



MUNICIPAL POLICY HANDBOOK

CODE NUMBER: 2100

CATEGORY: Financial Operation

PURCHASING

Policy Statement:

The County of Athabasca No. 12 recognizes the need to establish effective purchasing and account processing procedures to achieve management control of municipal expenditures. Purchasing will be conducted in a manner where as many local suppliers as reasonably possible, are given the opportunity to participate. Consideration will be given to price, quality and serviceability prior to purchasing commitments being made.

Guidelines and Regulations:

1. The following general guidelines should apply:
 - a. Purchase orders should be used when deemed necessary by the Chief Administrative Officer or Director of Corporate Services.
 - b. Purchase of any goods or service from an employee or an employees immediate family will not be permitted without prior written consent of the Chief Administrative Officer.
 - c. All purchases will become the property of the County of Athabasca. Exceptions will be made for affiliated organizations provided they have made formal arrangements with the Chief Administrative Officer.
2. The approval of the Chief Administrative Officer or the Director of Corporate Services in the absence of the Chief Administrative Officer will be required for any purchase over \$5000.00 for items included in the annual budget.
3. Directors, Supervisors or Foremen are authorized to approve all single purchases of \$5000.00 and under.
4. For single purchases in value over \$1000.00, quotes should be sought from local suppliers where possible. These quotes may be given over the telephone; however, a record of the quotes received should be maintained by the director or supervisor.
5. Directors, Supervisors, and Foremen should ensure that purchases are distributed amongst local suppliers (a firm that is based within the municipal boundaries) if possible. Quotes should also be obtained from the Alberta Association of Municipal Districts and Counties' list of approved suppliers.
6. Written quotations shall be obtained for purchases over \$5000.00 and include the following. All requests for quotations or proposals should be authorized by the Chief Administrative Officer.

Effective

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Reference: Res # 07-911

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- a. Inventory items such as fuel, oil, blades, culverts, construction material, signs etc.
- b. Vehicles or other pieces of municipal equipment.
- c. Construction projects expected to exceed \$75,000.
- d. Other major items identified by Council.

All quotations will be open to the general public except where circumstances may require invitational tender. The Chief Administrative Officer shall approve all purchases under \$25,000. Where the quotations exceed \$25,000 the results shall be compiled and brought to council for information and authorization to purchase. Council shall reserve the right to reject any or all tenders, or accept any offer deemed most favorable for the County of Athabasca.

7. Formal tendering shall be required when the Chief Administrative Officer deems it to be in the best interest of the County or where the procurement of goods, services and construction fall under Internal trade agreement, MASH Annex. 502.4 (Goods and Services of \$100,000 or greater and Construction projects of \$250,000 or greater). All tenders will be awarded through resolution of Council.
8. Factors which may be relevant in awarding tenders or quotations include the following:
 - a. Lowest price
 - b. Quality of workmanship
 - c. Conditions of equipment
 - d. Capability and expense of the operator
 - e. Starting and completion dates
 - f. Residual/salvage value of the equipment if purchased
 - g. Warranty
 - h. Whether there are any unresolved issues between the bidder and the municipality regarding previous work carried out by the bidder.
9. The following steps should be completed to process an invoice:
 - a. All invoices received must be authorized by signature of the appropriate director, supervisor or foreman.
 - b. The appropriate department head shall verify that the goods and service has been received in good order. Variances must be noted on the

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- invoices. All shortages or variances shall be noted and followed up by the department head.
- c. All invoices shall be coded and allocated as required. The department should review the invoice for quantities, pricing, additions and extension.
 - d. Original invoices will be forwarded to Accounts Payable.
 - e. Accounts Payable will ensure all checks for extensions and additions for accuracy have been performed.
 - f. Accounts Payable will attach a copy of the purchase order to the invoice when applicable.
 - g. Accounts Payable will enter the invoices into the financial system and forward all invoices with entry edit list to the Director of Corporate Services for approval.
 - h. Accounts Payable will make any necessary changes.
 - i. Accounts Payable will prepare a cheque run for approval by the Director of Corporate Services.
 - j. A copy of the cheque registers are forwarded to Council for information and acceptance on a monthly basis.
 - k. Cheques will be signed by the Reeve or Deputy Reeve and the Chief Administrative Officer or Director of Corporate Services.
 - l. The Budget & Finance committee may choose to review all payments on a regular basis. If payments are reviewed, the voucher cover should be initialed. A resolution from the Budget & Finance committee is required where this review procedure is deemed unnecessary due to timing or other circumstances.

Effective

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