



Effective date March 10, 2011

Approved by Capital Region Board

## **AUTHORIZATION TO PURCHASE**

### **PURPOSE**

To ensure authorized staff are purchasing on behalf of the Capital Region Board.

### **POLICY**

Only authorized staff may purchase or commit to the procurement of goods and services.

### **GUIDELINES**

1. All purchasing activities must be approved through the budgetary process or by Board resolution.
2. Only designated positions, as per this policy, will be authorized to conduct purchasing activities on behalf of the Capital Region Board.
3. In consideration of sound budgetary and purchasing practices, the Board approves purchasing authorization levels.
4. The Office Manager is authorized to purchase up to and including \$5,000 for operational items that are included in the current budget.
5. The Chief Executive Officer is authorized to purchase all operational and capital items which are included in the current budget.

Nolan Crouse, Board Chair

Revisions		
Date	Status	Comments
February 11, 2016	Approved	Capital Region Board Approved.



### PURPOSE

To conduct the purchasing and tendering activities of the Capital Region Board in the most effective, transparent, fair, and efficient manner possible.

### POLICY

The Capital Region Board will purchase goods and services in an effective, expedient, transparent, fair, and efficient manner and at the best overall value.

### GUIDELINES

1. The Capital Region Board will adhere to the highest possible standards of business ethics, professional courtesy, and technical competence in all its purchasing practices.
2. The Capital Region Board will provide fair and equitable treatment to all suppliers and maintain the confidentiality of specifications and price quotations as permitted under the Freedom of Information and Protection of Privacy Act, RSA 2000 Alberta and amendments.
3. PURCHASES – GENERAL
  - a. Purchasing methods, regardless of whether the purchase is for goods, services or a combination of goods and services will be determined by the total dollar value category.
  - b. The total dollar value category will always be a combination of “like items” (i.e. screen, keyboard, and processor or a computer). Under no circumstances are items to be separated or split into two or more contracts.
  - c. All purchases, when received, will be included in the current year’s budget or as otherwise approved by the Capital Region Board and will be authorized in accordance with Policy F001 - Authorization to Purchase.
4. COMPETITIVE PROCESS
  - a. The purpose of the competitive process is to ensure that CRB’s needs are identified to the widest market possible. If possible, any competitive process should include at least three (3) solicited or unsolicited (Section 15) vendor responses.
  - b. In identifying CRB’s needs to the widest market base, we are ensuring the acquisition of goods and or services or a combination of goods and services will be at the lowest cost to the CRB keeping in mind service standards, quality, and time.
5. DEFINITION OF COMPETITIVE BID PROCESS
  - a. Any competitive bid process has the following common characteristics:
    - i. Closed competition amongst bidders as opposed to an open competition (i.e. an auction).
    - ii. Implication that there will be a fair and equal process for both the evaluations and award of a contract to all submissions.
    - iii. The terminology and process in documents is similar to that of tendering (i.e. bid, award, tender, closing date and time, etc.).

- b. Any of the bid formats are generally comprised of two (2) separate contracts:
  - i. Contract A (also known as the Bid Contract A) – This contract is automatically formed between the Owner and each of the bidders who respond with a compliant bid/proposal to the call of bids be it invitation to tender, request for proposal, or request for information and quotation. This part of the contract contains the terms and references for the call of bids.
  - ii. Contract B – This is part of the contract is formed by the successful bidder’s bid being accepted by the Owner’s Notification of award. The terms of Contract B are a combination of the terms contained in the original call (Contract A), the successful bidder’s bid and the notification of award letter. The actual project work will be completed under this contract.

## 6. COMPETITIVE FORMATS

- a. It is imperative that exactly the same information, regardless of which of the following format is used to relay the information, is provided to all vendors requested to provide a response/bid/quote/information.
- b. The information should always be as clear and concise as possible and should include as much information about the product or service to be provided as possible.

## 7. PURCHASING METHODS

- a. Purchases less than \$75,000 – At the discretion of the Chief Executive Officer whether to utilize a formal quote or informal quote.
- b. Purchases over \$75,000 – All procurement of goods or services or a combination of goods and services over \$75,000 with the exception of construction, will be subject to the formal competitive process and must be advertised under the requirements of the Agreement on Internal Trade Annex 502.4 and the New West Partnership Trade Agreement (NWPTA).
- c. Construction \$200,000 and Over – All construction projects \$200,000 and over will be subject to the formal competitive process and must be advertised under the requirements of the Agreement on Internal Trade Annex 502.4 and NWPTA.
- d. Formal quotes will follow one of the following competitive bid formats:
  - i. Request for Quotation (RFQ);
  - ii. Request for Quotation and Contract Form;
  - iii. Request for Proposal (RFP);
  - iv. Invitation to Tender (ITT); or
  - v. Request for Information (RFI).
- e. Supplier Catalogues (Internet included) – Implies products that are researched by “looking through” supplier catalogues or the Internet to determine the most appropriate product, price and delivery. All pertinent information such as supplier name, catalogue year, page number, etc. should be documented or the Internet page printed. This information should be attached to the purchase order and any other information should be filed.
- f. Email – If the exact product is known, an email clearly identifying all pertinent information can be forwarded to the applicable suppliers. Exact same information must be provided to all suppliers.
- g. Telephone Quotes – All vendors should be provided exactly same information. It will be the issuers’ responsibility to ensure that one vendor does not have more information than another. All pricing and pertinent information should be documented.
- h. Request for Quotation (RFQ) – The Request for Quotation process is normally used where cost and other factors are considered in the award. Specifications may not be conclusive and an element of review may be required to ascertain lowest net cost and appropriate quality prior to award. Quotations are open to review with the vendor. Electronic submissions will be accepted. If a closing date (and time) is provided for the “RFQ”, submissions after this date (and time) will not be accepted and will be returned to the vendor.

- i. Request for Proposals (RFP) – The Request for Proposals process may be used as an alternative method to the tender process. Normally used for the provision of services or completion of a specific project. This method provides the vendor with an opportunity to bid on work or a service using their unique skills.  
Specifications are general in nature. The selection of the successful supplier is based on the CRB's appreciation of the proposal and the suppliers ability to complete the project or provide the service. Electronic submissions will be accepted.  
If a closing date (and time) is provided for the RFP, submissions after this date (and time) will not be accepted.
- j. Invitation to Tender (ITT) – This format details, very specifically, the what, why, when, where and how the work/ project/product will be provided or completed. Providing that all tender terms and conditions have been met the only determining factor for the award, unless stated otherwise, is price. There is no negotiation of price (but could be with the scope of work) with the successful bidder.  
Other items of consideration may be past contractor performance with the CRB, reference checks, or whether the contractor has previous experience in the project in which the bid has been made. If these criteria are to be considered in the evaluation process they should be clearly indicated in the tender documents.  
Award is made to the best evaluated compliant bidder based on the published evaluation criteria
- k. Request for Information (RFI) – This format is similar to the RFP but less “formal”. The RFI is used to solicit information from potential vendors for any of one or combination of the following:
- i. Vendor availability;
  - ii. Market conditions;
  - iii. Industry / Technology;
  - iv. Pricing; or
  - v. Any other “missing” information.
- A RFI should include the basic requirements of any competitive format in terms of closing date and time, contact person, solicitation number, etc.  
Depending upon the nature of the RFI, the option of process/next steps upon closing can be varied. The issuer can chose to go to RFP or an ITT process or they can choose to negotiate with only one supplier. Whatever the decision, it must be disclosed in the RFI documents.  
NOTE: When developing any of the above formats, the use of the words “must” and “shall” should only be used when the requirement is mandatory. Otherwise words like “may” or “should” should be used.
- l. Tender Notice –on the Alberta Purchasing Connection website.. In any instance, the tender notice should include the following information:
- i. A brief description of the purpose of the tender;
  - ii. Where or from whom the tender documents or further information can be obtained;
  - iii. The conditions for obtaining the tender documents (i.e. if there is a cost for obtaining the tender);
  - iv. Place where the tenders are to be submitted;  
NOTE: it is important to be very specific as where the documents are to be submitted (i.e.: main reception at Capital Region Board, #1100 Bell Tower, 10104 -103 Avenue, Edmonton, Alberta T5J 0H8);
  - v. Date and time for submitting tenders should follow the format, May 26, 2010, 14:00:00 hours Mountain Daylight Savings time; and
  - vi. Time and place of opening (type of bid opening) if applicable (Section 11).

## 8. CONTRACT PERIOD

- a. The length of a contract will be dependent upon the nature of the acquisition, the market conditions, and industry standard for the product/service being acquired.
- b. A contract can be as short as a onetime service or as long as 5 years. Option years may also be added to a contract if the contract will extend beyond one year. (i.e. 1 year plus 2 single option years or 3 years plus 2 single option years).
- c. The purpose of the option years is to provide additional single years without having to re-tender if the market conditions are such that it is to the CRB's benefit to maintain the existing contract. The supplier must also be in agreement in the exercising of one or more of the option years. A contract should never, or very seldom, extend beyond 5 years.
- d. Each contract, in particular, those that are more than 1 year in duration, need to be individually evaluated to determine appropriate contract terms and approval.
- e. The length of the contract (if applicable) should be included in the tender documents.
- f. If a contract is to be used after the award, a sample of the contract should be included in the tender documents. This informs the supplier what is expected from them for the service or products. The contract is generally an extension of the tender, but includes any addendums that may be issued, any minutes from supplier meetings, and any other pertinent documentation that is applicable to the contract.
- g. Upon completion of the contract negotiation (if applicable) and agreement by all parties, where, if at all possible, the CRB should be the one to write/ initiate the contract. The purpose of this is to keep the interest of the CRB in the forefront.

## 9. PROCESS

- a. All suppliers, whether they were successful or not, will be notified through written communication.
- b. The successful supplier will be notified by letter of award.
- c. The unsuccessful supplier will be notified with a standard response letter. If the opening was public, a spreadsheet indicating supplier name and total bid amount may be attached. If the opening was restricted or private, no other information is to be released.

## 10. RECEIPT OF COMPETITIVE TENDERS, PROPOSALS OR QUOTATIONS

- a. All tenders, proposals and quotations, solicited or unsolicited, must include a closing date and time and compliant with Tender requirements. Time must be indicated as in the following example: 14:00:00 hours Mountain Daylight Savings time, May 26, 2010.
- b.
- c. Upon the closing time, all submissions will be "opened".
- d. Every bid will be reviewed to ensure it is completed in its entirety. Depending on the nature of incompleteness, a bid not completed in its entirety may be either disqualified, with the submission returned to the bidder with an explanation, or accepted.  
Examples of an acceptable incompleteness and not acceptable incompleteness:
  - Acceptable: A pricing extension is not carried through.
  - Not acceptable: Unit price is not completed.
- e. Any submissions that are received after the closing date and time will not be accepted and are to be returned unopened to the originator with a letter explaining why it was returned.

## 11. BID OPENINGS

- a. "Tenders" will not be opened prior to the indicated closing time. Any bid or submission received should be placed in the file with the original tender request until the "tender closing time".
- b. Bid openings are only openings and not the time in which an award will be made.

- c. Upon the completion of the opening, the evaluation process, as outlined in the original documents, will be used to determine the most suitable supplier.
- d. All submissions will remain confidential as to each submission's content. No information will be made known until the awarded supplier has been contacted.
- e. At no time will the details of any submission, before, during, or after the tender closing, be made known to any other supplier. The only information that is provided is the awarded contractor's name and the total dollar value.

## 12. SOLE SOURCE

- a. The term "sole source" applies to goods or services where no competitive market exists by reasons of uniqueness of the goods or services or by vendor limitations or time limitations.
- b. The decision to "sole source" is at the discretion of the Chief Executive Officer with a maximum limit defined in section 7.
- c. The best price, delivery, service and any other relevant factors should always be negotiated with the supplier.

## 13. PROFESSIONAL SERVICES

- a. Professional services are generally considered as a contract for service. (i.e. need for specialized services such as a consultant, architect, or auditor). These types of services are generally required over a short period of time.
- b. Each of these types of services is very unique and may be required to be formalized through the competitive bid process as determined under Section 6.
- c. Each service should be evaluated as to the extent of the competitive process required. Criteria that may be considered: industry standard (as in dollar value), normal or abnormal; availability of suppliers; type of service/work required, knowledge of the person(s)/department requesting the work.

## 14. VENDOR SELECTION FOR TENDERS

- a. CRB will endeavour to make the needs of the CRB made known to the widest potential market. This can be done either through current suppliers as well through advertisements.
- b. All suppliers will be given equal opportunity regardless of the suppliers' location. Specifications cannot be indicative of any preference to location, unrealistic time, or requesting that local resources be utilized.
- c. When suppliers are not known, suppliers can be sourced through the Internet or through Letters/Expression of Interest, which has been advertised both locally and regionally.
- d. Suppliers should provide, at minimum, the following information:
  - i. A company resume;
  - ii. Resumes of key staff who will be working/assigned to the project;
  - iii. Experience in similar projects or services;
  - iv. Understanding of the project or requirements;
  - v. References;
  - vi. Bond ability; and
  - vii. Time availability.
- e. Potential suppliers may then be short listed and then invited to participate in the tender process.

## 15. SOLICITATION OF BIDS

- a. Solicited – These are tenders, RFP's or RFQ's that are done by invitation only. These types of tenders are indicated as such through the letter of invitation. Any bid that is advertised or posted to Alberta Purchasing Connection does not qualify as a solicited bid.

Any unsolicited bids in this process will not be accepted. An invited bidder cannot reassign their bid to another vendor without the CRB's permission.

All unsolicited bids will be returned to the supplier by courier.

- b. Unsolicited – These types of bids are advertised either through the paper, local or otherwise, and the Alberta Purchasing Connection website. Therefore, the bids that will be received are not by invitation. When a supplier requests a copy of the bid, the supplier should provide the following information:
  - i. Company name;
  - ii. Contact name;
  - iii. Company phone number;
  - iv. Company fax number; and/or
  - v. Email address of the contact person (if available).

The purpose of the above information is that, should there be an addendum, each bidder can be contacted and provided the information.

NOTE: Addendums should be posted on the Alberta Purchasing Connection websites.

#### 16. CONFIDENTIALITY

- a. All information acquired through the tender process will be held in the strictest confidence.
- b. At no time will the tender be discussed with any supplier other than the awarded supplier.
- c. Until such time that the actual award has been formalized, suppliers will not be informed of any such decision.
- d. Upon the finalization of the award only the awarded supplier name and total dollar value will be released. This information can be provided in the standard response letter.
- e. Any inquiries from suppliers regarding such inquiries should be directed to the Regional Project Manager responsible for the tender process or the Chief Executive Officer.

#### 17. PURCHASING ETHICS

- a. It is the aim of the CRB to treat all suppliers in a fair and equal manner. At no time will any individual responsible for purchasing jeopardize the CRB's reputation with the supplier community as a whole.
- b. Any information that is given to one supplier will be given to all suppliers in the tendering process. Such information will be undertaken via formal notification. This is to help reduce or eliminate any potential confusion that may occur.
- c. At no time will any individual imply any commitment of any kind to any supplier until such time that the CRB is in a position to formally do so.



Nolan Crouse, Board Chair

Revisions		
Date	Status	Comments
October 28, 2015	Update	Clarified 'Opening' process, adjusted purchase amounts
December 18, 2015	Amend	GPF amendment to refer 12.b. back to section 7.
February 12, 2016	Amend	Clarified, if possible, minimum submissions.
April 14, 2016	Approved	Board approved





Effective date September 9, 2010  
Approved by Capital Region Board

## CAPITALIZATION

### PURPOSE

To determine the capitalization of expenditures.

### POLICY

The Capital Region Board will capitalize expenditures of a non-recurring nature that cost \$2,500 or more and which have an estimated life of more than one year.

### GUIDELINES

1. Capital assets are recorded at cost.
2. Purchases will be categorized and amortized as set out below. In the year of acquisition a half amortization will be charged and in the year of disposition a half amortization will be charged.
  - a. Furniture and Equipment – declining balance at a 20% rate.
  - b. Computer – declining balance at a 30% rate.
  - c. Leasehold Improvements – straight line on life of asset.
3. A list of all capital assets and their related amortization will be maintained and reviewed annually by May 31 to assess reasonableness.
4. Assets are removed from the list when disposed or written down to a value of less than \$200.



Nolan Crouse, Board Chair

Revisions		
Date	Status	Comments
October 28, 2015	Update	Changed review date
April 14, 2016	Approved	Board approved



Effective date September 9, 2010

Approved by Capital Region Board

## **SIGNING AUTHORITIES**

### **PURPOSE**

To provide proper signing authority to Capital Region Board officials.

### **POLICY**

Capital Region Board (CRB) shall delegate signing authority to the Chair (Interim Chair) and the Chief Executive Officer.

### **GUIDELINES**

1. Every cheque under \$10,000 issued by the Capital Region Board will require two signatures, both CRB administration with approved signing authority.
2. Every cheque of \$10,000 or greater issued by the Capital Region Board will require two signatures, both the Chair (Interim Chair) and the Chief Executive Officer.
3. All other legal documents will require one signature, either the Chair (Interim Chair) or the Chief Executive Officer.
4. In the absence of the Chair (Interim Chair), the Vice-Chair (Vice Interim Chair) shall be authorized to sign.
5. In the absence of the Chief Executive Officer, the Acting Chief Executive Officer shall be authorized to sign.
6. Every cheque payable to Chief Executive Officer will require a signature from the Chair/Interim Chair or in his/her absence, by the Vice-Chair/Interim Vice-Chair.
7. Every cheque payable to the Chair must be signed by the Vice-Chair
8. All policies and terms of reference, once approved, shall be signed by the Board Chair.

Nolan Crouse, Board Chair

Revisions		
Date	Status	Comments
October 28, 2015	Updated	Added double signature for amount under \$10,000
December 18, 2015	Amend	GPF amendment, Vice chair must sign cheques payable to chair
February 11, 2016	Approved	Approved by CRB



### **PURPOSE**

To ensure that the Capital Region Board and the Province of Alberta receive accurate and regular financial reports as required.

### **POLICY**

The Capital Region Board will receive financial reports quarterly at a CRB meeting.

The Capital Region Board will receive and approve an annual audited financial statement for the period April 1 to March 31.

The Province of Alberta will receive an annual audited financial statement for the period April 1 to March 31.

The Capital Region Board will prepare an annual financial information return respecting the financial affairs of the CRB for the period April 1 to March 31.

### **GUIDELINES**

1. The financial year end for the Capital Region Board will be March 31.
2. The Chief Executive Officer will present financial reports to the Capital Region Board and the Governance, Priorities, and Finance Committee that will include all revenue and expenditures for both operations and capital. The financial reports will include budget forecasts and the percentage of budget remaining.
3. The appointed auditors will annually provide the unaudited financial statements for the period April 1 to March 31 to the Governance, Priorities, and Finance Committee for approval and recommendation to the Capital Region Board. The Capital Region Board, upon approval, will submit a copy to the Province of Alberta as per grant agreements.
4. The financial information return will include requirements respecting the accounting principles and standards to be used in preparing the return and any other requirements established by the Minister of Municipal Affairs.
5. The Capital Regional Board must submit its annual financial information return and annual audited financial statements to the Minister of Municipal Affairs and each member of the Capital Region Board by May 1 of the year following the year for which the return and statements have been prepared.



Nolan Crouse, Board Chair

Revisions		
Date	Status	Comments
October 28, 2015	Update	Adjust year end date to match Province's year end date
December 15, 2015	Amend	GPF amendment, paragraph 2 under Policy, <i>unaudited</i> changed to <i>audited</i> .
February 11, 2016	Approved	Capital Region Board Approved.



Effective date September 9, 2010

Approved by Capital Region Board

## INVESTMENTS

### PURPOSE

To provide direction on the investment of Capital Region Board funds.

### POLICY

Investing CRB funds in a manner that will provide security of principal while satisfying cash flow requirements, providing optimum returns and conforming to Section 250(2)(a) to (d) of the Municipal Government Act.

### GUIDELINES

1. Investments should be purchased taking into account the following:
  - a. Compliance with the MGA – This means that each investment purchased complies with Section 250 (2)(a) to (d) of the MGA Revised Statutes of Alberta 2000, Chapter M-26 or any subsequent update.
  - b. Capital Preservation – This means that the principal amount of each investment is safe from losses arising from changes in market conditions or issuer default. CRB will ensure that sufficient diversification exists within its investment portfolio.
  - c. Cash flow requirements – This means that investments mature when cash is needed to meet operating and capital obligations which might reasonably be foreseen in the short and longer term. Use of cash flow forecasts and matching of such to maturity dates will avoid interim borrowing costs.
  - d. Investment earnings – This means that the portfolio will be managed such that an optimum rate of return is achieved while adhering to this policy’s guidelines.
2. The Chief Executive Officer must approve all investment activity.
3. The Chief Executive Officer will report the following information to the Governance, Priorities, and Finance Committee and the Capital Region Board at a minimum on a quarterly basis:
  - a. Specific investments including nature, maturity, amount, yield, percent of total portfolio.
  - b. Total investment portfolio.

Nolan Crouse, Board Chair

Revisions		
Date	Status	Comments
October 5, 2015	Amend	Provide coverage for future MGA updates
February 11, 2016	Approved	Capital Region Board Approved.



### PURPOSE

To establish specific reserves for emergent financial needs and to set aside funds for the replacement of existing equipment and future projects.

### POLICY

The Capital Region Board recognizes that the ongoing commitment of funds to specific reserves provides for contingency funding and flexibility.

### GUIDELINES

1. All reserve transactions, re-designations, revisions and new reserve requests must be ratified by the Governance, Priorities, and Finance Committee.
2. All reserves must be fully described and must include a purpose, application and approval. Unless otherwise stated, all funds are considered committed for the specific purpose as outlined by the reserve.
3. All reserve accounts must be represented in the CRB's financial statements.
4. All reserves must be reviewed annually by the Chief Executive Officer and the Governance, Priorities, and Finance Committee to determine if the reserves are still required. When the original intent of the reserve has been met or changed, any remaining amounts in the reserve shall, through an appropriate review and approval process by the Chief Executive Officer, Governance, Priorities, and Finance Committee and the CRB, be either returned to surplus or re-designated. The Governance, Priorities, and Finance Committee will approve and recommend any changes to reserves to the CRB.
5. Reserves can be funded from either internal or external sources.
6. Interest will not be paid to these reserves; but will accrue to general revenue
7. All expenditures from reserves must have prior approval through the annual operating or capital budget; or from an approved carryover project; or by CRB resolution.
8. Approval to re-designate reserve funds or approval for inter-reserve transfers shall be obtained prior to the transaction occurring through approval of the Governance, Priorities, and Finance Committee.
9. All CRB reserves shall be administered by the Chief Executive Officer and in accordance with generally accepted accounting principles.

Nolan Crouse, Board Chair

Revisions		
Date	Status	Comments
June 6, 2016	Amend	Delegated ability to approve reserves to GPF committee
September 8, 2016	Approve	Board approved policy