

## POLICY #218C

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<b>Policy Title:</b>	<b>Procurement Policy</b>
<b>Policy Number:</b>	<b>218C</b>
<b>Approval:</b>	<b>Town Council</b>
<b>Review Date:</b>	<b>July 8, 2024, <u>Motion 24-303</u></b>
<b>Review Date:</b>	<b>March 11, 2019, <u>Motion 19-79</u></b>
<b>Approved Date:</b>	<b>March 25, 2013</b>
<b>Supersedes Policy No.:</b>	<b>New</b>

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### 1. Policy Statement:

The Town is committed to the acquisition of goods and services at the best value while treating all vendors equitably through procurement processes that ensure integrity, transparency, accountability, efficiency and consistency.

### 2. Purpose:

The purpose of this policy is to establish a basic direction, philosophies, and values for the procurement of goods and services for use by the Town.

### 3. SCOPE

The policy applies to employees or council members who purchase, rent, or lease on behalf of the Town.

#### 3.1 This policy does not apply to:

- 3.3.1 Purchase or sale of land
- 3.3.2 Investments or borrowing
- 3.3.3 Postage purchases
- 3.3.4 Employee vehicles use expenditure
- 3.3.5 Payroll withholding remittances
- 3.3.6 Training fund disbursements
- 3.3.7 Membership and subscription payments
- 3.3.8 Grants to nonprofit agencies and societies
- 3.3.9 Employment service/agreements
- 3.3.10 Development agreements excluding construction
- 3.3.11 Legal services
- 3.3.12 Provincial and federal funding agreements and grant applications
- 3.3.13 Corporate or individual staff memberships
- 3.3.14 Various rights of use, easements, encroachments, crossing agreements, etc.
- 3.3.15 The acquisition of art for the Town

#### 4. Standards:

- 4.1 The Town will manage its procurement activities in accordance with all applicable legislation including but not limited to the trade agreements as well as competitive bidding law and procurement best practices.
- 4.2 Procurement authority is delegated from Council to the Chief Administrative Officer through the budget process and through Council resolutions and bylaws.
- 4.3 The Chief Administrative Officer may delegate procurement authority to department directors, who may further delegate that authority to appropriate personnel.
- 4.3.1 All procurement of the Town of Olds shall follow procurement procedures and practices established and ratified by the Chief Administrative Officer.
- 4.4 The Chief Administrative Officer is given the authority to override procurement policy and procedures when required as a sound business decision, in accordance with the following Sole Sourcing purchases, which 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 review. A single source purchase may occur:
- 4.4.1 Where 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;
- 4.4.2 Where an item is purchased for testing or trial use;
- 4.4.3 Where the Town purchases the supplies for resale;
- 4.4.4 Purchase from another vendor would violate warranties and guarantees where service is required;
- 4.4.5 For matters involving security or confidential issues a purchase may be made in a manner that protects the confidentiality of the contractor of the Town;
- 4.4.6 In the event of an emergency.
- 4.5 Table 1 – Summary of Procurement Process based on Procurement value, for **Good or Services**

Procurement Threshold	Process	Process Required
0 - \$4,999	Direct Purchase	<ul style="list-style-type: none"><li>• Direct purchases should be made locally whenever a local vendor is available and competitive.</li></ul>
\$5,000 to \$9,999	Non-competitive	<ul style="list-style-type: none"><li>• Three verbal quotes are recommended but not required.</li><li>• Local preference can be given when vendor is available and competitive.</li></ul>
\$10,000 to \$74,999	Informal Competitive Bidding Process	<ul style="list-style-type: none"><li>• Three written quotes are required.</li><li>• Local preference can be given when vendor is available and competitive.</li></ul>
Equal to or greater than \$75,000	Formal Competitive Bidding Process	<ul style="list-style-type: none"><li>• Fully open competition.</li><li>• Proposals are required from Proponents.</li><li>• Must be posted on Alberta Purchasing Connection.</li></ul>

Note – a formal competitive bidding process can be chosen for any value.

4.6 Table 2 – Summary of Procurement Process based on Procurement value, for **Construction**

<b>Procurement Threshold</b>	<b>Process</b>	<b>Process Required</b>
0 - \$9,999	Direct Purchase	<ul style="list-style-type: none"> <li>• Direct purchases should be made locally whenever a local vendor is available and competitive.</li> </ul>
\$10,000 to \$199,999	Written Quotation Process	<ul style="list-style-type: none"> <li>• Three written quotes are required.</li> <li>• Local preference can be given when vendor is available and competitive.</li> </ul>
Equal to or greater than \$200,000	Formal Competitive Bidding Process	<ul style="list-style-type: none"> <li>• Fully open competition.</li> <li>• Proposals are required from Proponents.</li> <li>• Must be posted on Alberta Purchasing Connection.</li> </ul>

Note – a formal competitive bidding process can be chosen for any value.

## **5. Records Management**

- 5.1** All Policy and Procedures are records of the Town of Olds and as such are subject to the Records Management Bylaw Schedule.