

APPROVAL DATE: JUNE 27, 2016	POLICY NUMBER: P-12-22-A
MOTION NUMBER: 16-06-263	
SUPERSEDES: N/A	
TITLE: LOCAL PREFERENCE WITHIN PURCHASING POLICY	

This policy references and augments the Town of Peace River's Purchasing Policy #P-12-21-A. Users should be cognizant of the provisions provided within both policies when enacting on behalf of the Town or providing services to the Town.

1 POLICY STATEMENT

- 1.1 Within the Town of Peace River's Purchasing Policy, this Local Preference Policy gives preference to local companies when the Town purchases goods and services and awards contracts of any kind.

2 PURPOSE

- 2.1 The Town of Peace River will comply with purchasing practices set out in the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA), which govern the provision of fair and open competition across provincial boundaries. To the extent that there is any conflict in the interpretation of provisions in the AIT and NWPTA, the interpretation that encourages a greater liberalization of trade applies.
- 2.2 Notwithstanding the guiding principles of the above noted Agreements to provide for fair and open competition, the Town of Peace River will provide increased opportunity for Peace River and area businesses to supply goods and services and perform construction contracts for the Town of Peace River, when such is not prohibited as set out in the Agreements. When preference to local businesses is not allowed under AIT or NWPTA, all vendors will be provided equal opportunity to supply goods and services and perform construction contracts for the Town of Peace River.
- 2.3 Related Information
- a) Agreement on Internal Trade is available for reference at www.strategis.ic.gc.ca.
 - b) New West Partnership Trade Agreement is available for reference at www.newwestpartnershiptrade.ca.

3 DEFINITIONS

- 3.1 **“Located in the Town of Peace River”** means that the person, firm, or corporation has a place of business located within the corporate boundaries of the Town of Peace River.
- 3.2 **“Peace River Business”** means a person, firm or corporation which in the course of carrying on its business:
- a) supplies good or services, or construction contract services,
 - b) is located in the Town of Peace River, and
 - c) has a current business license, unless otherwise exempted from the requirement to obtain a business license.
- 3.3 **“Town”** means the corporation of the Town of Peace River and includes all lands within its jurisdictional boundaries.
- 3.4 **“Trading Area”** means the geographical area 25 kilometers extending from the Peace River Town Hall.

4 RESPONSIBILITIES

- 4.1 Town Council to:
- a) approve by resolution this policy and any amendments.
 - b) consider the allocation of resources for successful implementation of this policy in the annual budget process.
- 4.2 Chief Administrative Officer to:
- a) implement this policy and approve procedures.
 - b) ensure policy and procedure reviews occur and verify the implementation of policies and procedures.
 - c) provide procedures regarding communication of procurement opportunities to the local business community.
- 4.3 Directors to:
- a) ensure implementation of this policy and procedure.
 - b) ensure regular review of policy and procedure.
 - c) make recommendations to the CAO of necessary policy or procedure amendments.

4.4 Managers/Supervisors to:

- a) understand and adhere to this policy and procedure.
- b) ensure employees are aware of this policy and procedure.

4.5 Employees to:

- a) understand and adhere to this policy and procedure.

5 PROCEDURE GUIDELINES FOR LOCAL PREFERENCE IN PURCHASING

5.1 In evaluating all quotes, tender bids and proposals from suppliers and contractors, the Town shall consider the purchasing factors identified in section 3.2 of the Town's Purchasing Policy; these criteria are as follows:

- a) price,
- b) life cycle,
- c) delivery time,
- d) transportation costs,
- e) quality of workmanship,
- f) condition of equipment,
- g) warranty or service work,
- h) supplier expertise in a product or service,
- i) previous experience with supplier or brand,
- j) location of supplier,
- k) the only manufacturer or supplier,
- l) quality of design,
- m) meets proposed criteria,
- n) safety,
- o) references, and
- p) local preference or content, as allowed under the terms of the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA).


5.2 Subject to the limitations imposed by the AIT and the NWPTA, the Town may favour a local business for goods and services below \$75,000 and construction contracts below \$200,000. If (based on all expressly stated criteria) a quotation, bid or proposal by a Peace River or Peace River Trading Area business is – other than price – equal or better than a quotation, bid or proposal from a non-Town or non-Trading Area business, then the Town may prefer a quotation, bid or proposal in accordance with the following variance guidelines:

Type of Purchase	Value of Purchase	Variance Allowed
Goods & Services	up to \$10,000	6%
	\$10,001 up to \$50,000	4%
	\$50,001 up to 74,999	2.5%
Construction	up to \$10,000	6%
	\$10,001 up to \$50,000	4%
	\$50,001 up to \$199,999	2.5%

- 5.3 Further, for those procurements to which the AIT and NWPTA do not apply, and to be expressly stated within its tendering and Requests for Proposal processes, the Town encourages non-Town and non-Trading Area contractors to use local sub-trades and local suppliers of goods and services whenever possible.
- 5.4 Therefore if, after the criteria noted in section 5.1 are applied in accordance with the tender/RFP documents issued for the procurement in question, the evaluation produces equal score(s) between two or more suppliers/contractors, then any contract being awarded to a non-Town or non-Trading Area business will be awarded to that firm which demonstrates the highest use of local goods, services and sub-trades.
- 5.5 In order to conduct its evaluations using the criteria noted in section 5.1, the Town of Peace River must expressly list those criteria in its procurement documents. If they are not so listed, then consideration of those criteria, or any criteria other than those expressly set out in the procurement documents will breach tendering law.



 Thomas Tarpey, Mayor



 Christopher J. Parker, CAO

Date Reviewed:	Signature: