



# TAKLA NATION

HEALTH ■ PROSPERITY ■ TRADITION

## **TAKLA NATION Equipment Purchase, Use and Rental Policy**

### **Policy Statement**

Takla Nation purchases capital equipment to meet the requirements of the Nation, particularly the development and maintenance of public works, capital projects and Nation-related business projects. Takla Nation Chief and Council will ensure all equipment is purchased, maintained and used for the good of the Nation, using Nation resources wisely. Takla Nation is responsible for the safe use, warranty and insurance requirements related to all Nation-owned equipment.

### **Rationale**

This policy and related procedures are designed to manage risk and liability for the Nation, and to promote consistency in planning for and access to capital equipment.

### **Principles**

- The Nation purchases capital equipment for:
  - Primary use as identified in the initial purchase plan, which takes priority over all other uses
  - Approved use by departments
  - Approved business development activities by the Nation
  - Approved rental by Band members;
- Planned use of capital equipment will be defined prior to purchase, and future use of the equipment will adhere to those uses;
- Every effort will be made during initial planning to identify multiple uses for equipment, or to purchase equipment that meets the needs of multiple departments;
- The Nation will ensure all Nation-owned equipment is used for the purposes for which it was purchased, and that all maintenance, insurance, warranty and safety requirements are adhered to under those usage standards;
- All equipment users will be trained by the Nation, or will provide valid evidence of appropriate training on the use of specific equipment prior to use or approval of use;
- All users of Nation-owned capital equipment must adhere to all rules and regulations, including insurance, maintenance and safety requirements;
- Funding source for equipment purchase has no bearing on implementation of this policy and these procedures;
- Public Works will develop and maintain a centralized asset management and asset maintenance system for all capital equipment, regardless of which department is the managing department;
- Constructive communication between departments for equipment use and coordination is essential.

### **Scope/Limitations**

Due to potential and serious liabilities related to equipment use, insurance and equipment warranties, the Nation requires that all employees, elected officials and equipment users adhere to this policy and procedures.

## Definitions

**Capital Equipment:** Any Nation-owned piece of equipment valued at \$10,000 or more, and any item valued at less than \$10,000 but which would have been \$10,000 or more if purchased new. Capital equipment has a life expectancy of at least three years. This policy does not include stationary equipment such as pumps and generators.

**Managing Department:** The department identified in the initial plan as having priority use and responsibility for specific equipment.

**Takla Nation:** The elected Chief and Council, who are legally responsible for all equipment purchased for the Nation and who carry all liability for equipment.

### POLICY APPROVAL SUMMARY

Approved by: Takla Nation Council  
Original approval date: May 30, 2019  
Latest approval date:

## Equipment Purchase, Use and Rental Procedures

In conjunction with the Equipment Purchase, Use and Rental Policy, these procedures outline how Takla Nation will manage Nation-owned capital equipment.

### Procedures

- A. All capital equipment purchased for Takla Nation will:
1. Have a written and approved plan in place prior to any purchase. The plan will be approved by the senior administrator with expenditure approval and by the Director of Finance or designate to ensure the plan is complete. The Finance Department will keep a copy of the plan. The plan will identify:
    - i. The specific piece(s) of equipment to be purchased, and possible suppliers;
    - ii. Intended priority uses, scope and users of the specific equipment, and how it relates to existing equipment (i.e. replacement, adds capacity, creates new opportunities). This is necessary to ensure we have the proper insurance in place;
    - iii. Opportunities for multiple uses of the equipment and/or use by multiple departments;
    - iv. All incremental costs such as safety or vehicle inspections, initial transportation of equipment;
    - v. Researched options and alternatives to the proposed equipment;
    - vi. Requirements for inspections, use of log books etc.;
    - vii. Identify the Managing Department responsible for the specific piece of equipment, including:
      1. Budget and revenue source for capital purchase
      2. Budget and revenue source for initial and future equipment transportation, insurance and maintenance costs
      3. Budget and revenue source for initial and on-going user training
      4. Where equipment will be stored when not in use, and how key access will be restricted
      5. How the equipment will be branded as belonging to Takla Nation
    - viii. Whether the equipment is for Nation use only, for rental to members for personal use, for rental to members for business use, or for rental to third party businesses including Takla Lake Limited Partnership, Takla Development Corporation or the Takla Trading Post, including identifying conditions where equipment can be rented, including:
      1. When the equipment is available for use by others i.e. after the Nation has owned it/used it for a certain period (relating to the warranty period)
      2. Any location restrictions i.e. on-reserve only
      3. Training and licensing requirements
      4. Oversight requirements by Nation administrator to ensure safe and legal use of equipment
  2. Be purchased according to the Purchasing & Expenditure Authority policy, including:
    - i. Using the Request for Proposal process, requiring three quotes
    - ii. Assessing the comparative value of purchasing new or used equipment, including liability benefits and risks, and cost benefits and risks
    - iii. Adhering to expenditure authority limits

3. Be added to the asset management and maintenance system as soon as the purchase is complete;
  4. Be delivered directly to the Managing Department responsible for the equipment; the Managing Department is responsible for the warranty and insurance under the approved plan.
- B. If specific equipment is to be made available to other users, the Managing Department must have processes in place to ensure:
- i. Any Band projects are first priority for equipment use;
  - ii. The Managing Department maintains a schedule of users as determined by the initial plan or with priorities identified by senior Band administration:
    1. Managing Department has priority
    2. Other Nation departments scheduled through the Managing Department
    3. Other users on a rental agreement basis
  - iii. User skills are validated or that equipment-specific training is successfully completed prior to use, or the user must hire a Band employee as part of the rental agreement with the Nation;
  - iv. Required licensing is in place;
  - v. Liability issues are identified, and processes in place to manage the risk associated with those (some equipment is insured for on-reserve use only);
  - vi. Equipment security (i.e. designated storage location, key access, lock up requirements, return-to-base requirements);
  - vii. Rental rates are set on a cost-recovery basis using the Blue Book rate as a basis and taking into account location and equipment attachments. Rental rates are reviewed and approved by Finance Committee for consistency;
    1. Rental rates include fuel costs and all equipment transportation costs, incorporating any standards for safe transportation required for warranty or insurance purposes
    2. Rental rates include repair and maintenance costs, a contingency cost
    3. Timelines for rental use are clearly established
  - viii. Rental fees may be waived by the Nation's senior administrator, but all other conditions of rental must be maintained;
  - ix. Restrictions such as where the equipment can be used, who can use it, communication and incident protocol, responsibility for refueling etc. are clearly spelled out in the rental agreement;
  - x. All rental fees and a damage deposit must be paid in advance;
  - xi. Equipment may only be used for the use specified and by individuals specified in the rental agreement; equipment must be returned to the Managing Department and checked for issues before being used again.
  - xii. The Managing Department has final discretion on approving individual equipment users based on their history of responsibility and accountability.
- C. All capital equipment will be tracked through a Public Works Department asset management and asset maintenance system, regardless of the managing department.
1. Equipment management includes:
    - i. Assigned unit number on each piece of equipment

- ii. Maintenance system to ensure maintenance is planned and authorized by the Managing Department, with proof provided back to Public Works (for tracking in the asset management and maintenance system)
- 2. Equipment end-of-life arrangements will include:
  - i. Reason for disposal (i.e. safety, worn out)
  - ii. Appraisals for any sale or salvage value (for accounting purposes)
  - iii. Approval by Finance for final disposition.

D. The senior Band administrator in Takla Landing is responsible for reinforcing asset protection and liability management under these policies and procedures, and is responsible for dispute resolution between departments should disputes over equipment use, planning and costs arise.

<b>PROCEDURE APPROVAL SUMMARY</b>	
Approved by:	Takla Nation Council
Original approval date:	May 30, 2019
Procedure amendments approved by:	Finance Committee
Changes to rental rates approved by:	Finance Committee
Latest approval date:	

Related documents:

Rental agreement and waivers