



Policy# FIN 001-26

## **Procurement and Tendering Policy**

**Date Approved:** March 4, 2026

**Resolution No.:** 2026/098

**Last Review Date:** August 2014

**Next Review Date:** March 2028

**Administrative Responsibility:** CAO

**Supersedes:** FIN-023

### **Purpose**

To secure and standardize the purchasing procedure for goods and services for the Town of Bruderheim, to ensure the Town obtains the necessary materials, equipment, supplies and services in an efficient and effective manner.

### **Policy Statement**

The Town shall make every effort to ensure that the procurement of goods, services and construction projects is conducted through fair, consistent, transparent and accountable practices. By adhering to applicable legislation, the Town maintains a standard format for accepting quotations and tenders that prioritize results.

Central to this mission is a dedicated focus on shopping local to foster a thriving and sustainable community. While the town recognizes its commitment to competitive costs, the Town will support local vendors and businesses whenever their goods and services meet the required specifications.

By prioritizing local procurement, the Town aims to reinvest municipal funds into the local economy ensuring that the growth of the community and the success of its local enterprises are woven into the very fabric of its purchasing decisions.

### **Definitions**

1. "Access to Information Act (ATIA)" means the Access to Information Act, as amended from time to time, and its successor legislation. The legislation governing the right of the public to access records in the custody or under the control of the Town.

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2. "Alberta Purchasing Connection (APC)" means the Government of Alberta electronic tendering system that meets interprovincial tendering requirements of the Canadian Free Trade Agreement(CFTA).
3. "Best Value" means the most advantageous balance between quality, specifications, service, timely delivery, assurance of supply and delivery, experience and price. Best Value includes the economic benefit of local reinvestment.
4. "Bidding System" means the online web-based solution for issuing bids, receiving online submissions and posting bid results.
5. "Canadian Free Trade Agreement (CFTA)" means a trade agreement aimed at reducing barriers to trade and facilitating the free movement of goods, services and investments among Canadian provinces and territories.
6. "Conflict of Interest" means a situation where the independence or impartiality of an employee or Council's decision or actions are impaired or may be reasonably expected to be impaired because of outside employment, political, business or family interests.
7. "Chief Administrative Officer (CAO)" means the person appointed as Chief Administrative Officer for the Town of Bruderheim, or their designate.
8. "Construction Project" means infrastructure construction including roads, water, wastewater, buildings, site improvements, etc., that results in a tangible capital asset.
9. "Council" means the duly elected Mayor and Councillors of the Town of Bruderheim.
10. "Direct Purchase" means a purchase of goods or services direct from a supplier without 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.
11. "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.
12. "Goods and Services" means all purchases including professional services and operational contracts, with the exception of construction.

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13. "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.
14. "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.
15. "Local Vendor" means a business having a Town of Bruderheim business license, operating their business in Bruderheim. Economic benefit criteria that rewards vendors who use local labor, without violating the NWPTA.
16. "New West Partnership 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.
17. "Open Competition" means the solicitation of bids through a publicly posted solicitation document.
18. "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.
19. "Procurement Card" means the corporate credit card or other purchasing card issued to an authorized purchaser.
20. "Procurement Plan" means the plan developed by the Chief Administrative Officer or designate at the outset of an invitational competition or open competition.
21. "Protection of Privacy Act (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.
22. "Purchase Order (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.
23. "Regional Local Vendor" means a business or supplier that maintains a valid business license and physical presence within Lamont County, but outside the Town of Bruderheim limits.

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24. "Request for Quotation (RFQ)" means a request for a supplier to provide pricing on a specific product and/or service that is clearly defined and where the purchase is of low value or risk to the Town.
25. "Request for Proposal (RFP)" 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 in the proposal.
26. "Request for Tender (RFT)" 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.
27. "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.
28. "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.
29. "Supplier" means a person carrying on the business of providing deliverables.
30. "Tangible Capital Asset" means non-financial assets having physical substance that are held for use in the production or supply of goods and services, have economical lives extending beyond one (1) fiscal year, are used on a continuous basis, and are not intended for sale in the ordinary course of operation.
31. "Fair Market Value" means the highest price expressed in dollars, that an asset would fetch in an open and unrestricted market between a willing buyer and a willing seller both of whom are knowledgeable, informed and acting independently of each other. This may be determined through recent comparable sales, professional appraisals or established blue book values.
32. "Town of Bruderheim" or "Town" means the Town of Bruderheim, a municipal corporation in the Province of Alberta and includes the area contained in the corporate boundaries of the Town of Bruderheim, as the context may require.

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## **Responsibilities**

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.
  
2. The Chief Administrative Officer is responsible for:
  - a) The overall oversight of all municipal operations and staff, as per the approved operating and capital budgets, bylaws, policies and procedures of the Town.

## **Policy Guidelines**

1. To maintain the 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.
  - d) Encourage an open, non-discriminatory bidding process practicable for the acquisition of goods and services and construction projects.
  - e) Comply with all applicable federal and provincial legislation and the bylaws and policies of the Town.
  - f) Promote positive vendor relations cultivated by informed and fair buying practices and strict maintenance of ethical standards.
  - g) 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.

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- h) Ensuring confidentiality and privacy of information received during procurement activities is respected and is not used for personal gain or be disclosed improperly, ensuring all communications and decisions are fair, accurate and not misleading.

**Purchasing Authority**

1. Purchasing authority is delegated and limited to those employees specifically in charge with the responsibility and accountability for budget cost as designated and approved by the CAO and Council with the annual budget process.
2. The limit of this authority shall be defined by the parameters of all applicable policies.
3. All purchasing transactions must be approved by the Chief Administrative Officer.
4. The CAO or authorized delegate may enter into joint purchasing contracts with other levels of government, business and industry, when price and quality advantage may be gained.

**Local Preference Protocol**

1. To support the local economy, the Town will apply a preference for local vendors as follows:
  - a) Bruderheim – If a Bruderheim vendor’s quote is within 2% of the lowest non-local bid and meets all specifications, the Town will award the contract to the local vendor.
  - b) Lamont County – If no Bruderheim vendor is available or competitive, the Town will extend a 1.5% preference to Lamont County vendors.
  - c) Best Value Exclusion – Local preference will not override “Best Value” if the local vendor cannot demonstrate the required experienced, quality or ability to meet deadlines.
2. The Town shall provide preferential treatment to local vendors for competitions under the \$75,000.00 threshold for goods and services and the \$200,000.00 threshold for construction contracts provided the following provisions can be applied:
  - a) Direct Competition – Departments can direct competitions up to \$74,999.00 for goods and services and up to \$199,999.00 for construction contracts to local vendors if the vendors’ expertise is competitive.
  - b) Award criteria – A bid submitted by a local vendor and having local content shall be awarded to that business if:

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- a. They have submitted the lowest bid from a local business.
  - b. That the bid is not more than 2% , to a maximum amount of \$2,000.00, above the lowest cost submitted by a non-local vendor.
  - c) Regional Local Vendor Preference – Where no competitive local vendor (Bruderheim) is available or has submitted a bid, the Town will extend a secondary preference to vendors located within Lamont County. A bid from a Lamont County vendor may be selected if their bid is within 1.5% of the lowest non-local bid, provided they meet all quality and delivery requirements. Providing that the bid is 1.5% to a maximum amount of \$2000.00 above the lowest cost submitted by the regional vendor.
3. For services with a value below \$4,999.00, a direct purchase shall be made locally whenever a local vendor is available and competitive. For construction with a value below \$9,999.00 a direct purchase shall be made locally whenever a local vendor is available and competitive.

**Conflict of Interest**

1. No requisition, purchase order, voucher, petty cash funds or any other order written or verbal shall be issued for personal goods and/or services for employees of the Town, a member of Town Council or the public unless approved by Council or a policy adopted by Council, if a purchase or contract for goods or services is to be placed with:
  - a) An employee of the Town.
  - b) Any company in which the employee of the Town has an interest or a relative of an employee of the Town, the employee shall declare an interest and that employee shall not be placed in a position to approve the purchase.

**Purchases of more than \$5,000.00 but less than \$20,000.00**

1. All procurement of goods or services having an estimated aggregate value of more than \$5,000.00 but less than \$20,000.00 shall require written bids or quotations from a minimum of three potential suppliers.
2. Except in exceptional circumstances, the competitive process shall be used including specifications defining the nature of the goods or services being acquired.

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3. The CAO may approve competitive process purchases from \$5,000.00 to \$20,000.00 provided at least three (3) qualified suppliers have been invited to bid.

**Purchases of more than \$20,000.00**

1. All purchasing activity involving transactions of \$20,000.00 or more shall be subject to a competitive process.

**Unbudgeted Expenditures**

1. Amounts legally required to be paid:
  - a) Council may delegate the authority to make such payment, verify and authorize it after the fact or verify and authorize beforehand.
  - b) Establish a procedure for determining what amounts are, in fact, legally required to be paid. There must be a legal opinion, Order of a court or quasi-judicial tribunal.
  - c) If the authority is delegated beforehand, establish a procedure where by the one with the delegated authority reports to council within a reasonable time after making the expenditure and that the report contains nature of the legal obligation, method of verifying that the obligation exists, nature and amount of expenditure.
  - d) If the amount is to be paid on the strength of a legal opinion, establish a method for ensuring that the opinion and all discussions with legal counsel are kept confidential.

**Amounts otherwise authorized**

1. Generally, Council can authorize expenditures. Exceptions include:
  - a) Loans in excess of statutory limits.
  - b) Spending grants or loans that are made for a specific purpose for some purpose other than the one specified.
  - c) An emergency that may require immediate action.
  - d) The CAO may deem that tenders should be used for goods, services or construction projects that would qualify for the bid by invitation process.

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### **Purchase Orders**

1. No individual can authorize any expenditure without the issuance of a purchase order signed by a delegated person with signing authority.
2. No purchase orders are required for the following:
  - a) Utility bills
  - b) Recurring rental or lease contracts which have previously been approved
  - c) Monthly contracts
  - d) Payroll and Council remuneration
  - e) Travel expenses and postage

### **Public Tender**

1. Public tender is to be used when the cost of the goods exceeds \$25,000.00, cost of service exceeds \$50,000.00 and cost of the construction projects exceeds \$100,000.00.
2. When seeking professional services, goods or services and construction projects involving alternate specifications for achieving desired result, the use of RFP'S is encouraged. The RFP document shall generally describe the scope of the goods or services and construction projects sought and would invite proposals from prospective suppliers to address the requirements outlined in the RFP.
3. Tender and RFP documents are to include specifications, instruction to bidders, general conditions, drawings and maps if required. To ensure consistency of tendering practices documents are to be reviewed by the CAO prior to issuance.
4. All tenders exceeding NWPTA thresholds must be posted on the Alberta Purchasing Connection (APC).
5. Before a public tender is issued, three (3) local vendors must be verified if they can provide service. If so, the competition may be restricted to local vendors only, provided the total value is below trade agreement thresholds.

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6. Once a tender is submitted, it cannot be amended or withdrawn after the closing time without penalty.
7. Potential participants are to be notified on the Town's website and other means of soliciting potential participants, such as the use of other websites, newspaper advertising and/or direct contact may also be used.
8. Tender Specifications shall include:
  - a) Expressly or by implication, issues or criteria that will be used for selection of a successful bidder or proponent.
  - b) Notice of disqualification to any prospective bidder or proponent who has existing litigation against the Town relating to previous tenders or proposal calls or performance of previous contracts awarded to them by the Town.
  - c) Any and all appropriate privilege and discretion clauses.
  - d) The location for delivery of bids and proposals.
  - e) The means of delivery of bids or proposals must be identified.
  - f) The time and date of closing.
9. After the closing time for tenders, within a reasonable period after the closing date for tender, the party responsible for awarding the contract will consider the tenders and assess compliance with the detailed criteria. The approval of the CAO or Council (if applicable) make the decision to award the contract.
10. A minimum of two (2) Town employees must attend a tender opening.

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**Tender evaluation**

1. The tender documents shall clearly identify the requirements of the procurement, the criteria that will be used in the evaluation of the bids and the method of weighing and evaluating the criteria.

**Request for proposal Evaluations**

1. A request for proposal shall clearly identify the requirements of the procurement, the criteria that will be used in the evaluation of the proposals and the methods of weighing and evaluating the criteria. Cost is not the primary factor.
2. Due to the confidential nature of some of these proposals, details are not revealed to the public.

**Authority to award Contract**

1. The Town will give preferential treatment to local vendors for competitions under the \$75,000.00 threshold for goods and services and the \$200,000.00 threshold for construction contracts if the following provisions can be applied:
  - a) Departments can direct competitions up to \$74,000.00 for goods and services and up to \$199,999.00 for construction contracts to local vendors if the vendors' expertise is competitive.
  - b) A bid submitted by a local vendor and having local content shall be awarded to the business if:
    - a. They have submitted the lowest bid from a local business.
    - b. That the bid is not more than two (2) percent (2.00%), to a maximum amount of \$2,000.00 above the lowest cost submitted by a non-local vendor.
2. An exception to this Policy is allowed if other criteria as deemed by the CAO are more critical to awarding the goods, service or project than the bid price alone. These criteria may include vendors' past performance, delivery time, quantity, servicing quality of goods and services and construction projects.
3. Where the value of the goods and services or construction project is between \$500.00 to \$5,000.00 the award may be made as designated by the CAO.

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4. Where the value of the goods is between \$5,000.00 and \$25,000.00, the CAO or designate may award the contract.
5. The CAO has the authority to award the contract:
  - a) Where the tender or RFP is less than \$100,000.00 for goods and services over the term of the contract (greater than five (5) years).
  - c) Where the tender or RFP is between \$100,000.00 and \$250,000.00 for goods or services over the term of the contract is for five (5) years or less in duration.
  - d) Where the tender or RFP is less than \$250,000.00 for a construction project.
  - e) Where Council authorizes the CAO to award due to special circumstances such as the time sensitivity or urgency of a project or because the award is for professional services such as legal, audit, banking or engineering.

#### **Quotation Approval**

1. Designated Staff may proceed with authorizing expenditures received providing the following criteria have been met:
  - a) The funds for the quoted expenditures in question have been approved as part of the annual budget or capital plan.
  - f) The quotation is within the amount budgeted for the work in question.

#### **Vendor Selection**

1. Suppliers and contractors will be selected to ensure a high degree of flexibility, a good level of competition and consistent awareness of product development and technical improvements. They must possess high ethical standards, quality service, a valid Town of Bruderheim business license, if conducting business in the Town, and a good record of adhering to specifications and maintaining deliveries.

#### **Vendor Management**

1. Maintain an updated list of businesses with a valid Town of Bruderheim Business License to assist departments in identifying eligible local vendors.

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### **Sourcing Priorities**

1. The Town of Bruderheim suppliers and contractors should be used to the greatest extent possible with governing constraints of availability, legislation, quality of materials or service, experience and convenience of servicing and competitive pricing.
2. Evaluate the environmental impact and energy efficiency of goods and services.

### **Emergency Purchase**

1. In the event of an operations emergency where public safety is jeopardized or services disrupted, the CAO may direct the COO or designate to purchase what is required to rectify the situation.

### **Employee Purchases**

1. Employees may only purchase Town surplus goods if they are the successful bidder in a public auction or a sealed-bid tender process open to the general public.
2. Upon the conclusion of their term of office, a Council member may request to purchase the Town-owned electronics (such as laptops, tablets or cellular phones) that were issued to them for their municipal duties, subject to the following conditions:
  - a) The purchase price shall be determined based on the current fair market value of the device(s), considering the age, condition and original purchase price. The finance department shall provide fair market assessment.
  - b) Notwithstanding any other section of this policy, the CAO is the sole authority designated to review and accept the purchase contract.
  - c) Prior to the transfer of ownership, the device must be submitted to the CAO or designate to ensure all Town related data, internal software, and confidential records are permanently removed.
  - d) Electronics purchased by outgoing Council members are sold “as-is”, and the Town provides no ongoing warranty or support once the sale is finalized. Full payment of the determined fair market value must be made out to the Town of Bruderheim before asset is officially transferred and removed from the Town’s inventory registry.

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**Compliance for Audit**

1. Periodically review awarded contracts to ensure the 2% local preference or 1.5% regional preference was applied correctly and documented.
2. Verify that direct purchases and CAO level awards have the required three (3) price comparisons attached to the invoice or file.

Dated this 4<sup>th</sup> day of March 2026.

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Dennis Tomuschat  
Interim Chief Administrative Officer  
THE TOWN OF BRUDERHEIM

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