



Section	Policy No.	Page
Financial	16-19	1 of 6
Policy Title	Date:	Motion No.
Purchasing and Procurement	[Keywords]	[Category]

## Purpose

This policy establishes a framework for the procurement of goods, services, and construction that ensures fairness, transparency, and accountability. It supports consistency in purchasing practices, maximizes the value of municipal funds, and aligns with legislative requirements and trade agreements. It further provides the flexibility to address operational and emergent needs while upholding the County's commitment to responsible financial stewardship.

## Scope

This policy applies to procuring all goods, services, and construction by County departments, boards, and committees. Exemptions may apply where required by law or specific Council direction.

## Definitions

- **Competitive Procurement:** The process of soliciting bids, quotes, or proposals from multiple suppliers to ensure fair competition and best value for the County.
- **Emergency Procurement:** The acquisition of goods, services, or construction during an emergency when standard procurement processes cannot be followed due to immediate risks to life, property, public safety, or the environment.
- **Enterprise Resource Planning (ERP) system:** The County's central financial and administrative system for processing purchases and managing financial transactions.
- **Purchase Order (PO):** A formal document issued by the County to authorize the purchase of goods, services, or construction, which includes terms, conditions, and approvals.
- **Purchase Splitting:** The intentional division of a single procurement need into multiple transactions or invoices over a short period of time or from the same supplier, where a total combined value exceeds the threshold.
- **Signing Authority:** The delegated authority to commit County funds through approvals of contracts, purchase orders, or expenditures, as defined in Policy 16-9 Signing Authority.
- **Single-Source Procurement:** A non-competitive procurement process in which goods or services are acquired from a chosen supplier despite the existence of alternative suppliers. Justifications may include standardization, past performance, or other strategic considerations.
- **Sole-Source Procurement:** A non-competitive procurement process where goods or services are acquired from a single supplier because no alternative suppliers exist due to proprietary rights, unique expertise, or compatibility requirements.



Section	Policy No.	Page
<b>Financial</b>	<b>16-19</b>	<b>2 of 6</b>
Policy Title	Date:	Motion No.
<b>Purchasing and Procurement</b>	[Keywords]	[Category]

## Policy Guidelines

### 1. Guiding Principles

The County's purchasing and procurement activities will adhere to the following principles:

- **Transparency and Accountability:** To maintain public trust and demonstrate responsible use of municipal funds, all procurement decisions and processes must be open, well-documented, and auditable.
- **Value for Money:** The County will strive to maximize the value of every dollar spent by considering cost, quality, service, and long-term benefits in all procurement decisions.
- **Fair and Open Competition:** Procurement will foster a competitive environment, ensuring all qualified suppliers have equitable opportunities to bid and will comply with applicable trade agreements such as the Canadian Free Trade Agreement (CFTA) and the New West Partnership Trade Agreement (NWPTA).
- **Ethical Conduct:** To avoid conflicts of interest, all employees and elected officials involved in procurement must act with integrity and impartiality and in accordance with the Municipal Government Act (MGA), this policy, and any applicable municipal codes of conduct.
- **Sustainability:** Where feasible, environmental, social, and economic sustainability will be considered.
- **Flexibility for Emergent Needs:** Procurement processes will balance consistency with the flexibility required to respond to urgent or unforeseen circumstances while maintaining accountability.

### 2. Purchase Orders (POs)

#### 2.1. Purchase Order Requirement

- A purchase order is required for all purchases with a **total cost of \$10,000 or more**, excluding taxes, duties, or shipping.
- All items or services included on a single purchase order count toward the \$10,000 threshold.
- Purchase splitting is not permitted. Purchases must not be split into multiple orders or invoices to avoid reaching the threshold or bypassing other policy requirements.

#### 2.2. Approval Requirements

- Purchase orders must be approved in accordance with the Signing Authority Policy and associated administrative directive on Signing Authority, Delegation, and Approval.
- No payment may be issued, regardless of method, until the appropriate approvals are obtained.

#### 2.3. Payment Restrictions

- If a purchase order is required, **payment cannot be made via credit card.**
- Payment must follow the approved procurement method and reflect the authorized PO.

#### 2.4. Electronic Approvals

- Purchase orders may be electronically signed and approved using County-approved platforms (e.g. ERP, Laserfiche).
- All electronic approvals must comply with County policies on digital security, signing authority and record retention.



Section	Policy No.	Page
<b>Financial</b>	<b>16-19</b>	<b>3 of 6</b>
Policy Title	Date:	Motion No.
<b>Purchasing and Procurement</b>	[Keywords]	[Category]

## 2.5. Exemptions from Purchase Order Requirement

- A purchase order is not required for the following categories. However, using a PO is encouraged to support tracking and budget management when possible. Exemptions do not remove the requirement to comply with procurement thresholds and competitive solicitation requirements.
  - **Low-value purchases:** Transactions under \$10,000 (excluding taxes, duties, or shipping). Quotes are encouraged where practical.
  - **Recurring or pre-approved payments:** Payments that are routine, cyclical, or governed by external requirements:
    - Utility services (e.g. electricity, water, telecommunications).
    - Insurance premiums.
    - Memberships, subscriptions, or software licenses.
    - Banking or financing fees (e.g. loan servicing, interest, or bank fees).
    - Inter-governmental transfers, statutory remittances, and requisitions (e.g., payroll-related remittances, grant payments, requisitions, etc.).
    - Grant-directed payments where a funding agreement or external agency designates the vendor terms.
  - **Employee-related payments:** Payments related to individual employee activities or professional development. This includes:
    - Employee and Councillor expense claims.
    - Training, conferences, or course expenses.
  - **Contract-based transactions:** Payments made under current, signed, and fully executed contracts that were procured or approved in compliance with this policy and applicable thresholds. Examples include:
    - Professional services (e.g., legal, engineering fees).
    - Construction progress payments.
  - **Council-directed payments and contributions:** Payments to individuals or organizations that have been specifically approved by Council resolution, bylaw, or approved grant program. This includes:
    - Scholarships, awards, or bursaries.
    - Community grants or funding contributions.
    - Payments to external organizations authorized by Council (e.g. requisition, inter-municipal agreements).
  - **Refunds or reimbursements:** Refunds or reimbursements to individuals or organizations for overpayments, deposits, or cancellations.



Section	Policy No.	Page
<b>Financial</b>	<b>16-19</b>	<b>4 of 6</b>
Policy Title	Date:	Motion No.
<b>Purchasing and Procurement</b>	[Keywords]	[Category]

### 3. Competitive Procurement

#### 3.1. Procurement Thresholds

- **\$10,000 to \$30,000:** A minimum of two written quotes is required.
- **\$30,001 up to \$75,000 (Goods/Services) or \$30,001 up to \$200,000 (Construction):** A minimum of three written quotes is required.
- **\$75,000 and over (Goods/Services) or \$200,000 and over (Construction):** Public solicitation is required, following applicable trade agreements.

#### 3.2. Purchases Through Authorized Buying Groups

- Purchases made through authorized cooperative buying groups, including but not limited to Rural Municipalities of Alberta (RMA), are exempt from further competitive processes.
- Such purchases are deemed compliant with trade agreements, including the CFTA and NWPTA, provided the buying groups follow the competitive procurement practices required by these agreements.
- Documentation of the cooperative procurement process, such as contracts or agreements from the buying group, must be retained for audit and reporting purposes.

#### 3.3. Construction Procurement

- For construction contracts, including road construction projects:
  - Competitive procurement must follow thresholds in 3.1.
  - Performance bonds and other security requirements may be specified in tendering documents or agreements based on the value and risk of the project.
  - Administration is authorized to consider reducing security requirements, such as performance bonds, for road construction projects valued at \$300,000 or less, based on assessing project risk and vendor performance history.
  - All adjustments to security requirements must comply with applicable trade agreements and protect the County's financial interests.

### 4. Non-Competitive Procurement

#### 4.1. Sole-Source Procurement

- Sole-source procurement is permitted when no reasonable alternative supplier exists, and a competitive process is not feasible. Acceptable circumstances may include, but are not limited to:
  - Proprietary or patented goods or services available only from a single source.
  - Specialized equipment or technology requiring compatibility with existing systems or infrastructure.
  - Emergency situations where delay would pose a risk to health, safety, the environment, or the effective delivery of essential services (see Section 5).
- All sole-source procurements must be supported by written justification and approved in accordance with the Signing Authority and applicable administrative directives.



Section	Policy No.	Page
<b>Financial</b>	<b>16-19</b>	<b>5 of 6</b>
Policy Title	Date:	Motion No.
<b>Purchasing and Procurement</b>	[Keywords]	[Category]

## 4.2. Single-Source Procurement

- Single-source procurement is used when other suppliers exist, but a specific supplier is selected based on objective and documented justification. Acceptable reasons may include, but are not limited to:
  - Standardization or compatibility with existing equipment, systems, or processes.
  - Demonstrated superior performance or value from previous contract.
  - Unique qualifications or expertise not reasonably matched by other suppliers.
  - Strategic or operational considerations, such as supplier location or responsiveness.
- All single-source procurements must be supported by written justification.
- Single-source procurement exceeding \$50,000 requires CAO approval.

## 4.3. Special Circumstances

- If quotes cannot be obtained due to a lack of competition, sole-source situations, or other valid reasons, the CAO or designate must approve a written justification.

## 5. Emergency Procurement

### 5.1. Activation and Authority

- Emergency procurement may be used when an emergency presents an immediate risk to life, property, critical infrastructure, public safety, or the environment, or when emergency response is activated under the County's Business Continuity Plan (BCP) or the Kneehill Regional Emergency Management Agency (KREMA) Emergency Management Plan.
- The CAO, or designate, is authorized to approve procurement actions outside standard processes (e.g. Tender, RFP) during an emergency.
- Where applicable, emergency procurement may also be carried out under the authority of the County's Director of Emergency Management (DEM), in alignment with the Emergency Management Act and KREMA protocols.

### 5.2. Reporting Requirements

- Emergency procurement activities must be reported to Council within 30 days of the event.
- If the emergency requires ongoing procurement or results in significant expenditures, the CAO must provide regular updates to Council, either at subsequent Council meetings or as part of the County's Business Continuity Plan (BCP) reporting framework.



Section	Policy No.	Page
<b>Financial</b>	<b>16-19</b>	<b>6 of 6</b>
Policy Title	Date:	Motion No.
<b>Purchasing and Procurement</b>	[Keywords]	[Category]

## 6. Compliance and Monitoring

The Director of Corporate Services and the CAO are responsible for managing and enforcing this policy.

### 6.1. Non-Compliance

Failure to comply with this policy may result in:

- Internal audits or investigations to address breaches.
- Disciplinary action in accordance with County human resources policies.
- Reporting significant breaches to Council or external regulatory bodies, as required.

### 6.2. Monitoring and Enforcement

- Corporate Services will oversee regular audits of procurement activities and provide training or guidance to employees to ensure adherence.
- Deviations from this policy must be documented with written justification and approved by the CAO or designate.

Kenneth King,  
Reeve

Mike Haugen,  
CAO

Approved: September 9, 2008 414/08  
 Amended: August 20, 2013 372/13  
 Amended: January 26, 2016 33/16  
 Amended: December 13, 2016 533/16  
 Amended: [Keywords] [Category]  
 Review Date: July 2029

