



Title	Purchasing	Policy number	B001
Policy Reference		<i>Annex 502.4 of the agreement on Internal Trade A011 Request for Decision</i>	

PURPOSE

The purpose of the Purchasing Policy is to provide guidance to all Town employees and Council members with respect to purchasing functions.

DEFINITIONS

"CAO" means Chief Administrative Officer.

"Barter" means an exchange of goods or services between two or more parties where no money changes hands.

"Best Value" means the most advantageous balance between performance, price and quality achieved through competitive procurement methods in accordance with stated selection criteria. Best Value may include the useful life of an asset and track record.

"Bid" means an offer to buy or sell goods or services by a vendor or purchaser.

"Budget" means a financial plan outlining expected revenues and expenditures for operating or capital assets that is formally reviewed and approved by Town Council.

"Cheque Request" means a form requesting a cheque be prepared for payment of a Town expense.

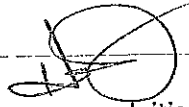
"Contract" means an agreement between two or more parties, written or verbal, comprising of an offer, acceptance, and consideration.

"Contractor" means a person or a business that follows an independent trade, business, or profession in which they provide goods or services to the public.

"Emergency Purchases" are situations where a lack of immediate action jeopardizes operations, disrupts public services or involves the safety of employees and/or the public.

"Exclusive Rights" means an arrangement with a Supplier whereby the purchaser undertakes to obtain related supplies or services only with that Supplier.

"Goods and Services" means supplies, materials and equipment of every kind required to carry out the operations of the Town. Services include contractors, consultants and other non-material requirements.


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"Green Procurement" means purchasing products or services, which minimize, or provide favourable environmental impacts. Green Procurement involves considering the costs and environmental consequences of a product in all stages of its life cycle.

"Invitation to Tender" means a request for Bids for prices on specific goods and/or services from a Supplier submitted in writing.

"Local Business" includes any business holding a valid Town of Killam resident business license.

"Request for Proposal (RFP)" means a request for Bids as to how the Supplier would address the need identified in the Request for Proposal document.

"Request for Quotation (RFQ)" means a request for Bids for prices on specific goods and/or services from a Supplier submitted verbally or in writing.

"Sole Source" means purchasing when there is only one available Supplier of a required product or service that meets the needs of the Town. Negotiation is used to complete the terms and conditions of this type of purchase.

"Supplier" means any person or company that supplies goods or services to the Town. Also known as a contractor, seller, subcontractor, or vendor.

"Town" means the Corporation of the Town of Killam.

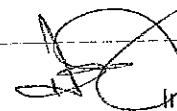
POLICY

All employees delegated with purchasing authority shall follow the guidelines set out in the Purchasing Policy. All procurement activities shall meet the current and future needs of the Town, providing an economical and efficient service and shall provide fiscal responsibility and accountability.

All employees will obtain appropriate authorization and use appropriate processes when purchasing goods or services.

SCOPE

1. The Purchasing Policy applies to the purchase of Goods and Services by any Town employee or Council member on behalf of the Town. The policy governs the acquisition of Goods and Services, by purchase or lease, with Town funds from all sources including operating and capital funds as well as all other funds held in trust or at its disposal. Values referred to in this policy do not include GST unless otherwise noted:
2. The CAO will provide the administrative direction to carry out the policy by stipulating the procedures and controls necessary to ensure that expenditures are made according to sound business practices with appropriate accountability and ethics.



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RESPONSIBILITIES

1. All employees are responsible for:
 - a. Maintaining high legal, ethical, Supervisorial, and professional standards in the management of the resources entrusted to them, as a publicly funded institution.
 - b. Obtaining the Best Value for money by achieving fulfillment of specified needs including quality, health & safety standards, productivity and service life.
 - c. Using a fair and transparent process when calling for, receiving, and evaluating quotations and proposals.
 - d. Meeting the legal and ethical obligations in the acquisition of Goods and Services by purchase, lease or Barter.
 - e. Using appropriate purchasing techniques including negotiating contractual terms and conditions, cost reduction techniques, and cooperative buying processes.
 - f. Considering the environment in all purchasing decisions and selecting environmentally beneficial Goods and Services where the additional cost is not prohibitive.
 - g. Securing expense authorization prior to any purchase except Emergency Purchases. All related documentation shall be retained for review and auditing. Using purchasing contracts when the Town gains an advantage by doing so.
 - h. Identifying and investigating a full range of potential goods or service providers before selecting one for an exclusive contract.
 - i. Obtaining appropriate authorization for all purchasing contracts.
 - j. Obtaining legal assistance or advice if necessary for any non-standard clauses in purchasing contract. Ensuring a Supplier of Goods and Services holds a valid Town business license where required.
2. Supervisors are responsible for:
 - a. Ensuring all purchases are performed in accordance with this policy.
 - b. Delegating expense authorization in writing to the appropriate levels.
 - c. Ensuring that corporate standards are adhered to for purchases.
 - d. Entering into purchasing contracts on behalf of the Town.
 - e. Coordinating administration and the continuous review of the department's use of goods and/or services to ensure the Town is receiving the best quality, quantity, service, price, etc.
 - f. Coordinating purchasing record keeping (RFP documentation, quotes, etc.) and retention of records for a period of seven years for auditing purposes.
3. The CAO is responsible for:
 - a. Approval of all purchasing contracts on behalf of the Town.
 - b. Ensuring that no payments are made without the appropriate authorization.
 - c. Providing training and documentation on how to utilize the Purchasing Policy efficiently and effectively.


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- d. Communication regarding all developments in the field of purchasing by all government agencies

PURCHASING AUTHORIZATION

1. Purchasing Limits

- a. \$0 to \$5,000 Purchase Authorization Limits: A supervisor shall review and authorize any purchase approved in the Budget with a total value \$5,000 and under.
- b. \$5,000 to \$50,000: A Supervisor shall review and authorize any purchase approved in the Budget with a total value between \$5,000 and \$50,000.
- c. \$50,000 to \$250,000: A Supervisor and the CAO shall review and authorize any purchase approved in the Budget with a total value greater than \$50,000 and less than \$250,000.
- d. \$250,000 or greater: The CAO shall review and authorize any purchase approved in the Budget over \$250,000.
- e. Greater than 3 years and \$200,000 in value: The CAO to obtain Town Council authorization for purchase commitments or renewals longer than 3 years and greater than \$200,000 in value.
- e. Non-Budgeted Purchases
 - i. Town Council shall review and authorize any purchase not approved in the Budget that has the potential to affect the direction or financial results (\$10,000 or greater) of the Town.
- f. Emergency Purchases Emergency situations occasionally arise within Town operations.
 - i. In emergency situations, it is up to the judgement of the highest authority personnel on hand to make a responsible decision regarding obtaining required Goods and Services.
 - ii. Any purchases made outside of normal purchasing procedures must be reported to the CAO as soon as is reasonably possible.
- g. Barter Transactions
 - i. Barter transactions are generally discouraged, but may be appropriate in special circumstances. They must be approved by the CAO in addition to whatever approvals are required based upon the values involved.
 - ii. Barter transactions are accounted for at the amounts that would have been paid had they occurred as routine transactions in the ordinary course of business. Authorizations for barter transactions shall follow the same process as for a standard purchase, at the normal commercial value of the exchange. GST as well as any other taxes must be accounted for as for a standard purchase.
- h. Authorization of Supplier Invoices


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- i. Invoices should be compared to the original purchase authorization document and/or supplier quotation. Invoices must be approved for payment by an authorized department approver.
- i. Purchases over \$5,000 must be initiated by a Supervisor or the CAO.
- j. All purchases made on behalf of the Town must have an authorizing signature other than that of the initiator of the purchase. Where a Supervisor initiates a purchase, the authorization will be the individual's direct supervisor.

PURCHASING PROCESS

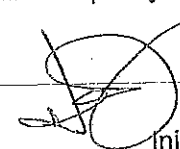
- 1. Purchases between 0 - \$15,000
 - a. Verbal or written quotations from one or more vendors.
 - b. Use of normal invoice procedures, Town corporate credit card or a Cheque Requisition.
 - c. A verbal or written Request for Quotation may be used.
- 2. Purchases between \$15,000 – \$75,000
 - a. Orders may be placed based on receiving three written quotations or proposals where practical and advantageous to the Town.
 - b. A written Request for Quotation or Request for Proposal may be used.
- 3. Purchases over \$75,000
 - a. An advertised and written Request for Quotation, Request for Proposal or Invitation to Tender must be used.
 - b. Advertisements must include a local newspaper and/or an online Bid solicitation service where practical and advantageous to the Town.
 - c. A comprehensive assessment of the proposals or quotations will be undertaken.
 - d. A Contract may be required.
 - e. The Town will comply with purchasing practices legislated under the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA. Goods and Services over \$75,000 and Construction contracts over \$200,000 must be procured openly through the Alberta Purchasing Connection.

CONTRACT INITIATION AND APPROVAL

- 1. The Town employee who initiated the expenditure should initiate a Contract.
- 2. The CAO must approve and sign all Contracts.

SOLE SOURCE

- 1. Town employees must obtain written approval of the Sole Source acquisition by the CAO for exceptions to the requirement for quotations and proposals within this policy. The Town identifies such instances as:


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- a. Where the compatibility of a purchase with existing equipment, facilities or service is a paramount consideration and the purchase must be made from a single source.
- b. Where an item is purchased for testing or trial use.
- c. Notwithstanding anything in this policy, where a purchase is determined by Council to be fair and reasonable and is made from a non-profit corporation supported by the Town.
- d. Where the only Supplier is a department, agency, or utility of the federal, provincial, regional, or municipal government.
- e. Where the acquisition is of a highly-specialized nature and/or is available from only one Supplier.

PROCUREMENT PREFERENCES

1. Purchasing from Local Businesses is preferred where Goods and Services of an acceptable, equivalent quality are readily available at competitive prices. Preference will also be given to goods made in Canada.
2. The Town will consider Green Procurement when making purchasing decisions over \$5,000 when Goods and Services are available at competitive prices and the environmental benefits provided do not negatively affect the intended end use.
3. Sustainable criteria to be examined when purchasing products and services include:
 - a. Water and/or energy consumption reduction practices;
 - b. Third party environmental certifications such as EcoLogo, FSC or LEED;
 - c. Chemical composition; water, air, and soil pollution prevention;
 - d. Percentage of post-consumer/post-industrial recycled, or rapidly renewable material;
 - e. Distance required to travel from supplier/manufacturer; and
 - f. End of life recyclability.

PROHIBITIONS

1. The following activities are prohibited, unless specifically approved by Council:
 - a. The division of purchases to avoid the requirements of this policy by any method, including corporate credit cards.
 - b. Purchase by any employee or member of Council of any Goods and Services for personal use.
 - c. An employee shall not accept a gift, favour or service from any individual, organization or corporation (HR policy B007).
 - d. Purchases by the Town from any member of Council or Town employee or their immediate families or other source except when the purchase is at competitive prices and the Supplier is a dealer in those goods and services and which purchase is incidental or in the ordinary course of the business of the Supplier.


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RELATED DOCUMENTS

1. Town of Killam Human Resource Policy B007


IMPLEMENTATION

1. This policy shall be posted on the website.
2. This policy shall be in effect on the date it is approved by resolution of Council.
3. Policy 1.6 is hereby repealed.

	Date	Resolution Number
APPROVED	Jan 19, 2017	
AMENDED		
AMENDED		

Bud James
Mayor of the Town of Killam

Kimberly Borgel
CAO of the Town of Killam

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Title	Contract Administration	Policy number	B002
Policy Reference		<i>Policy B001 Purchasing</i>	

PURPOSE

To enable Administration to effectively manage contracts related to the procurement of services to ensure that the process and contract provisions are fair and mitigate risk to the Town.

DEFINITIONS

"Town" means Town of Killam.


"RFP" a formal Request for Proposals process whereby the Town requests that qualified vendors submit proposals to perform work specified in the terms of the Requests.

"Contract" means legal binding agreement that sets out the terms and conditions agreed upon by both parties in undertaking the work.

"Family" means the employee's spouse, children and parents and children and parents of the employee's spouse and any brother or sisters and their spouses.

POLICY

1. All Town Contracts for infrastructure valued over \$50,000 must contain a clause for the provision of a bid deposit and conversion to a performance deposit upon commencement of an awarded Contract.
2. Bid deposits related RFP's shall be retained by the Town if the successful bidder has not commenced work by the start date identified in the Contract.
3. A performance deposit, attached to a Contract, shall be retained by the Town in accordance with the RFP and Contract.
4. Each RFP and Contract shall have a stipulated commencement date and completion date and these dates must be adhered to unless the contractor provides a request in writing with reasons for non-compliance within the conditions of the agreement.
5. Further to the request in 4. the CAO may grant an extension to the contractor if there are extraordinary circumstances and if there is minimal impact on the Town


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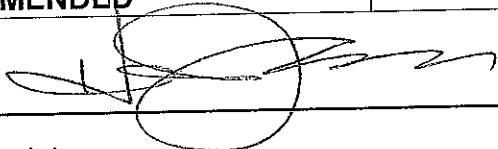


- or there are time sensitivities. Further the CAO may refer the requests to the Town Council for a final decision.
6. No bid deposit or performance deposit shall be returned unless all conditions of the contract have been met and the work completed.
 7. Contractors who have had their bid deposit or performance deposit forfeited may request in writing to the Town Council, that part or all of the deposit be returned.
 8. The CAO will advise Council of any breaches or extensions granted to any contract.
 9. Any employee of the Town is subject to the Purchasing Policy (B001) and the Human Resource Policy (B007) and who is in a position to administer contract documents on behalf of the Town shall disclose to the CAO any interest, association or relationship they may have with anyone who provides a quotation or bid on any Town work:
 - a) the CAO will determine whether to relieve that employee of any involvement in the matter; and
 - b) if a family member is involved, the CAO will reassign the responsibility of the work to another employee.
 10. RFP documents must include a requirement that within four (4) working days of awarding the contract the successful bidder must:
 - a) provide proof of insurance coverage; and
 - b) provide Worker's Compensation Board clearance letter; and
 - c) sign and return contract documents.
 11. Call for RFPs must provide for a minimum two weeks' notice period.

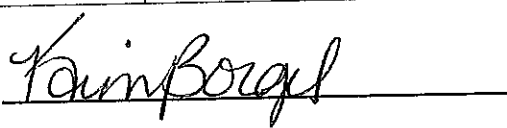
IMPLEMENTATION

1. This policy shall be posted on the website.
2. Policy 1.7 is hereby repealed.


	Date	Resolution Number
APPROVED	Jan 19, 2017	
AMENDED		
AMENDED		



 Bud James
 Mayor of the Town of Killam



 Kimberly Borgel
 CAO of the Town of Killam


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Title	Insurance-Additional Named Insured (ANI)	Policy number	B003
Policy Reference			

PURPOSE

To enable the Town to extend property and liability insurance coverage to municipally related non-profit groups under the Town's insurance policy obtained through the MUNIX Reciprocal, operated by the AMSC allowing these groups to more effectively manage costs.

DEFINITIONS

"MUNIX Reciprocal" means the self-insured reciprocal insurance operated by AMSC.

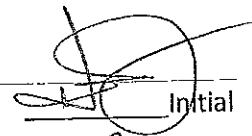

"AMSC" means the Alberta Municipal Services Corporation.

"Additional Name Insured (ANI)" means a municipally related non-profit organization added to the Town policy after the policy is written that extends to that organization the same rights and responsibilities as the Town described in the policy declarations.

POLICY

The municipally related non-profit groups for which additional named insured (ANI) coverage will be extended are:

1. Chamber of Commerce
 - a. The Chamber of Commerce is included as an additional insured on the Town insurance policy. The Chamber is responsible for the additional insurance premiums incurred for liability and crime.
2. Killam Municipal Library
 - a. The Killam Municipal Library is included as an additional insured on the Town insurance policy. The Library is responsible for the additional insurance premiums incurred for liability, crime and contents.
3. Killam Seniors Centre
 - a. The Killam Seniors Centre is insured under the town insurance policy as an ANI with the Killam Seniors Centre paying the premium for contents insurance

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IMPLEMENTATION

1. This policy shall be posted on the website.
2. Policy 1.8 is hereby repealed.

	Date	Resolution Number
APPROVED	Jan 19, 2017	
AMENDED		
AMENDED		

 Bud James
 Mayor of the Town of Killam

Kim Borgel

 Kimberly Borgel
 CAO of the Town of Killam

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Title	Administration Service Fees	Policy number	B004
Policy Reference			

PURPOSE

To establish administration service fees schedule enabling the Town to recover Administrative costs.

DEFINITIONS

"Administration Service Fee" means the fee charged to cover the costs of the Town administrative services performed.

"NSF" means a cheque returned as insufficient funds.

"Historical Searches" for searches such as utilities and taxes, that are two years and older and applies per property or account

"Recreation Board" except for the administration fee all other services are charged as a book figure only

"Assessment Information" relates to non-Town property owners and the fee applies per property

POLICY

1. Tax Certificates	\$25.00
2. Letter of Compliance	\$150.00
3. Assessment Information	\$10.00
4. Historical searches	\$25.00
5. NSF Cheque Fees.....	\$50.00
6. Annual Administration fee:	
Killam Municipal Library	\$1,500.00
Recreation Board	\$8,000.00
Killam Cemetery.....	\$1,000.00
Sedgewick Killam Natural Gas System	\$6,000.00

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1. This policy is reviewed annually during budget deliberations.

IMPLEMENTATION

1. This policy shall be posted on the website.
2. Policy 1.9 is hereby repealed.

	Date	Resolution Number
APPROVED	Feb. 16/17	
AMENDED		
AMENDED		

Bud James
Mayor of the Town of Killam

Kimberly Borgel
CAO of the Town of Killam

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Title	Back-up and Storage of Electronic Files	Policy number	B005
Policy Reference			

PURPOSE

To ensure the Town has appropriate and safe off-site backup and storage of important files to ensure access, recovery and business resumption in the event of an emergency.

DEFINITIONS

"Off-site backup and storage" a location other than the Town office.

"Files" means information related to the essential operation of the Town contained in electronic format.

"Computer disks" means actual computer disks or other electronic means such as a portable storage device (usb or flash drive) that contains duplicate or backed-up files of essential information that can be recovered, restored and enable resumption of operations.


"Emergency" means a situation that has disabled access to files necessary for Town operations.

POLICY

1. The Battle River Credit Union is authorized on behalf of the Town to receive the Town computer disk files for safekeeping.
2. Files are to be backed-up on a weekly basis.
3. Files are to be kept in a properly ventilated and locked storage area.

IMPLEMENTATION

1. This policy shall be posted on the website.


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2. Policy 1.13 is hereby repealed.

	Date	Resolution number
APPROVED	Jan 19, 2017	
AMENDED		
AMENDED		

Bud James
Mayor of the Town of Killam

Kimberly Borgel
CAO of the Town of Killam

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Title	Records Management and Retention	Policy number	B006
Policy Reference		MGA FOIPP PIPEDA	

PURPOSE

To preserve a documentary record of required information and to ensure that it is appropriately identified, organized, controlled, protected, retained, retrievable or disposed of; for the purposes of risk mitigation, potential litigation, fiscal audits, operational and historical uses and to fulfill the requirements of the MGA, other legislation and best practises.

DEFINITIONS

"MGA" means Municipal Government Act.

"CAO" means Chief Administrative Officer or their Designate.

"Designate" means a person other than the CAO authorized to make the information available.



"Records Officer" means the staff designated by the CAO to manage the recording, organizing, controlling, protecting, retaining, retrieving or disposal of documents.

"FOIPP" means Freedom of Information and Protection of Privacy legislation.

PIPEDA" means Personal Information Protection and Electronic Documents Act.

POLICY

1. The CAO will make Town information accessible to the public within a reasonable timeframe and upon payment of a reasonable fee.

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2. Based on the potential purposes, the CAO will approve a procedure for each category of the records including:
 - a. Length of time in short term storage - a location where the records would be readily available for day to day use.
 - b. Length of time in long term storage - a central "dead storage" facility where documents can still be retrieved as needed.
 - c. A date for destruction of documents.
 - d. If the need arises for a document or series of documents to be made available, once the documents are identified, the Records Officer will be responsible for segregating the document(s) and ensuring that they are not destroyed.

3. The CAO will withhold from the public the following:
 - a. commercial information and commercial secrets; and
 - b. information that must be kept confidential because its disclosure would harm or compromise the Town; and
 - c. personal information about employees and others; and
 - d. drafts of reports except those that are released at a Public Hearing or in an open Council Meeting; and
 - e. information that if disclosed, would prejudice security and maintenance of the law; and
 - f. information about taxes and tax assessment (except as otherwise provided in B004); and
 - g. information placed before Council at an in-camera meeting.

4. The CAO will remain familiar with all the categories of confidential information and make the decision to disclose on a case by case basis with the assistance of legal counsel if so warranted by the CAO.

5. If the CAO elects not to disclose the information, a written notice is to be provided within a reasonable time and include the reason(s) why the information was withheld.
 - a. The notice will inform the individual whose request was denied that they may request that Council order the disclosure of otherwise confidential information;
 - b. The person receiving the written notice may then appeal the decision to Council;

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- c. The CAO will bring to the attention of Council under appropriate circumstances, instances where information is withheld from the public and why; and
- d. Council may decide to disclose otherwise confidential information if the public interest warrants it.

IMPLEMENTATION

- 1. This policy shall be posted on the website.
- 2. Policy 1.14 is hereby repealed.

	Date	Resolution Number
APPROVED	Jan 19, 2017	
AMENDED		
AMENDED		

Bud James
Mayor of the Town of Killam

Kimberly Borgel
CAO of the Town of Killam

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