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| Policy Number: | P0225C |
| Department: | Corporate & Community Services |
| Authority: | Council (M2025.356) |
| Effective Date: | September 22, 2025 |
| Review Date: | September 22, 2028 |
| Supersedes | #C-09-20 #C-02-17 #C-03-09 |

1. PURPOSE

- 1.1. Establish the foundation for purchasing procedures for the *Town of Drumheller* to ensure the *Town* obtains the necessary materials, equipment, supplies, and services in an efficient and effective manner.

2. POLICY STATEMENT

- 2.1. The *Town of Drumheller* will make every effort to ensure that the procurement of *goods and services* and *construction projects* is conducted using purchasing practices that are fair, consistent, transparent and in accordance with applicable provincial and federal legislation, while seeking to obtain the *best value* for the *Town*.

3. SCOPE

- 3.1. This Policy applies to all employees of the *Town of Drumheller*.

4. DEFINITIONS

- 4.1. For the purposes of this Bylaw, the following definitions shall apply:
- a) “*Access to Information Act*” or “*ATIA*” means the *Access to Information Act, S.A 2024, c.A-1.4*, as amended from time to time, and its successor legislation;
 - b) “*Alberta Purchasing Connection*” or “*APC*” means the Government of Alberta electronic tendering system that meets the interprovincial tendering requirements of the Canadian Free Trade Agreement (CFTA);

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- c) “*Best Value*” means the most advantageous balance between quality, specifications, service, timely delivery, assurance of supply and delivery, experience, and price;
 - d) “*Bidding System*” means the online web-based solution for issuing bids, receiving online submissions, and posting bid results;
 - e) “*Buying Group*” means a non-profit organization representing two or more public sector entities and/or non-profit organizations that combine the purchasing requirements and activities of the group members into one joint procurement process;
 - f) “*Chief Administrative Officer*” or “*CAO*” means the person appointed as *Chief Administrative Officer* for the *Town of Drumheller*, or their designate;
 - g) “*Construction Project*” means infrastructure construction including roads, water, wastewater, buildings, site improvements, etc., that results in a tangible capital asset;
 - h) “*Corporate Credit Card Use Policy*” means the *Town of Drumheller* Corporate Credit Card Use Policy #CS-A-02, as amended from time to time, or its successor policy;
 - i) “*Council*” means the duly elected Mayor and Councillors of the *Town of Drumheller*;
 - j) “*Direct Purchase*” means a purchase of a good or service direct from a supplier without the sourcing of comparative pricing and is typically the method used for small, incidental, low value purchases where the cost of sourcing comparative pricing outweighs the benefit;
 - k) “*Emergency Purchase*” means an expenditure that is required to mitigate an immediate risk to the health or safety of the general public or municipal employee(s) or to mitigate an immediate risk of damage to municipal or private property or the environment;
 - l) “*Goods and Service*” or “*Goods or Services*” means all purchases including professional services and operational contracts, with the exception of construction;

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- m) “*Limited Bidding*” means a procurement method in which the *Town* selectively invites supplier(s) or contractor(s) to submit bids, based on a pre-qualification process;
 - n) “*Lowest Evaluated Cost*” means the price offered by a supplier, service provider, or contractor that is found to be the lowest after consideration of all relevant factors and the calculation of any weighting for these factors, provided that such factors have been specified in the bid documents;
 - o) “*New West Partnership Trade Agreement (NWPTA)*” means the interprovincial agreement between Alberta, British Columbia, Saskatchewan, and Manitoba ensuring fair and open tendering and procurement by way of tendering requirements outlined for prescribed financial thresholds;
 - p) “*Person*” means a natural person or a corporation, and includes a partnership, an association, or a group of people acting in concert unless the content explicitly or necessarily implies otherwise;
 - q) “*Procurement Card*” means the corporate credit card or other purchasing card such as a fuel card issued to an authorized purchaser;
 - r) “*Protection of Privacy Act*” or “*POPA*” means the *Protection of Privacy Act, R.S.A 2024, c-P-28.5*, as amended from time to time, and its successor legislation;
 - s) “*Purchase Order*” or “*PO*” means a formal document issued by the *Town* to a supplier authorizing the purchase of specified *goods or services* at agreed prices, terms, and conditions;
 - t) “*Request for Quotation*” or “*RFQ*”, which means a request for a supplier to provide pricing on specific product and/or services that is clearly defined and where the purchase is of low value or risk to the *Town*;
 - u) “*Request for Proposal*” or “*RFP*” which means an invitation for a supplier to showcase their expertise by proposing how their services, products, and methods can provide a solution to a problem, requirement, or objective. The scope of the project, the deliverables, and the criteria by which submissions will be evaluated against must be defined within the proposal;
 - v) “*Request for Tender*” or “*RFT*” which means a formal public invitation to suppliers to bid on the provision of a service at a specific price based on detailed specifications

and is used where *goods or services* are of a high value and/or high risk and result in a formal contract for which little flexibility is required;

- w) “*Sole Source*” means the purchase of *goods or services* from a single supplier without competition when no reasonable alternative sources exist, requiring proper justification and approval in accordance with this Policy;
- x) “*Standing Offer*” means a pre-arranged agreement between the *Town* and a supplier to provide *goods or services* at predetermined prices, terms, and conditions, to be ordered as required over a specified period; and
- y) “*Town of Drumheller*” or “*Town*” means the *Town of Drumheller*, a municipal corporation in the Province of Alberta, and includes the area contained in the corporate boundaries of the *Town of Drumheller*, as the context may require.

5. RESPONSIBILITIES

5.1. *Council* is responsible for:

- a) allocating resources through the adoption of the annual operating and capital budgets; and
- b) authorizing purchases that exceed the approved annual operating and capital budgets or exceed the *Chief Administrative Officer’s* signing authority, as outlined in Schedule ‘B’ of this Policy.

5.2. The CAO is responsible for:

- a) the overall oversight of all municipal operations and staff, as per the approved operating and capital budgets, and policies and procedures of the *Town*.

6. POLICY GUIDELINES

6.1. To maintain the following general principles, the *Town* shall:

- a) use the *best value* consideration for procurement of *goods and services* and *construction projects*, whenever feasible;
- b) maintain a high level of accountability;
- c) procure the necessary quality and quantity of *goods and services* and *construction projects* in an efficient, timely, and cost-effective manner, while maintaining the controls necessary for a public institution;

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- d) encourage an open, non-discriminatory bidding process practicable for the acquisition of *goods and services* and *construction projects*;
 - e) recognize the value of supporting local businesses wherever possible, subject to the terms and conditions of this policy;
 - f) comply with all applicable federal and provincial legislation and regulations and the bylaws and policies of the *Town*;
 - g) promote positive vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards;
 - h) consider local suppliers and contractors for *goods and services* and *construction projects*, where doing so aligns with the *best value* for the *Town*;
 - i) comply with the Canadian Free Trade Agreement (CFTA), the *New West Partnership Trade Agreement (NWPTA)* or any other agreements that binds the *Town* to ensure fair and open procurement opportunities; and
 - j) ensure the confidentiality and privacy of information received during procurement activities is respected and is not used for personal gain, nor disclosed improperly, ensuring all communications and decisions are fair, accurate, and not misleading.

7. PURCHASING REQUIREMENTS

- 7.1. All expenditures must be approved through the adoption of annual operating, utility, or capital budgets, or must be approved by a resolution of *Council*.
- 7.2. All expenditures that exceed the approved annual operating, utility, or capital budgets, or where sufficient funds are unavailable, must receive prior approval by *Council*.
- 7.3. The procurement of *construction projects* and *goods and services* that are funded in whole or in part by another granting body shall be made in accordance with the regulations outlined by said granting body.

8. PROCUREMENT PROCESS

- 8.1. The procurement process shall be conducted based on the value of the procurement, as outlined in Schedule 'A' of this Policy.
- 8.2. During an informal competitive bidding process, as outlined in Schedule 'A' of this Policy, if three (3) written quotations are not available due to supplier limitation, this requirement may be waived with the written approval of the *Chief Administrative Officer*.

8.3. Notwithstanding section 8.1, the following expenditures shall not require a competitive purchasing process:

- a) *emergency purchases*, conducted in accordance with section 13 of this Policy;
- b) legal services;
- c) banking services;
- d) acquisition or rental of Land;
- e) non-profit organizations or public bodies, excluding *buying groups*; and,
- f) software licences.

8.4. *Town* employees are authorized to commit the *Town* to an expenditure, either by signing a contract, issuing a *Purchase Order*, or using a *procurement card* in accordance with the signing authority limits listed in Schedule 'B' of this Policy.

8.5. The *Town of Drumheller* may issue a standing offer with vendors for the provision of recurring *goods or services* at predetermined prices over a set period of time.

9. ADVERTISING

9.1. Advertising on the *Alberta Purchasing Connection (APC)* and the *Town's Bidding System(s)* shall be required when:

- a) the cost of procuring *goods and services* and *construction projects* is estimated to be equal to or greater than \$75,000; or
- b) where funding is provided by another order of government.

9.2. Awards for a *Request for Proposal (RFP)* and a *Request for Tender (RFT)* shall be advertised on the *Town's Bidding System(s)*.

10. PROCUREMENT CARDS

10.1. *Procurement Cards* shall be issued to staff in accordance with the *Corporate Credit Card Use Policy*.

11. CONTRACTUAL COMMITMENTS AND LIMITATIONS

11.1. All contracts must have a fixed term and fixed number of extensions and, upon completion

of the contracts term, a new procurement process must be initiated to ensure continued *best value* and competitive pricing.

12. SOLE SOURCE PROCUREMENT

12.1. Sole source procurement may occur when:

- a) it is for a direct purchase under \$10,000, in accordance with Schedule 'A' of this Policy;
- b) the *goods or services* are being purchased for resale;
- c) an attempt to acquire the required *goods or services* or *construction project* by soliciting competitive bids has been made in good faith, but has failed to identify more than one (1) willing and responsive vendor;
- d) the confidential or security-related nature of the procurement is such that it would not be in the public interest to solicit competitive bids;
- e) the compatibility of a purchase with existing equipment, facilities, or services is a paramount consideration;
- f) necessary to maintain an existing warranty from a previous vendor;
- g) the required *goods or services* or *construction project* are to be supplied by a particular vendor(s) having special knowledge, skills, expertise, or experience;
- h) purchasing through a *buying group*, in accordance with section 13 of this Policy. due to abnormal market conditions, when the *goods or services* required are in short supply.

13. BUYING GROUPS

13.1. The *Town* may purchase *goods or services* and *construction projects* through *buying groups* if the purchase is in accordance with *best value* and all other procurement obligations listed within this Policy.

13.2. The *Town* shall advertise the award of *goods and services* and *construction projects* through a *buying group* in accordance with section 9 of this Policy.

14. EMERGENCY PROCUREMENT

14.1. An *emergency purchase* may be made by direct purchase, if deemed necessary, but must be approved in writing by the CAO prior to purchasing.

14.2. If an *emergency purchase* is made, *Council* shall review the *emergency purchase* at the

next available regular *Council* meeting.

15. EVALUATION

- 15.1. The formal competitive bidding process shall include a clear and specific set of evaluation criteria, which shall be listed in the procurement document.

16. DISQUALIFICATION

- 16.1. The *Town* reserves the right to disqualify any submission that does not meet the requirements outlined in the procurement document(s).
- 16.2. Disqualifying factors may include, but are not limited to, the following:
- a) late submissions;
 - b) failure to provide bid security, bonding, insurance certificates, or mandatory documentation;
 - c) failure to attend mandatory site meetings;
 - d) failure to comply with technical or administrative submission requirements; or
 - e) non-conformance to mandatory specifications or project timelines.
- 16.3. The *Town* maintains sole discretion in determining the materiality of any irregularity and to decide whether any deviations are minor and may be waived in the best interest of the *Town*.

17. DEBARMENT AND SUSPENSION

- 17.1. If there is sufficient cause to believe a person has engaged in unethical conduct, malpractice, or improperly influenced the procurement process, the *CAO* may, after giving written notice establishing the cause and giving the person an opportunity to respond:
- a) suspend the person for a period not exceeding six (6) months from participating in solicitation; or
 - b) debar the person from participating in solicitation, acting as a contractor, subcontractor, or supplier to any person who is awarded a contract by the *Town of Drumheller*:
 - i) for a first (1st) instance, for a period not exceeding three (3) years;
 - ii) for a second (2nd) instance, for a period not exceeding five (5) years; or
 - iii) for third (3rd) and subsequent instances, for a period not exceeding ten (10)

years;

17.2. The cause of debarment includes:

- a) conviction for a criminal offence by a person, or a director or officer of such person, related to obtaining or attempting to obtain by the person a contract or subcontract, indicating a lack of business integrity or honesty which directly and seriously impacts the responsibility of the person, or arising out of the submission of bids, proposals, or other like procedures;
- b) serious breach of contract indicating an unwillingness or inability to perform a contract in accordance with the terms and conditions or in accordance with the specifications, or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof, or in accordance with its specifications; or
- c) the breach of any ethical or procurement standards set out in this Policy.

17.3. The cause of *debarment* may relate to a solicitation, award or performance of a *Town* contract, or any other unrelated matter.

17.4. The decision of the CAO shall be final, not subject to appeal, and shall take effect immediately upon the issuance of the written notice.

18. CONFLICT OF INTEREST

18.1. *Town* employees shall disclose any conflict of interest, actual or perceived, to the CAO.

18.2. *Notwithstanding section 18.1*, if the *Town* employee in question is the CAO, they will make any conflict of interest known to *Council*.

18.3. *Town* employees with procurement authority shall not authorize an expenditure or disbursement where they have direct benefit in the transaction such as training, conferences, travel, and accommodations associated with work.

18.4. Violations of this Policy may result in disciplinary action, up to and including dismissal.

19. INFORMATION AND CONFIDENTIALITY

19.1. The release of all information shall be done in accordance with the *Access to Information Act* and the *Protection of Privacy Act*.

19.2. During the procurement process, any information made available to a prospective vendor shall be made available to all prospective vendors in writing.

19.3. Information that may create unfair advantage will remain confidential and will not be

released to the public or a single potential vendor.

20. SCHEDULES

20.1. Schedule “A” and Schedule “B” are attached to and form part of this Bylaw.

21. TRANSITIONAL

21.1. This policy comes into effect on the day it is approved by a resolution of *Council* and signed by the Mayor and the CAO.

21.2. This policy will be reviewed at least every three (3) years.

21.3. This policy repeals Policy #C-09-20, Policy #C-02-17 and Policy #C-03-09.

REFERENCES

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|-------------------------------------|---|
| Legal Authority: | <i>Municipal Government Act</i> Canadian Free Trade Agreement Northwest Partnership Trade Agreement |
| Related Statutory Documents: | Corporate Credit Card Policy |
| Related Procedures: | |
| Related Forms: | |
| Other Related Documents: | Request for Proposal Request for Tender Request for Quotation Expressions of Interest |

REVISION HISTORY

| Revision | Motion | Date | Description |
|-----------|----------|--------------------|---|
| Adoption | 2025.356 | September 22, 2025 | Adoption of the Policy and the repeal of Policy # C-09-20, Policy #C-02-17 and #C-03-09 |
| Review | | | |
| Amendment | | | |
| Review | | | |

SCHEDULE 'A'

PROCUREMENT PROCESS

| PROCUREMENT VALUE | PROCUREMENT METHOD | PROCUREMENT METHOD |
|----------------------------|--------------------------------------|---|
| \$0 - \$9,999 | Direct Purchase | <ul style="list-style-type: none"> • Procurement Card or Purchase Order (PO). • Three (3) written quotes required at the Director's discretion. • Award based on Best Value or Lowest Evaluated Cost. |
| \$10,000 – \$74,999 | Informal Competitive Bidding Process | <ul style="list-style-type: none"> • PO or contract (depending on risk). • Three (3) written quotes required. • Award based on Best Value or Lowest Evaluated Cost. |
| \$75,000 or greater | Formal Competitive Bidding Process | <ul style="list-style-type: none"> • Contract. • Solicit bids through public competition using Request for Proposals (RFPs), Request for Tenders (RFTs), Pre-Qualifications (Pre-Quals), Limited Bidding, or Expressions of Interest (EOI). • Advertise publicly, including on Alberta Purchasing Connection (APC) and the Town of Drumheller Bidding System. • Award based on evaluation criteria. |

SCHEDULE 'B'

SIGNING AUTHORITY LIMITS

| STAFF POSITION | SIGNING AUTHORITY LIMIT |
|---|--------------------------------|
| Department Managers | \$10,000 |
| Director of Emergency and Protective Services | \$100,000 |
| Director of Corporate and Community Services | \$100,000 |
| Director of Infrastructure Services | \$250,000 |
| Chief Administrative Officer | \$500,000 |
| Council | Greater than \$500,000 |