

Objective:	The purpose of this policy is to ensure the South East Alberta Watershed Alliance (SEAWA) accountability for its use of public and donor funds in the acquisition of goods and services within the organization’s objectives and mission statement; and to establish guidelines for the acquisition of goods and services.
Context:	Except as otherwise specifically delegated by the Board of Directors, the procurement of goods and services from all sources of revenue including but not limited to general operating funds, research funds, directed contributions and other monies held in trust for special purposes, shall be the responsibility of the Executive Director.

Statement of Policy

A purchase decision is normally the result of a process, which includes identifying a need, considering alternatives, which can satisfy the need, and selecting the best value alternative.

1. Basic Principles

- 1.1 The management of SEAWA assets involves obtaining the best evaluated goods and services, considering their cost, usage, quality, and delivery.”
- 1.2 Whenever possible, the purchase of goods or services is based upon written specifications.
- 1.3 SEAWA is committed to using a competitive process to acquire services from external service providers wherever possible.
- 1.4 Any SEAWA member or staff responsible for procurement must not stand to benefit personally or financially from the process at hand or in any subsequent purchases.

2. Exemptions

This policy is not applicable to normal operating expenses such as:

- 2.1 Expenditures explicitly covered in other SEAWA Policy statements;

- 2.2 Salary deductions derived from legal or statutory obligations;
- 2.3 General SEAWA obligations derived from the AGM (e.g. Audit Expenses);
- 2.4 Utility costs (e.g. telephone);
- 2.5 Meeting expenses and honouraria;
- 2.6 Membership fees;
- 2.7 Invoiced SEAWA participant expenses from organizations that hosted conferences, workshops, forums, summit, symposia and similar activities.

3. Authorization Levels

Except where noted in 3.1, all purchases of an amount above the discretionary spending limit of the Executive Director (\$2,500) must have a written authorization. Authorization can be in the form of an e-mail or e-mails, or stated in the meeting minutes. Purchases of \$10,000 or less require authorization of at least two (2) Executive Members of the Board of Directors. Purchases in excess of \$10,000 must be approved by resolution of the Board of Directors.

- 3.1 Directed contributions made to SEAWA for the benefit of member or partner organizations, in any amount, will be provided to that member or partner organization in accordance with provisions mutually agreed upon by the parties involved.

4. Soliciting Contract Services

Competition is open, fair and defensible and ensures the best value for the money.

4.1 Contractor Solicitation Options

There are several options for soliciting contracts and the method chosen must be documented in the Project Terms of Reference:

4.1.1 Competitive Tenders

SEAWA invites proposals from external service providers. The tender process may be "open" or "limited".

Open Tendering: any interested service provider may submit a proposal in response to the SEAWA's request for proposals.

Limited Tendering: a limited group of service providers are invited to submit proposals. The tender may be restricted to service providers: in a particular geographic area (e.g. local only) who are on a resource list of pre-approved service providers.

4.1.2 Direct Competition

This is an open process where proposals of all interested service providers are considered. Direct competition is most suitable when the SEAWA desires to elicit a wide variety of ideas on how to provide the service or where the SEAWA wishes to hear from different types of service providers. Direct competition is also most suitable when the SEAWA wants to learn more about the qualifications of service providers who have never provided services to the SEAWA.

4.2 Invitation to Quote

This method consists of inviting selected service providers to submit a quote. This method should only be used for contracts that are either very specific or very simple in nature and pose minimal risk (e.g. insurance). A minimum of three quotes should be obtained.

4.3 Sole Sourcing

SEAWA invites a single eligible service provider to submit a proposal. The selected service provider is not to be awarded a contract without the solicitation and evaluation of a written proposal from the service provider.

Every effort must be made to ensure SEAWA policy and best practices are complied with when sole sourcing. Justification for sole sourcing must be clearly documented in the Project Terms of Reference.

4.3.1 Sole Sourcing is available in the following circumstances:

a) A situation of unforeseen emergency exists and there is insufficient time for open competition. To justify the sole sourcing decision, the circumstances that have led to the emergency and the time constraints that make competition impossible must be specifically detailed in the Project Terms of Reference.

An 'emergency' is defined as: 'a circumstance whereby supplies are required immediately to sustain critical operations.'

The best practice in this situation is to obtain the services on as short a term as possible and to take immediate steps to arrange a competition.

b) The contract is to procure a prototype or service to be developed in the course of and for a contract for research, experiment, study or original development but not for any subsequent purchases.

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c) Where the goods or services are of a confidential or privileged nature and open competition is expected to compromise that confidentiality. A description of the confidential service must be provided to SEAWA along with an explanation as to how open competition would compromise confidentiality.

d) Where there is only one service provider qualified to provide the particular service. This contention must be documented with as much proof as possible.

e) Where the service to be provided relates to property already guaranteed or warranted by a particular service provider.

f) Where it is necessary to ensure compatibility with existing products, to recognize exclusive rights such as licenses, patents or copyrights or to maintain specially manufactured products.

Approval Date: first approval on April 06, 2017; further revised and re-approved June 8, 2017 at Board of Director's meetings.

Review Date: Annually as directed by the Bylaws, and Policy Committee.