| MUNICIPAL DISTRICT Peace No. 135 | | MUNICIPAL DISTRICT OF PEACE NO. 135 | | | |
|-----------------------------------|-----------------|--|-------|---------|---------------------------|
| PREPARED BY: | Barbara Johnson | ADOPTE | D BY: | NUMBER: | ADM - 32 |
| REVISED BY: | | COUNCIL | - | | Page 1 of 2 |
| TITLE: Purchasing | | DATE: January 12, 2021, Amended July 13/21 | | | |

To provide municipal employees and Council with a clear understanding of the internal guidelines to be used for the acquisition of goods and services and to ensure that goods and services are acquired in a transparent and fair process that economically uses Municipal funds.

- 1. The annual operating and capital budgets, as approved annually by the MD of Peace Council, determine the limits and context of expenditures in any given year. Council does not need to approve any budgeted expenditures that are equal to or under the budgeted amount.
- Purchase orders (PO) are to be issued whenever possible for the acquisition of goods and/or services, other than for regularly recurring expenses (e.g. utilities). They must be completely filled out when used and are to be attached to the invoice and given to the Director of Finance or Municipal Clerk on a regular basis.
 - Copies are to be distributed as follows:

white copy supplier's copy

yellow copy to be attached to invoice and given to Administration for processing

pink copy kept in PO book as a numerical and permanent record.

Administration retains control over all purchase order books and keeps a record of which books are being utilized by department heads and their numerical sequence. Used books are to be retained in the office vault as a permanent record.

- 3. Department supervisors and senior administration are responsible for acquiring two quotes on any purchases in amounts greater than \$5,000, although certain circumstances may require the use of a sole source supplier.
- 4. Council considers that it is in the best interest of the region to encourage local supply of goods and services and therefore commits to purchases from local suppliers where costs and quality are competitive and comparable, considering travel time, specifications and investment in local communities.
- 5. Authority to purchase on behalf of the Municipal District:

- Chief Administrative Officer (CAO) - to the scope of the budget

- Department Supervisors - up to \$10,000 if provided for in the annual budget

All other permanent full-time staff
 Seasonal staff with Supervisor approval
 up to \$1,000
 up to \$500

- Tendering/Bidding Process - for purchases greater than \$75,000

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- 6. Any expenditures of a non-budgeted amount of less than \$10,000 will require the approval of the CAO with advisement to Council as soon as possible. Council shall review and authorize any non-budgeted expenditures of \$10,000 or greater.
- 7. The Municipal District has one corporate credit card in the CAO's name to be used for Municipal District business, which is normally stored in the office vault unless in use. The card can be used by Administration or the Manager of Agricultural Services and receipts must be given to the Director of Finance along with a purchase order.
- 8. \$100 in petty cash is kept as a float in the office vault and is to be used for small cash purchases where there is a receipt to replace the cash. The float will be replenished as needed by issuing a cheque payable to the Municipal Clerk to cash. Petty cash must be balanced each month (receipts + cash must = \$100) and the petty cash float must equal \$100 cash only at year end.
- 9. The process for initiating a tender or Request for Proposal will be as follows:
 - a Request for Quotation (RFQ), Request for Proposal (RFP) and/or Invitation to Tender is to be used
 - no tenders are required when group-purchasing programs are utilized (RMA and AUMA group purchases), but periodic price checks must be conducted
 - if criteria other than price will be used to evaluate the tenders, such criteria and the evaluation process must be specifically identified in the tender documents
 - all applicable legislation, including but not limited to, *Municipal Government Act*, Federal and Provincial trade agreements, and the *Freedom of Information and Protection of Privacy Act*, will be observed
 - tenders or RFPs for services in amounts of \$75,000 and higher or construction of \$100,000 or higher will be advertised on the Alberta Purchasing Connection website
 - sealed tenders shall be opened by the CAO and a senior administration staff member and the tender shall be awarded. Council will be advised of the decision made once the vendor has accepted.
- 10. In an emergency situation, supervisors or senior administration have the authority to make purchases outside of normal purchasing situations. These purchases should be reported to the CAO and Council as soon as reasonably possible.