



# HARTLAND

## POLICY P-002.02 – PROCUREMENT POLICY

REVISED JANUARY 27, 2026

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### 1. PURPOSE

The purpose of this Policy is to establish a clear, transparent, and legally compliant framework for acquiring goods, services, and construction; ensuring fairness, openness, and transparency; value for money and fiscal accountability; compliance with applicable legislation, regulations, and trade agreements; and responsible and environmentally sustainable procurement practices.

### 2. AUTHORITY

This Policy is enacted by Council of the Local Government of Hartland pursuant to Local Governance Act, S.N.B. 2017, c.18, and shall be interpreted in accordance with, the following authorities, as amended from time to time:

#### 2.1 Provincial Statutes and Regulations

- a. Local Governance Act, S.N.B. 2017, c.18;
- b. Procurement Act, S.N.B. 2012, c.20;
- c. Procurement Regulation, N.B. Reg. 2014-93;
- d. Crown Construction Contracts Act, R.S.N.B. 1973, c. C-10, and associated regulations (if applicable).

*Clarifying Note – Application of the Crown Construction Contracts Act (CCCA)*  
*The Crown Construction Contracts Act applies only to contracts for the construction, repair, alteration, or improvement of land or structures owned or administered by the Province of New Brunswick or a designated Crown agency. This Act does not apply to construction projects on municipal property owned by the Town of Hartland.*

*The CCCA may apply only in limited circumstances where the Town is undertaking construction activities on behalf of the Province or on land or infrastructure owned by the Crown, including Crown agencies such as NB Power, NB Housing, the Regional Development Corporation (RDC), or WorkSafeNB. Examples include:*

*construction or repair work performed on provincial rights-of-way or land owned by the Department of Transportation and Infrastructure;*

*infrastructure or facility upgrades undertaken for NB Power or NB Housing where the Crown retains ownership;*

*joint capital projects with the Province where the resulting asset is owned or administered by the Crown;*



*Town-managed improvements on Crown property such as provincial parks, Crown easements, or provincial service buildings.*

*In these cases, the Town must follow the procurement requirements established under the CCCA, including mandatory public tendering, minimum bidding requirements, and prescribed contract forms. For all other municipal procurement, the Procurement Act and NB Regulation 2014-93 apply, not the CCCA.*

## 2.2 Trade Agreements

- a. Canadian Free Trade Agreement (CFTA) and any successor domestic trade agreements applicable in New Brunswick.

NOTE: CETA does not apply to municipal procurement in New Brunswick. The Town is subject only to CFTA and any domestic trade agreements adopted by the Province. Government of New Brunswick procurement legislation and guidance assign CETA obligations only to provincial Schedule A entities, not municipalities (Schedule B). This is confirmed by NB Regulation 2014-93, which defines CETA for provincial purposes, and by the *Procurement Information for Municipalities* manual, which lists CFTA only as applicable to municipalities. Accordingly, the Town of Hartland is required to comply with CFTA, but not CETA. \*CETA applies only to the following municipalities: Bathurst, Campbellton, Dieppe, Edmundston, Fredericton, Miramichi, Moncton, and Saint John.

## 2.3 Provincial Procurement Framework

- a. Service New Brunswick (SNB) procurement policies, rules, thresholds and advertising requirements, including public posting on the New Brunswick Opportunities Network (NBON).

## 2.4 Environmental and Sustainability Framework

- a. NB Green Procurement principles and guidance, as issued or endorsed by the Province of New Brunswick.

## 2.5 Municipal Delegation

- a. Town of Hartland By-law A-180 – Role of the Chief Administrative Officer (CAO), which assigns administrative control and oversight of municipal operations, including implementing Council-approved procurement policies.

## 2.6 Hierarchy of Authority

If conflict arises, the higher-order legislative or regulatory authority prevails.

## 3. LEGISLATIVE COMPLIANCE

3.1 All procurement under this Policy shall comply with the Procurement Act, NB Reg 2014-93, Crown Construction Contracts Act (if applicable), and applicable trade agreements.



3.2 Where provincial public tender thresholds or posting requirements apply for Municipalities, the Town shall follow current SNB guidance, including public advertising through NBON.

3.3 Procurement shall not be structured to avoid public thresholds, restrict competition contrary to law, or confer unfair advantage.

3.4 Environmental considerations may be applied only where consistent with legislative and trade obligations.

3.5 The Town shall not divide, fragment, or otherwise structure a procurement for the purpose of avoiding approval limits, reporting requirements, or public tender thresholds. This includes compliance with Section 27 of *New Brunswick Regulation 2014-93*, which prohibits contract-splitting intended to circumvent the provincial public tender process.

3.6 All public tenders shall comply with the minimum advertising and posting periods established for Municipalities by Service New Brunswick, including the requirement that competitive solicitations posted on the New Brunswick Opportunities Network (NBON) remain publicly advertised for a minimum of *10 calendar days*, or longer where required by legislation, regulation, or applicable trade agreements.

3.6 All procurement records shall be created, maintained, and retained in a manner that ensures defensibility under public scrutiny, including audits, public reviews, and requests made under the *Right to Information and Protection of Privacy Act (RTIPPA)*. Procurement files must clearly demonstrate fairness, transparency, value for money, and compliance with this Policy and applicable legislation.

In the event of conflict, provincial legislation prevails.

#### **4. SCOPE AND APPLICATION**

4.1 This Policy applies to all purchases made in the name of, or on behalf of, the Town of Hartland.

4.2 This Policy applies only to purchases that are included within the department's Council-approved Operating Budgets. Employees do not have authority to make unbudgeted purchases unless Council has expressly authorized the expenditure or the CAO has exercised their limited unbudgeted authority as permitted under this Policy.

4.3 Authority under this Policy is limited to the employee's own department, is restricted to Council-approved budget allocations, and does not create interdepartmental approval authority.

4.4 No employee may authorize, approve, or direct procurement for another department.

4.5 This Policy applies to all municipal entities, committees of Council, boards, commissions, and any third party purchasing on behalf of the Town unless excluded by law or by Council.

#### **5. DEFINITIONS**

For the purpose of this Policy:



“Budgeted Purchase” means a purchase funded within Council-approved Operating or Capital Budgets.

“CAO” means the Chief Administrative Officer appointed under the Town’s CAO By-law.

“Construction” means any work relating to the building, repair, renewal, alteration, restoration, replacement, extension, improvement, or maintenance of land, buildings, infrastructure, or structures. Construction includes work that modifies or affects the physical condition, function, or integrity of municipal assets, whether performed by contractors or service providers. This definition is consistent with the meaning used in the *New Brunswick Procurement Act* for construction-related services.’

“Department Head” means the senior manager responsible for a municipal department.

“Emergency” means a situation where immediate action is required to protect life, public safety, municipal property, or the delivery of essential municipal services, consistent with the emergency procurement provisions of the *Procurement Act*, section 27 and conditions under which normal competitive processes may be bypassed. Emergencies do not include delays caused by planning issues, staff oversight, or foreseeable operational needs.

“Goods” means tangible products, equipment, or supplies.

“Green Procurement” means procurement that considers environmental performance, life-cycle cost, durability, energy efficiency, waste reduction, and supplier sustainability practices.

“Public Tender Threshold” means the minimum dollar value at which the Town is required to conduct a publicly advertised competitive process in accordance with the thresholds prescribed by Service New Brunswick (SNB) from time to time. Where thresholds are updated by SNB or provincial legislation, the most current threshold shall apply without requiring amendment to this Policy.

“Services” means non-construction services, including consulting and professional services.

## **6. GENERAL PROCUREMENT PRINCIPLES**

All procurement shall be conducted in a manner that is fair, open, transparent, and competitive; avoids real or perceived conflicts of interest; achieves best value, not necessarily lowest price; complies with legislative, regulatory, and trade obligations; and incorporates Green Procurement principles where practicable.

## **7. SPENDING AUTHORITY**

### **7.1 General Principles**

- a. All spending authority under this Policy applies only to purchases made within Council-approved Operating Budgets, unless otherwise authorized in accordance with this Policy.



- b. Authority granted under this section is limited to the employee's assigned department only and does not confer authority to approve or direct purchases for another department.
- c. No purchase may be structured or divided to avoid approval limits.
- d. Department Heads may not authorize recurring services that cumulatively exceed their authority without CAO approval.

## 7.2 Council Authority

Council approval is required for:

- a. budgeted purchases of \$25,001 or greater prior to commitment; and
- b. unbudgeted purchases exceeding the CAO's delegated authority under this Policy.
- c. Issuing or advertising a Tender/RFP is not considered an award and does not require Council approval. Council approval is required prior to award only.

## 7.3 Chief Administrative Officer (CAO)

- a. The CAO may approve budgeted purchases up to \$25,000, provided the purchase is within an approved departmental budget and complies with this Policy.
- b. The CAO may approve unbudgeted purchases up to \$10,000, subject to availability of funds; and subsequent reporting to Council in a manner determined by the CAO.
- c. The CAO shall ensure that unbudgeted expenditures are minimized and that Council is informed of financial impacts.

## 7.4 Department Heads

- a. Department Heads may approve budgeted purchases up to \$3,000, within their own department only.
- b. Department Heads have no authority to approve unbudgeted purchases; shall not exceed departmental budgets; and shall not approve purchases for another department.
- c. Department Heads remain accountable for ensuring purchases comply with this Policy and approved budgets.

## 7.5 Emergency Purchasing



a. In emergency situations where immediate action is required to protect life, property, or essential municipal services, the CAO may authorize purchases in accordance with the Procurement Act and Regulation 2014-93.

b. Emergency purchases shall be reported to Council as soon as practicable; and not be interpreted as a waiver of budget authority unless Council expressly approves otherwise.

## **8. PROCUREMENT METHODS**

### **8.1 General Requirements**

a. All procurement shall comply with the Procurement Act, Regulation 2014-93, the Crown Construction Contracts Act, applicable trade agreements, and Service New Brunswick requirements.

b. The procurement method selected shall be appropriate to the value, complexity, risk, and market conditions of the goods, services, or construction being acquired.

c. Procurement activities shall be conducted in a manner that is fair, transparent, competitive, and defensible.

d. No purchase shall be divided, fragmented, or otherwise structured to avoid applicable approval limits or public tendering thresholds.

e. The Town shall ensure that procurement does not discriminate against suppliers based on geographic location, and shall not give local, regional, or provincial preference for procurements at or above the applicable trade agreement thresholds, in accordance with the non-discrimination and equal treatment provisions of the Canadian Free Trade Agreement (CFTA).

### **8.2 Procurement Thresholds and Public Tendering**

a. The Town shall comply with the New Brunswick public tender threshold established under the Procurement Act and NB Regulation 2014-93. This threshold is determined by the Province of New Brunswick and applies to the estimated total value of goods, services, or construction.

b. The provincial public tender threshold is adjusted every two years for inflation by the Province under NB Regulation 2019-20. The Town's own tender threshold shall automatically update in alignment with any future provincial adjustments, without requiring amendment to this Policy. [[www2.snb.ca](http://www2.snb.ca)]

c. Where a procurement meets or exceeds the current provincial public tender threshold, the Town shall conduct a public competitive process, including:

- posting on the New Brunswick Opportunities Network (NBON); and
- complying with all provincial minimum posting periods and solicitation requirements.



- d. Posting a public Tender or Request for Proposal (RFP) does not constitute a financial commitment by the Town. Council approval is required only prior to awarding a contract where the value meets or exceeds Council's approval threshold under Section 7. The CAO is authorized to issue or advertise Tenders and RFPs without prior Council approval.
- e. For the purposes of determining whether a procurement meets or exceeds the provincial public tender threshold, the "estimated value" shall follow the definition used in NB Regulation 2014-93. The estimated value must include all incidental and associated costs such as delivery, transportation, installation, duties, tariffs, premiums, fees, commissions, interest, and any other costs related to the acquisition, but must exclude taxes. (NB Reg 2014-93 definition of estimated value, as amended by NB Reg 2019-20)  
[\[www2.snb.ca\]](http://www2.snb.ca)

### 8.3 Procurement Below the Public Tender Threshold

- a. For procurements below the public tender threshold, the Town may use informal or invitational procurement methods, provided the method selected reflects the value and risk of the purchase; provides reasonable competition where available; and can be explained and defended if reviewed.
- b. All quotes, pricing comparisons, and supplier evaluations must be based on the total cost to the Town, including shipping, delivery, environmental fees, installation, duties, tariffs, and any other incidental or mandatory charges. Taxes shall be included for comparison purposes but excluded when determining whether a procurement meets public tender thresholds.

### 8.4 Procurement Procedure

- a. The CAO shall establish and maintain a Procurement Procedure to support this Policy.
- b. The Procurement Procedure may include guidance on informal procurement practices, documentation standards, evaluation practices, and administrative controls. Any internal guidance shall not override the requirement to obtain competitive quotes or conduct public tendering where required under this Policy, the Procurement Act, NB Regulation 2014-93, or applicable trade agreements. The Town shall not use "preferred vendors" or standing vendor lists as a substitute for competitive processes. Internal rosters or contact lists maintained for efficiency shall not restrict staff from seeking additional quotes or considering new suppliers.



Internal Guidance (Administrative)

Estimated Value	Expected Practice
\$0 – \$3,000	Direct purchase with documentation to justify purchase and its purpose
\$3,001 – \$10,000	One written quote
\$10,001 – \$50,000	Request Two written quotes
\$50,001 - Threshold	Request Three written quotes
At or above provincial threshold (\$139,900 as of January 2026)	Public tender via NBON (CAO-led)

Note: Email quotes are acceptable. If fewer quotes are available, document why.

c. The Procurement Procedure is an administrative document and does not require Council approval unless directed by Council.

8.5 Documentation

- a. Procurement decisions shall be documented in a manner proportionate to the value and risk of the purchase.
- b. Documentation shall be sufficient to demonstrate compliance with this Policy and applicable legislation; and that the procurement achieved best value for the Town.

**9. GREEN PROCUREMENT**

9.1 Where practicable and lawful, the Town shall consider environmental performance, life-cycle and operating cost, durability, maintenance, and waste/emissions reduction in procurement decisions.

9.2 Green considerations shall not override legislative or trade obligations.

**10. PURCHASE ORDERS (POs) AND PRE-COMMITMENT CONTROLS - Designed for municipalities that do not currently use PO systems**

10.1 Purpose of Pre-Commitment Controls

To ensure fiscal accountability and defendability under audit review, the Town shall maintain a pre-commitment control process before any purchase is made. Where a formal Purchase Order (PO) system does not exist, alternative pre-commitment documentation shall be used to confirm:

- a. the purchase is budgeted;



- b. the correct approval authority has been applied;
- c. pricing, scope, and terms are documented prior to commitment; and
- d. the Town's financial obligations are clearly established.

#### 10.2 Alternative to Purchase Orders (Interim Best Practice)

Until the Town implements a formal PO system, the Town shall use an Approval-to-Purchase Form (ATPF) to serve the same compliance function. The ATPF must:

- a. be completed before committing to any supplier;
- b. include description, value, vendor, and scope of the purchase;
- c. include evidence of the applicable approving authority under Section 7;
- d. include supporting quotes or NBON documentation as required; and
- e. be filed with Finance for audit and retention.

#### 10.3 Threshold for Mandatory Pre-Commitment Documentation

To maintain consistency and avoid administrative bottlenecks, the following applies:

- a. All purchases of \$10,000 or greater require a completed ATPF.
- b. High-Risk Purchases: Certain categories of procurement require enhanced documentation and oversight due to additional financial, legal, operational, or reputational risks. An Approval-to-Purchase Form (ATPF) is required for all high-risk purchases, regardless of dollar value. High-risk categories include construction-like work; multi-year or recurring service agreements; IT/software, licensing, and system-integrated hardware; grant-funded or cost-shared procurement;
  - a. and any purchase designated as high-risk by the CAO. The CAO may declare a purchase high-risk based on value, complexity, supplier history, or potential exposure.

##### 10.3.1 High-Risk Purchases — Mandatory ATPF Regardless of Value

Certain categories of procurement present elevated financial, operational, legal, reputational, or safety risks. For these purchases, enhanced oversight is required. An Approval-to-Purchase Form (ATPF) is mandatory for all high-risk purchases, regardless of dollar value.

High-risk purchases are those that involve construction-like work, multi-year obligations, IT or system-integrated equipment, grant-funded purchases, or any situation where the CAO determines that additional oversight is required. These purchases carry greater financial, operational, legal, safety, or reputational risks. Because of these risks, an Approval-to-Purchase Form (ATPF) is required for all high-risk purchases, regardless of the dollar value, to ensure appropriate documentation, review, and authorization.

##### a. Construction-like work

Work involving modification, repair, replacement, alteration, or installation to Town facilities, equipment, or infrastructure.

*Examples: welding repairs; arena brine-line work; HVAC, electrical or plumbing services; culvert or sidewalk repairs; exterior building repairs.*



b. Multi-year or recurring service agreements

Any agreement that creates ongoing or cumulative financial obligations over multiple periods.

*Examples: janitorial contracts; recurring snow clearing; elevator servicing; propane supply; annual testing or inspection contracts.*

c. IT, software, licensing, or system-integrated hardware

Purchases involving data, privacy, network security, system integration, or technology-dependent services.

*Examples: software subscriptions; cloud platforms; network switches; security cameras; access control systems; annual licensing renewals.*

d. Grant-funded or cost-shared procurement

Purchases where funding agreements impose additional documentation or competitive requirements.

*Examples: ACOA projects; RDC cost-shared infrastructure work; recreation or fire service grant purchases; projects requiring reimbursement evidence.*

e. CAO-designated high-risk purchases

Any purchase deemed high-risk by the CAO due to complexity, vendor concerns, sensitivity, uncertainty, or potential financial exposure.

*Examples: work involving new or unproven suppliers; politically sensitive purchases; projects where scope may expand; incomplete or ambiguous vendor quotes.*

Completion of an ATPF ensures that business justification, documentation, approval authority, and compliance requirements are clearly demonstrated and auditable before the Town becomes financially committed.

#### 10.4 Framework Agreements, Standing Offers, and Multi-Year Commitments

Where the Town enters into any agreement that creates ongoing, recurring, or multi-year financial commitments, an ATPF shall be completed at the initiation of the arrangement, even if the annual spend is below threshold. This ensures:

- a. cumulative value is assessed;
- b. approval authority is properly applied;
- c. the agreement is documented for future reference and audit review.

#### 10.5 Future Implementation of a Purchase Order System

The CAO may implement a formal Purchase Order system when operationally appropriate. At that time:

- a. the ATPF system shall be replaced by POs;
- b. thresholds and categories may be adjusted administratively;
- c. the CAO may issue a revised Procedure without requiring amendments to the Policy.



#### 10.6 No Soft Approvals

Consulting Finance staff or providing invoice copies does not constitute authorization to proceed. Only an ATPF, CAO/Department Head approval, or formal PO (if implemented) may authorize a purchase. Clarification: Section 10.6 does not change or override the spending authority levels in Section 7. Department Heads retain full approval authority up to their delegated limit. Section 10.6 simply requires that approvals be formal and documented (ATPF, written approval, or PO), and that informal conversations with Finance or staff do not constitute authorization to proceed.

#### 10.7 Bid Bonds and Contract Security

For major construction projects or high-risk procurements, the Town may require bid bonds, performance bonds, labour and material payment bonds, or other forms of contract security where the CAO determines that financial protection of the Town is necessary. Bonding is generally required only for higher-value or high-risk construction projects—typically those meeting or exceeding the provincial public tender threshold or where contractor default would present a significant financial or operational risk to the Town. Bonding requirements, when applicable, shall be stated clearly in the Tender or RFP documents and applied consistently in accordance with NB procurement rules.

### 11. EXEMPTIONS & SOLE SOURCE

#### 11.1 Permitted Exemptions

Exemptions from competitive procurement may be applied where justified and documented in accordance with the *New Brunswick Goods and Services Regulation (NB Reg 2014-93)* made under the *Procurement Act (RSNB 2012, c.20)*.

Exemption types permitted under NB Reg 2014-93 include sole-source procurement due to:

- compatibility or standardization requirements;
- absence of competition (sole supplier);
- urgent necessity where delay would risk safety, property, or essential service continuity;
- specialized or confidential professional services;
- grant-funded or cost-shared procurement where the funding agreement imposes alternate rules;
- or other limited-competitive processes permitted under the Regulation.

These exemption categories apply to all Schedule B entities, including municipalities.

Including limited competitive bidding processes defined in the Regulation.

(The Regulation defines allowable methods such as limited competitive bidding, informal quotes, and standing offer agreements.)

#### 11.2 Professional Services That May Qualify for Exemptions

Certain professional services may qualify for exemption from competitive processes where they meet one or more of the exemption categories permitted under the *Procurement Act* and NB Reg 2014-93.

These services are not automatically exempt, but commonly fall under exemption criteria due to confidentiality, statutory requirements, proprietary expertise, or technical compatibility.

Examples include:



- legal services and solicitor-client work;
- external financial audit services;
- engineering or architectural services requiring continuity of design or technical responsibility;
- specialized IT, software, cybersecurity, or system-integration services;
- mediation, arbitration, workplace investigation, or conflict-resolution services;
- environmental, geotechnical, or technical specialists where continuity or proprietary data is required.

All professional-service exemptions must be clearly justified, documented, and approved by the CAO using the ATPF.

#### 11.2.1 Mandatory Documentation

All exemption decisions must include:

- a. A written justification describing why an exemption applies;
- b. Evidence supporting the exemption category (e.g., compatibility rationale, supplier exclusivity letter, screenshots, emergency summary, grant terms);
- c. Approval under the applicable authority level in Section 7;
- d. An ATPF (Approval-to-Purchase Form) for all exemption cases regardless of value.

#### 11.4 Budget Compliance Required

Exemptions do not waive the requirement that purchases be budgeted, unless Council explicitly authorizes an unbudgeted expenditure.

#### 11.5 No Exemption Without CAO Approval

Only the CAO may approve exemptions or sole-source decisions. Department Heads may not apply exemptions.

## 12. OVERSIGHT, ROLES & INTERPRETATION

12.1 The CAO is responsible for administering this Policy, ensuring compliance and establishing procedures consistent with this policy.

12.2 Department Heads are accountable for procurement within their departments.

12.3 The CAO is the sole authority to interpret this Policy and the Procurement Procedure; questions on thresholds, methods, or exceptions must be directed to the CAO. *(Aligned to By-law A-180 and best practice)*

## 13. NON-COMPLIANCE

Suppliers who fail to comply with municipal by-laws, policies, or applicable legislation may be excluded from Town procurement processes. (Subject to applicable rights and trade obligations.)



**14. REVIEW**

This Policy shall be reviewed at least once per Council term, or as required if legislative or regulatory changes occur.

**15. EFFECTIVE DATE & SIGNATURES**

Effective Date: January 27, 2026

Mayor: Tracey DeMerchant  
Tracey DeMerchant

Clerk: [Signature]  
Julie Stockford

(Affix municipal seal)



