

**Agenda Item: D.5**

Request For Decision

|  |  |  |
| --- | --- | --- |
| **Title** | **Procurement Policy** | |
|  |  | |
| **Proposed Motion** | That Council approve the Procurement Policy as presented. | |
|  |  | |
| **Administrative**  **Recommendation** | Administration recommends that Council review the proposed Procurement Policy and approve as presented. | |
|  |  | |
| **Previous Council/Committee Direction** | January 13, 2021 Governance and Council Services Committee Meeting  Motion 003/21: That the Committee recommend that Council approve the Procurement Policy presented by Administration at the January 13, 2021 Governance and Council Services Committee meeting. | |
|  |  | |
| **Report** | Background Information   * Sturgeon County is committed to procuring goods and services through processes that are fair, open, transparent and accessible to qualified vendors. In all procurements, we seek to secure goods and services of the highest quality with the most value for money in a timely and efficient manner. * The current corporate directive on procurement practices (see Attachment 3) has been in place since 2014. The directive was identified as requiring a review and update in preparation of an overall shift in procurement methodology from a decentralized model to a more centralized procurement office. * This shift in methodology comes in response to the corporate goal of streamlining the procurement process which currently requires each project manager to be responsible for all administrative activities required to ensure trade agreement compliance or to contract those activities to a third party. Currently, all legal requirements are being met; however, there are inconsistencies in the process which is leading to vendor confusion and inefficiencies. * During a review of the current directive, it has been identified that it should be a Council policy based upon the organizational importance of purchasing practices. As well, the following elements were identified for inclusion in the new policy: * A statement of values and principles guiding procurement activities to support the County’s Strategic Plan; * How the procurement function will mitigate unnecessary risk; * How the County will address conflicts of interest and vendor performance; and * Balancing trade agreement requirements with supporting our local economy. * The proposed policy has undergone legal review and has been recommended for approval by the Governance and Council Services Committee (GCSC). * Since being presented to the GCSC on January 13, 2021, the proposed policy was further reviewed by Administration, and the following amendments have been made, in addition to revising minor formatting and clerical errors: * 4. Definitions   + Removed the words “moveable” and “physical” from “Goods” definition. * 7. Purchasing Principles   + a. Regulatory Compliance     - Updated the list of Trade Agreements.   + b. Best Value for Money     - Sentence regarding factors to be considered in determining best value updated with replacing “should” with “may”, “Factors that shall be considered in determining best value may include, but are not limited to”. * 8. Procurement Strategy   + 8.2 Advertising of Procurement Opportunities     - Added clarity regarding submissions with the addition of “All submissions must be signed by an authorized Vendor representative. Submissions must be received prior to the designated closing time. Any submission attempted or presented after closing will not be evaluated.”   + 8.3 Acceptable Methods of Procurement     - Updated wording in table under “Expression of Interest” and “Request for Information”.   + 8.4 Sole Source Procurement     - Addition of “Advance Contract Award Notifications (ACAN) will be posted to the Alberta Purchasing Connection when applicable trade thresholds are met”.     - Updated paragraph regarding competition and discrimination to read,” In no case shall Sole Source Procurements be used to avoid competition or discriminate between Vendors. Every reasonable effort should be made to ensure Procurement activities are in the best value and interest of the County. * 9. Procurement Thresholds   + - Updated Procurement Method for quotations with a value of $5,000 - $74,999 to include “Competitive Bid process”. * 10. Contract Requirements   + 10.1 Contract Award Notification     - Updated paragraph to provide clarity regarding contract award notification to read, “Notification of a contract award is only released after the contract is signed by all parties. All Vendors who participated in the Procurement process will be notified by the Procurement Officer. Vendors may request a debriefing within 30 days of award notification. Contract award notifications will also be posted on the Alberta Purchasing Connection website as required by the agreements on international trade.” * 11. Bid Dispute Process   + Updated to provide clarity regarding the question-and-answer period, with addition of “This question-and-answer period will provide feedback on submission strengths and areas of opportunity for improvement. Points awarded to the Vendor, or other Vendors, will not be discussed.”   External Communication  Once passed, the Procurement Policy will be posted to the County’s website, and internally for staff.  The Procurement Officer will reach out to the local vendor community to support them in applying for opportunities with the County.  Relevant Policy/Legislation/Practices:  The County’s procurement activities are regulated under legislation and the free trade agreements, including:   * *Municipal Government Act* (MGA) and Regulations * *Income Tax Act* and Regulations * *Excise Tax Act* and Regulations * *Occupational Health and Safety Act* and Regulations * *Workers’ Compensation Act* and Regulations * *Freedom of Information and Protection of Privacy Act* and Regulations (FOIP) * *Competition Act* and Regulations * Canadian Free Trade Agreement (CFTA) * New West Partnership Trade Agreement (NWPTA) * Canadian-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) * Canada – United States – Mexico Agreement (CUSMA) | |
|  |  | |
| **Implication of Administrative Recommendation** | Strategic Alignment:  **Strong Local and Regional Governance**   * The application of this policy will promote consistent and accountable leadership through collaborative and transparent processes. * This policy assists in providing effective leadership and management consistent with the Strategic Plan, the Municipal Development Plan, master plans, bylaws, and other policies. * Considers fiscal stability and sustainability.   **Environmental Stewardship**   * The proposed Procurement Policy includes requirements to consider minimizing our environmental impact on natural areas with the goods and services the County purchases.   **Planned Growth and Prosperity**   * The proposed Procurement Policy supports a strong thriving local business environment by providing methods to engage with the local vendor community to increase their access to County procurement opportunities.   Organizational:  Under the Corporate Business Plan, the organization is moving towards a centralized procurement office with the goal to create a competitive corporate procurement process. Administration will apply consistent processes for all Sturgeon County purchasing activities to simplify the vendor experience by providing one central contact for doing business with the County. This will also increase project manager efficiency by releasing them from the administrative burden of managing the procurement function, allowing more focus on the core work of delivering projects on time and on budget.  Financial:  Costs to implement the policy and set up the procurement office have been previously budgeted under the Finance department. This includes a full-time Procurement Officer position.  Administration expects that there will be reduction in engineering expenses per project as the organization relies more on an internal procurement officer rather than requesting engineering consultants to manage the procurement process. | |
|  |  | |
| **Alternatives Considered** | Option 1: That Council not consider the policy at this time.  Option 2: That Council approve the Procurement Policy with amendments (as directed by Council). | |
|  |  | |
| **Implications of Alternatives** | Option 1: The organization will continue to follow the practice of contracting out procurement to engineering firms, requiring project managers to verify compliance with the applicable trade agreements independently.  Option 2: Administration will follow the new procurement policy with changes requested by Council. |
|  |  | |
| **Follow up Action** | 1. Post the Policy to the external Sturgeon County website (Corporate Communications, February 2021).  2. Post the Policy and provide introductory training to internal staff on the use and implications of the new policy (Procurement Services, Q1 2021).  3. Offer training to vendors wishing for information on doing business with the County (Procurement Services, ongoing). | |
|  |  | |
| **Attachment(s)** | 1. Attachment 1 - Proposed Procurement Policy – Redline with Proposed Amendments 2. Attachment 2 - Proposed Procurement Policy – Final 3. Attachment 3 - Current Procurement Directive | |
|  |  | |
| **Report Reviewed by:** | Dawn Sauvé, Director, Financial, Assessment and Procurement Services  Reegan McCullough, County Commissioner – CAO | |

**Strategic Alignment Checklist**

**Vision:** *Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.*

**Mission:** *Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Focus Areas** | **Not consistent** | **N/A** | **Consistent** |
| **Planned Growth and Prosperity** |  |  |  |
| *We encourage varied and integrated enterprises that enhance our strong economic*  *base, while balancing the needs of the community and natural environment.*  *(Strategic Plan and MDP pg. 36)* |  |  |  |
| * *Supports a strong thriving business environment to strengthen our economic foundation* |  |  |  |
| * *Plans for responsible growth through the MDP and regional growth plan.* |  |  |  |
| * *Manages growth for current and future developments through:*   + *transparent bylaws, policies and processes to enable responsible land development* |  |  |  |
| * + *targeting growth around existing and identified future growth areas* |  |  |  |
| **Maintain and Enhance Strong Communities** |  |  |  |
| *We are committed to a safe and viable community, where our residents are*  *provided with access to opportunities and quality of life.*  *(Strategic Plan and pg. 27 MDP)* |  |  |  |
| * *Provides access to programs and services that have a positive impact on residents’ quality of life* |  |  |  |
| * *Provides access to safe and reliable infrastructure assets* |  |  |  |
| * *Supports the safety of people and property* |  |  |  |
| **Strong Local and Regional Governance** |  |  |  |
| *We promote consistent and accountable leadership through collaborative and*  *transparent processes (Strategic Plan and pg. 27 MDP)* |  |  |  |
| * *Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement* |  |  |  |
| * *Considers fiscal stability and sustainability* |  |  |  |
| * *Fosters collaborative intergovernmental partnerships* |  |  |  |
| **Community Identity & Spirit** |  |  |  |
| *We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)* |  |  |  |
| * *Promotes and/or enhances residents’ identification with Sturgeon County* |  |  |  |
| * *Support and/or collaborate with voluntary organizations in the region* |  |  |  |
| **Environmental Stewardship** |  |  |  |
| *We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)* |  |  |  |
| * *Plans and partnerships that minimize environmental impact on natural areas* |  |  |  |
| * *Provides awareness of environmental issues impacting the County* |  |  |  |