

POLICY PURCHASING



Policy C099

1.0 POLICY

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

2.0 PURPOSE

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

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 of Banff, providing an economical and efficient service and shall provide fiscal responsibility and accountability.

3.0 SCOPE

The Purchasing Policy applies to the purchase of Goods and Services by any municipal employee or Council member on behalf of the Town of Banff. The policy governs the acquisition of Goods and Services, by purchase or lease, with municipal 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.

The Manager of Corporate Services 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.

4.0 RESPONSIBILITIES

- 4.1 All employees are responsible for:
- a) Maintaining high legal, ethical, managerial, 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 (see section 10.2).
 - g) Securing expense authorization prior to any purchase except Emergency Purchases. All related documentation shall be retained for review and auditing.
 - h) Using purchasing contracts when the Town gains an advantage by doing so.
 - i) Identifying and investigating a full range of potential goods or service providers before selecting one for an exclusive contract.

- j) Obtaining appropriate authorization for all purchasing contracts.
 - k) Obtaining legal assistance or advice if necessary for any non-standard clauses in purchasing contract.
 - l) Ensuring a Supplier of Goods and Services holds a valid Town of Banff business license where required.
 - m) Ensuring that each Contractor performing work for the Town that will or may have an environmental impact has read and signed a copy of the Contractor's Environmental Responsibilities checklist and form attached as Schedule I of this policy.
 - n) Forwarding a copy of the Contractor's Environmental Responsibilities checklist and form to the Environmental Coordinator.
- 4.2 Managers 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.
- 4.3 The Manager of Corporate Services 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.
 - d) Communication regarding all developments in the field of purchasing by all government agencies

5.0 DEFINITIONS

- 5.1 **Barter** means an exchange of goods or services between two or more parties where no money changes hands.
- 5.2 **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.
- 5.3 **Bid** means an offer to buy or sell goods or services by a vendor or purchaser.
- 5.4 **Budget** means a financial plan outlining expected revenues and expenditures for operating or capital assets that is formally reviewed and approved by Town Council.
- 5.5 **Cheque Requisition** means a form requesting a cheque be prepared for payment of a Town expense.
- 5.6 **Contract** means an agreement between two or more parties, written or verbal, comprising of an offer, acceptance, and consideration.
- 5.7 **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.
- 5.8 **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.

- 5.9 **Exclusive rights** means an arrangement with a Supplier whereby the purchaser undertakes to obtain related supplies or services only with that Supplier.
- 5.10 **Goods and Services** includes 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.
- 5.11 **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.
- 5.12 **Invitation to Tender** means a request for Bids for prices on specific goods and/or services from a Supplier submitted in writing.
- 5.13 **Local Business** includes any business holding a valid Town of Banff resident business license.
- 5.14 **Request for Proposal** means a request for Bids as to how the Supplier would address the need identified in the Request for Proposal document.
- 5.15 **Request for Quotation** means a request for Bids for prices on specific goods and/or services from a Supplier submitted verbally or in writing.
- 5.16 **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.
- 5.17 **Supplier** means any person or company that supplies goods or services to the Town. Also known as a contractor, seller, subcontractor, or vendor.
- 5.18 **Town** shall mean the Corporation of the Town of Banff.

6.0 RELATED POLICIES

- C092 – Corporate Credit Card
- C098 – Signing Authority
- C113 – Disposal of Fixed Assets

7.0 PURCHASING AUTHORIZATION

7.1 Purchase Authorization Limits

\$0 to \$5,000	A supervisor or manager shall review and authorize any purchase approved in the Budget with a total value \$5,000 and under.
\$5,000 to \$50,000	A manager shall review and authorize any purchase approved in the Budget with a total value between \$5,000 and \$50,000.
\$50,000 to \$250,000	A manager and the Manager of Corporate Services shall review and authorize any purchase approved in the Budget with a total value greater than \$50,000 and less than \$250,000.
\$250,000 or greater	The Town Manager shall review and authorize any purchase approved in the Budget over \$250,000.
Greater than 3 years and \$200,000 in value	The Town Council shall require the Town Manager to obtain Town Council authorization for purchase commitments or renewals longer than 3 years and greater than \$200,000 in value.

7.2 Non-Budgeted Purchases

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.

7.3 Emergency Purchases

Emergency situations occasionally arise within Town operations. 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. Any purchases made outside of normal purchasing procedures must be reported to the appropriate authority and to the Manager of Corporate Services as soon as is reasonably possible.

7.4 Barter Transactions

- a) Barter transactions are generally discouraged, but may be appropriate in special circumstances. They must be approved by the Manager of Corporate Services in addition to whatever approvals are required based upon the values involved.
- b) 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.

7.5 Authorization of Supplier Invoices

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.

7.6 Purchases over \$5,000 Initiated by Management

All purchases made on behalf of the Town of Banff must have an authorizing signature other than that of the initiator of the purchase. Where a manager or supervisor initiates a purchase, the authorization will be in accordance with paragraph 7.1 above, or the individual's direct supervisor, whichever level is higher.

8.0 PURCHASING PROCESS

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|--------------------|--|
| 0 - \$5,000 | <ul style="list-style-type: none"> a) Verbal or written quotations from one or more vendors. b) Use of normal invoice procedures, Town corporate credit card or via a Cheque Requisition. c) A verbal or written Request for Quotation may be used. |
| \$5,000 – \$50,000 | <ul style="list-style-type: none"> 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. |
| \$50,000 + | <ul style="list-style-type: none"> 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 of Banff 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.

9.0 CONTRACT INITIATION AND APPROVAL

- 9.1 A Town employee who initiated the expenditure should initiate a Contract.
- 9.2 The Manager of Corporate Services must approve all Contracts up to \$250,000 and the Town Manager must approve contracts over \$250,000.

10.0 SOLE SOURCE

Town employees must obtain written approval of the Sole Source acquisition by the Town Manager for exceptions to the requirement for quotations and proposals within this policy.

The Town identifies such instances as:

- 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.

11.0 PROCUREMENT PREFERENCES

- 11.1 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.
- 11.2 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. As a part of green procurement, contractors (if applicable) will sign the attached Contractor Environmental Responsibilities form in Schedule 1. 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.

12.0 PROHIBITIONS

The following activities are prohibited, unless specifically approved by Council:

- 12.1 The division of purchases to avoid the requirements of this policy by any method, including corporate credit cards.
- 12.2 Purchase by any employee or member of Council of any Goods and Services for personal use.
- 12.3 An employee shall not accept a gift, favour or service from any individual, organization or corporation, other than: the normal exchange of gifts between friends; the normal exchange of hospitality between persons doing business together, tokens exchanged as part of protocol; or the normal presentation of gifts to persons participating in public functions.
- 12.4 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.

13.0 ATTACHMENTS

Schedule I – Contractor Environmental Responsibilities

14.0 RELATED DOCUMENTS

Town of Banff Personnel Policy C002

This policy shall be in effect on the date it is approved by resolution of Council.

Karen Sorensen
Mayor

Robert Earl
Town Manager

APPROVAL HISTORY

Revised:	2011.05.09	COU11-111
Revised:	2008.04.28	COU08-108
Approved:	2006.03.27	COU06-117

SCHEDULE I

CONTRACTOR ENVIRONMENTAL RESPONSIBILITIES

This specification includes the following information:

- Environmental responsibilities information for Contractors working for the Town of Banff
- The Town of Banff Environmental Stewardship Policy
- Contractor Environmental Responsibilities Acknowledgement Form, all contractors hired by the Town must sign this form before beginning work

The purpose of this package is to inform contractors of their environmental responsibilities as a contractor for the Town of Banff.

Instructions

- All Contractors must review and sign the Contractor Environmental Responsibilities Acknowledgement Form prior to beginning work.
- The Contractor Environmental Acknowledgement Form must be completed by initializing the items within the checklist. Then sign the acknowledgement at the bottom of the document and forward to the Town's Environmental Coordinator.
- It is the responsibility of the Contractor to communicate this information to all onsite personnel that are engaged in carrying out the work or providing material to the job site. It is possible that during the course of the contract work, the Town of Banff may review the information in this document with the Contractor and their personnel.

The Town of Banff's Environmental Commitments

The Town of Banff has a significant influence on the local and surrounding environment. Therefore, ensuring that environmental considerations are part of all Town activities and operations is essential through the following elements:

- (a) Complying with applicable legislation
- (b) Conserving resources and preventing pollution
- (c) Continually improving our environmental performance

Performance of all contractual obligations is critical to our commitment to protect the environment and comply with all environmental laws and regulations.

Banff National Park Directive 17

This directive applies to all development which may impact the natural and cultural environments in Banff National Park (including Banff town site), and/or development which be affected by these environments. This directive will also apply to development which alters the function and appearance of existing structures. All Contractors under Contract to the Town of Banff are subject to the development guidelines contained within this directive.

Compliance

There are many laws and regulations relating to the protection of the environment. In these laws, all persons share responsibility for the environment. It the contractor’s responsibility to know which laws, regulations, approvals or permits relate to the work they are doing and ensure all requirements imposed by these laws are met. Failure to comply with legislation can result in prosecution and imprisonment.

Erosion and Sediment Control

Construction activities can result in an increase in erosion and sedimentation, and if left uncontrolled, can harm the environment, including loss of valuable topsoil and the subsequent sedimentation of rivers and other water bodies. There are many erosion and sedimentation concerns that arise due to construction activities. These include, but are not limited to, the following:

- Mud tracking from construction sites onto adjacent properties or streets
- Silt and debris washed into the existing storm sewer (or drainage) system
- Silt and debris transported to receiving watercourses
- Wind blown dust

To minimize these concerns during construction, good site management practices and erosion and sediment control practices must be employed.

There are a number of federal, provincial and municipal laws and bylaws governing erosion and sediment control. If activities involve moving dirt or the generation of sediment, it is important that recognized practices are used to minimize erosion and prevent movement of sediment offsite into watercourses and storm infrastructure.

Spills and Releases

Spills can cause environmental damage. If a substance leaks into a drain it can pollute the Bow River or other local watercourses. If humans are exposed to a hazardous substance, serious health effects can occur. If a substance is flammable, explosive, or reactive, it can also create other hazards.

If a spill or release occurs, the Contractor has a legal responsibility to report such an incident to the Town of Banff and Parks Canada and Alberta Environment.

Examples of Commonly Used Substances That May Cause an Adverse Effect on the Environment

Gasoline/Diesel Fuel	Paint	Propane
Antifreeze/Glycol	Solvents	Oil Containing PCBs
Lubricating Oil	Chemicals	Acids and Caustics
Hydraulic Fluid	Sewage	Fertilizers
Other Petroleum Products	Erosion/Sedimentation	Smoke/Fumes
Freon/CFCs	Ammonia	Chlorine
Industrial Wastes	Hot Asphalt	Pesticides

This list is not all-inclusive, and other substances may cause an adverse effect on the environment. More information can be obtained by contacting the Alberta Environment Information Centre at 780.427.2700.

Contamination Discovery

It is important to report any suspected contamination discovery, regardless of who caused it, to both the Town of Banff at 762.1240, Parks Canada at 762-1550 and Alberta Emergency Spills at 800.222.6514 toll free or dial 7378 if on a Telus Mobility plan cellular phone.

Reporting to a Regulatory Agency

There are specific legal requirements related to reporting spills and releases. Contractors must ensure that spills and releases are immediately reported to the appropriate regulatory agencies as required by law.

Release reporting is a requirement under the Alberta Environmental Protection and Enhancement Act (AEPEA). An adverse effect is defined in AEPEA as “impairment of or damage to the environment, human health or safety or property”. Failure to report could result in enforcement action against persons responsible, including you.

Release reporting is also a requirement of Federal, Provincial and Municipal legislation such as the Canadian Environmental Protection Act, Transport of Dangerous Goods Act and the Alberta Fire Code.

Reporting to the Town of Banff

Release reporting is a requirement of the Town’s Municipal Emergency Plan and Environmental Management Program, which is aimed at ensuring compliance with applicable emergency and environmental legislation.

Contractors must notify the Town’s project manager of a spill or release at the earliest possible opportunity. The name of the Town’s project manager should be identified on the Contractor Environmental Acknowledgement Form.

Cleaning up a Spill or Release

The most important component of managing a hazardous materials spill or release after ensuring the health and safety of the public and responders is to initiate steps immediately to control the environmental contamination.

Specifically what substance is spilled, the quantity of a substance spilled, and where a spill occurs, are all factors to consider when deciding what action must be taken.

It is the responsibility of whoever caused the spill or release into the environment to satisfactorily cleanup and, if necessary, remediate the affected area. The Contractor is responsible for identifying a satisfactory level of cleanup in consultation with the Town of Banff and relevant regulatory agencies.

Protecting Banff’s Trees

Trees are an important part of our natural environment. The intent of tree protection is to maintain trees as long-term assets to the community and the Town in general. They cool the town site, reduce water run-off and soil erosion, absorb noise and dust, and provide wildlife habitat. Banff’s trees represent a significant investment and are highly valued by our residents.

Public trees have come under increased stress in recent years due to redevelopment and construction activities. After a tree is established, any activity that changes the soil conditions or disturbs tree branches, trunks and root systems is extremely detrimental to a tree’s health. Changes can be brought on by soil compaction, excavation and altering grade.

Public trees are Town of Banff and/or Parks Canada property and their protection is mandated by federal law in the Town of Banff. This includes trees growing in parks, natural areas and roadways. It is important that trees on Town of Banff owned lands are protected from damages. Effective tree protection places limits on the stress and disturbance to tree branches, trunks and root systems within six meters of a public tree.

Interaction with Wild Animals

Any interaction with a wild animal must be avoided. If a wild animal is in the work area vicinity, contact Parks Canada immediately. Do not leave food, food wrappers or any other garbage in the work area.

Stay clear of any wild animal and never approach one.

CONTRACTOR ENVIRONMENTAL ACKNOWLEDGEMENT FORM

As a Contractor for the Town of Banff, your review and acknowledgement of this document is necessary prior to beginning work. The items listed in this checklist are in addition to any specific environmental requirements identified in any Contract document. **Please complete this form by initializing each item in the checklist and then by signing the acknowledgement at the bottom of the document.** It is possible that during the course of the contract work, the Town of Banff may review the information in this document with you and your personnel.

<i>Initial</i>	<p>Environmental Responsibilities I acknowledge that I have been made aware of and will follow the Town of Banff's Contractor Environmental Responsibilities.</p>
<i>Initial</i>	<p>Compliance I am aware of the environmental regulatory requirements of this project. I understand the importance of compliance with environmental legislation, approvals or permits and the consequences of non-compliance.</p>
<i>Initial</i>	<p>Awareness and Competence I acknowledge that I am responsible for ensuring that environmental responsibilities contained in the Contractor Environmental Responsibilities Package are communicated to all onsite personnel including Subcontractors.</p> <p>I acknowledge that I am responsible for ensuring that all personnel working for this project are competent to perform the assigned work based on training, education and experience.</p>
<i>Initial</i>	<p>Erosion and Sediment Control Recognized best practices will be utilized that minimize erosion and prevent movement of sediment into watercourses and storm infrastructure. Where one has been created, the Erosion and Sediment Control Report or Plan will be followed. Any required erosion and sediment control devices will be frequently inspected and maintained during the project, will be removed once the area has been stabilized against erosion and will be disposed of appropriately.</p>
<i>Initial</i>	<p>Dewatering Discharge of surface and subsurface water resulting from dewatering activities will be conducted following Town of Banff procedures. Written authorization will be obtained from the Town of Banff and Parks Canada to dispose of water that has accumulated on construction sites by precipitation or groundwater infiltration into the storm/sanitary system.</p>
<i>Initial</i>	<p>Saw Cutting and Coring When undertaking saw cutting or coring activities, slurry will not be allowed to enter the storm water system.</p>
<i>Initial</i>	<p>Soil Conservation and Stockpiles Soil conservation and stockpiling best practices will be implemented to prevent erosion and the loss of topsoil.</p>
<i>Initial</i>	<p>Waste Management All waste materials generated from activities will be removed and disposed of in accordance with regulatory requirements and facility procedures.</p>
<i>Initial</i>	<p>Spill Prevention Measures will taken to prevent pollution of land or waterways, including the storm water system.</p>

<i>Initial</i>	<p>Release Reporting and Remediation Spills and releases will be reported to the Town of Banff project manager at the earliest opportunity.</p> <p>If a spill or release into the environment occurs, the effected area will be cleaned up and remediated to the satisfaction of the Town of Banff, Parks Canada and other appropriate regulatory agencies.</p>
<i>Initial</i>	<p>Recycling Generation of waste will be avoided or minimized.</p> <p>At a minimum, the recycling of cardboard, wood, concrete and metal will be considered and assessed. Construction materials with recycled content will be used when reasonably practical and safe.</p>
<i>Initial</i>	<p>Fuelling Contractor and Subcontractor personnel will be present during fuelling operations for the duration of the fuelling process.</p> <p>Fuelling or maintenance equipment will not take place within 30 meters of any waterways including the storm water system or environmentally sensitive areas unless a written Safe Work Procedure is developed and approved by the Town.</p>
<i>Initial</i>	<p>Contamination Discovery Suspected or potential contamination encountered during the work will be reported to the Town of Banff, Parks Canada and Alberta Environment.</p> <p>All releases will immediately reported to the appropriate regulatory agencies as required by law.</p> <p>Any suspected or potentially hazardous building materials exposed during the work will be reported to the Town of Banff immediately.</p>
<i>Initial</i>	<p>Tree Protection Adequate protection will be taken to not damage existing trees and plants on site and on adjacent properties.</p>
<i>Initial</i>	<p>Site Management The work site shall be maintained free from accumulations of materials or waste. The effects of noise, odour, light, dust emissions, and tracking of dirt and mud will be minimized.</p> <p>Appropriate non-hazardous and hazardous materials management procedures will be implemented. Chemical, fuel and lubricant storage areas will be suitably located and protected to minimize releases.</p> <p>Site specific hazardous materials management procedures will be communicated to all Contractor and Subcontractor personnel.</p>
<i>Initial</i>	<p>Waste Management All waste materials generated from activities will be removed per regulatory requirements and facility procedures.</p>
<i>Initial</i>	<p>Imported Fill Material The source location of any imported fill material will be reported to the Town of Banff prior to the material being brought onsite. If requested, the suitability of the material will</p>

	be verified.
<i>Initial</i>	Vehicle Idling Idling of vehicles not essential for performance of work will be minimized.
<i>Initial</i>	Archaeology Any discovery of archaeological artefacts must be preserved and reported immediately to the Parks Canada archaeologist. Work must stop immediately in the area of the discovery.

I _____, (please print), acknowledge that I have been made aware of these requirements and I understand it is my responsibility to communicate this information to all onsite personnel that are engaged in carrying out the work or providing material to the job site.

Signature	Title	Company	Date

The Town of Banff Project Manager is:

Name	Title/Department

To be completed by the Project Manager:

<input type="checkbox"/>	Additional Information Needed	_____ Project Manager Signature	_____ Contractor Signature
Description of Information _____ _____			