.

## **8. Competitive Purchasing**

- 8.1 The Chief Administrative Officer, where possible, shall attempt to solicit at least three prospective vendors on every purchase subject to competitive quote procedures for the items with a value between \$3,001.00 plus HST and \$30,000.00 plus HST if the funds are clearly identified in the approved operating or capital budget.
- 8.2 CAO must present a complete purchase form (Appendix A) and attach copies of the request for quotes, any specifications, the scope of work, or other information regarding the nature and extent of the purchase and received quotes to the standing committee before they recommend it to the Council.
- 8.3 Repeating the quote process is not required if fewer than three quotes are received by the given deadline, but CAO must document the attempt to solicit at least three prospective vendors.
- 8.4 If no quote is received by the given deadline, repeating the quote process is not required, and the CAO can go with the Sole Source Contract.
- 8.5 CAO is empowered to reject any unacceptable supply or commodity on the ground of high cost or low quality and provide the Council with a written detailed report of any rejection.

- 8.6 Expenditures that cause an account to exceed its budget allocation must be reported to the Finance Committee and approved by Council.
- 8.7 Travel expenses shall be purchased in accordance with the Municipality's Travel & Expenses Policy #2021-01.
- 8.8 Notwithstanding sections (7.2) and (7.3), where an emergency occurs, and in the opinion of the Chief Administrative Officer, there is imminent danger to life, health, the environment, and property, and such an emergency requires the immediate procurement of goods and services, the Chief Administrative Officer may purchase such goods and services as are necessary regardless of the amount of the expenditure. When such purchases have been made, the Chief Administrative Officer shall notify the Chair of the Finance Committee or the Mayor as soon as possible and prepare a report on the emergency to be forwarded to the Council.
- 8.9 If a state of emergency is declared, the chief administrative officer or the Chair of the Finance Committee has the authority to execute the duties of the Finance and Administration Section Chief in the Emergency Operations Centre team. When such purchases have been made, the Chief Administrative Officer or the Chair of the Finance Committee shall notify the Mayor or Deputy Mayor as soon as possible and prepare a report on the state of emergency to be forwarded to the Council.
- 8.10 In the event Council allocates funds to reserve accounts, transfers funds within reserve accounts or withdraws funds from reserve accounts, it shall be noted in the minutes of a regularly scheduled Council meeting that such transactions have occurred.
- 8.11 No competitive purchasing or bidding procedure is required for purchases of Professional Services not anticipated to exceed \$30,000.00 in a given twelve-month period unless otherwise required by law or an applicable grant or financing agreement. It is understood that in the procurement of professional services, skill, experience, and reputation are often of more significant importance than price, which can place such additional weight on those criteria as may be warranted under the circumstances.

# Rural Municipality of West River

## Appendix A

### Policy # 2022-03

- **Supporting document checklist:**

The funds included in the Operation or Capital Budget

RFQ, SOW, or Specifications of the purchase

Received quote

Date of sending out RFQ \_\_\_\_\_

Deadline for receiving the quote \_\_\_\_\_

- **Quotes Obtained:**

	Quote #1	Quote #2	Quote #3
Business Name			
Meets Objective			
Received at (date)			
Cost			
HST			
Total Cost			

- **Quote Recommended to Council:**

Business: \_\_\_\_\_

Total Cost: \_\_\_\_\_