



RM of Loon Lake #561

Policy Type:	General Government
Policy Title:	Purchasing Policy
Policy Number:	100-14

Authority:	
<i>Council Resolution #</i>	<i>81/2021</i>

1.0 Purpose

To ensure value for all expenditures, control over the purchase of goods and services, fair competition, and to establish limits on purchasing authority so that the Rural Municipality of Loon Lake No. 561 (RM) may operate effectively and efficiently.

2.0 Definitions

Capital Spending: Refers to any expenditure for an asset with a life expectancy greater than one year. Typically, items that fall above the threshold listed on Schedule A of the *100-06 Tangible Capital Asset Policy*.

Qualified: Means that in the opinion of the RM, the contractor has the equipment, expertise and ability, physically and financially, to supply or perform the goods, services or work tendered, bid or proposed, and whose past performances or references are satisfactory to the RM.

Purchases: Any purchases made by the RM that meets the following criteria: conforms to a plan, project or program approved by RM Council in the budget process; and complies with the established spending limits as set out in this *Purchasing Policy*.

Professional Services: Shall include the services of a consultant, engineer, lawyer or auditor.

Emergency Operation Purchases: A purchase made by the administrator or public works foreman that is required in order to continue operations that is typically needed on short notice for repairs resulting from infrastructure or equipment failures.

Operational Spending: Refers to any expenditure on items whose life is normally expected to be less than one year or on repairs and maintenance to longer-term assets. Typically items that fall below the threshold listed on Schedule A of the *100-06 Tangible Capital Asset Policy*.

Spending Limits: The maximum amount that can be expended without exceeding authority to do so.

Written/Email Quotation: The process of securing a price quotation in writing or by email.

Invitation to Tender: Is primarily used in construction projects and other large purchases wherein the RM identifies what it wants and how the work will be done or the goods supplied. The tender will be

advertised publicly on *www.sasktenders.com* website providing a detailed description of the work/service the RM is seeking as well as setting out detailed instructions to bidders and how the process of competition will be conducted.

Request for Quotation (RFQ): A Request for Quotation is typically a shorter, simplified competitive tendering process used when the scope or specifications of the goods, services or project are known and clearly defined and is commonly used for the purchase of equipment, parts, or projects that are of a lesser value and done/required on a regular basis (ie graders, and small road projects, etc.). The criteria for evaluating RFQ's is based on weighting established by Council and typically includes price, qualifications/abilities of bidder and any other applicable criteria based on specifications established by council.

Request for Proposal (RFP): A Request for Proposal is used when the scope or specifications of the project are only generally defined and a qualitative evaluation process with clearly defined criteria is utilized. The RFP typically provides bidders an opportunity to propose and present their unique approach, quality, ability, creativity, ingenuity and other outstanding quantities and qualifications/experience as well as the knowledge, skill and ability of their representatives in achieving the outcome desired.

Emergency: Means a present or imminent or condition that requires prompt action to prevent or limit:

- 1) Loss of life;
- 2) Harm or damage to the safety, health or welfare of people; or
- 3) Damage of property or the environment

Standard Bill Items: Regular operational spending that is necessary to ensure the efficient, effective and safe day to day operations of the RM provided for in Bylaw No. 1/2021 (wages, benefits, deductions, power, telephone, and heat) and such other spending as may be approved by council resolution or through bylaw, or policy.

3.0 Scope

All RM expenditures shall be made in accordance with this policy.

4.0 Policy

It is the policy of the RM to:

1. Provide the Administrator and the Public Works Foreman with discretionary purchasing authority enabling them to operate with their professional responsibilities to the RM.
2. As such, the Administrator and Public Works Foreman shall ensure the financial resources of the RM are managed effectively and efficiently, that spending alternatives are examined prior to expenditures taking place, and that suppliers are treated equitably, assuring no preferential treatment and taking into consideration the best interests of the RM.
3. The Administrator shall have the authority to:
 - a) Call for tenders, expressions of interest, request for quotes, and request for proposals and arrange for contracts for the supply to the RM of goods, services and work as authorized by the budget.

- b) Conduct negotiations with the Reeve or designate on behalf of the RM for the purchase, sale, or exchange of land; secure options and purchases of land under the direction of Reeve and Council and execute agreements for the purchase, sale or exchange of land; subject to obtaining a resolution of council authorizing it.
4. The Administrator and Public Works Foreman shall be authorized to make operational expenditures up to \$5,000 per purchase
 5. The Administrator and Public Works Foreman shall be authorized to make emergency operating expenditures up to \$10,000 subject to written approval from the Reeve.
 6. A detailed list of monthly expenditures shall be provided to council at their next meeting.
 7. All invoices will be submitted to council for approval prior to payment being issued unless payment has been authorized otherwise by resolution, bylaw or policy.
 8. The administrator is authorized to issue the payments for the following Standard Bill Items prior to council meeting:
 - a. wages and salaries payable to municipal employees;
 - b. employee payroll deductions, including municipal contributions;
 - c. telephone, heat, power services;
 - d. collections on behalf of other taxing authorities;
 - e. provincial sales tax
 - f. CIBC Visa
 9. Quote Thresholds
 - a. Administrator and/or Public Works Foreman must have 3 quotes for purchases over \$1,000 except as indicated in 9b.
 - b. Where it is not practical to obtain 3 quotes from qualified contractors based on location and availability; or due to speciality of items and/or supplies; etc. the Administrator and/or Public Works Foreman shall prepare a report and attached to invoice regarding reasons for not obtaining 3 quotes.
 10. All capital expenditures require authorization by resolution of council.
 11. All professional services require authorization by resolution of council.
 12. For procurement of goods and services with a value greater than \$75,000 and for construction projects with a value greater than \$200,000, the RM shall utilize a competitive, open and transparent purchasing process. Without limiting the generality of the foregoing, the tender/RFQ/RFP's quotation/proposal process shall exhibit the following principles
 - a. The evaluation criteria as defined as qualified in this policy shall be applied to every bid to determine the lowest evaluated bid.
 - b. The tender package must be advertised on www.sasktender.com
 - c. The bid period will be appropriate for the item being tendered and the tender will set out the bid period.

- d. Tender packages shall be complete with full disclosure of all information available related to the project.
- e. The tender packages shall be complete with reasonable estimates of all quantities.
- f. The tender opening shall be public.

5.0 Effective Date/Repeal

This policy will come into effect on March 11, 2021 unless otherwise specified and shall be implemented as outlined in this policy. This policy repeals and replaces all resolutions and any policies pertaining to Purchasing Policy and replaces all past practices. This policy may only be amended or repealed by resolution of Council.