

THE CITY OF PRINCE ALBERT



PURCHASING POLICY

City of Prince Albert Statement of POLICY and PROCEDURE			
Department:	Financial Services Department	Policy No.	17.2
Section:	Central Purchasing Division	Issued:	
Subject:	Purchasing Policy	Effective:	February 23, 2009
Council Resolution # and Date:	Council Resolution No. 0108 of February 23, 2009	Page:	2 of 43
		Replaces:	Policy No. 17.1
Issued by:	Director of Corporate Services	Dated:	Sept. 22, 2008
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PURCHASING POLICY

It is the policy of The City of Prince Albert to purchase the quality of goods desirable for the end use, to be as environmentally responsible as possible, at the best prices available and to endeavour to ensure that as many suppliers as practical are given the opportunity to quote on City business. Goods are purchased as close to manufacturing level as trade practices permit.

Section 1 AUTHORITIES

Local Purchase Orders

A Local Purchase Order must be issued for any purchase under \$500. and authorized by the designated manager/supervisor of that department. No requisition is required.

Purchase Cards

Refer to Section 7 Purchasing Cards of this policy.

Requisitions

No commitment shall be made to requisition commodities unless funds for that purpose have been approved, by City Council, in the Operational Budget, the Capital Budget, or as part of the Administration Bylaw.

Purchase requests over \$500

All employees of the City of Prince Albert will have the authority to requisition items. Requisitions are required to be approved as follows:

Up to \$1,000	Manager
\$1,001 - \$7,499	Senior Manager
Over \$7,500	Department Head

All purchases over \$500 require a complete and properly authorized requisition, as outlined above.

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Purchase Orders

Only the Director of Financial Services, Assistant Director of Financial Services, Finance Manager, Purchasing Agent, or Chief Clerk-Financial Services may issue purchase orders. For the purposes of this policy the term "Purchasing Agent" will be used to signify these five positions. The Purchase Order must be authorized within the following limits:

\$500 to \$10,000	Purchasing Agent/Department Head
\$10,000-\$50,000	City Manager
Unlimited	City Council

Technology Purchases

The Information Technology (IT) Department is to be contacted prior to the purchase of any software or hardware that will be used by an employee in the performance of their position within the City of Prince Albert.

If a Department chooses to purchase equipment or software directly without working through the Information Technology Department, the IT Department may require it be removed. This is to ensure that equipment and software remain as standardized as possible and therefore are easier and less costly to maintain and support.

Unauthorized Purchases

Any Civic employee, who wilfully acquires any supplies for the City in contravention of any of the provisions of the Policy, or of any regulation or order made hereunder, shall be deemed to have committed an act of malfeasance in office and is liable to disciplinary action consistent with The City of Prince Albert Purchasing Policy.

Emergency Purchases

Purchasing shall normally be involved in emergency purchases as well as on a routine basis; however, if it is necessary for a department to make an emergency purchase, it is the responsibility of the Department Head to provide the necessary written authorization after the fact.

1.01 Conflict of interest

No Civic Employee shall place himself, or another, in a position of obligation to a supplier through acceptance of gifts or gratuities. Small advertising items such as pens, calendars, caps, etc. are exempt from this clause. Value of these items should not exceed \$50.

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1.02 Purchasing Cards/Local Purchase Orders

Numerous purchases by the City of Prince Albert are of a non-stocking, non-repetitive nature which are of a small dollar value and do not lend themselves to bulk buying by Purchasing. The responsibility for these purchases is delegated to staff approved by the user department and Purchasing, and does not require approval from Purchasing on individual orders.

Designated employees authorized by the respective Department Head, or in the case of a Department Head, authorized by the City Manager, shall be provided with a City of Prince Albert Purchasing Card. Requests for revision to the daily or monthly transaction limits on the purchasing card, must be authorized by the respective Department Head, or in the case of the Department Head, the City Manager.

Dependent upon the authorization provided, restrictions are placed on the utilization of the Purchasing Card by vendor type or dollar amount. This may restrict the value of a transaction, the number and value of transactions per day or month and the total amount of expenditures per month. In addition to this, restrictions may be placed on a card that may or may not allow them to utilize the card for hotels, meals, travel, etc. These restrictions are placed on the card in consultation with the Department Head authorizing the issuance of the Purchasing Card.

Financial Services shall maintain control over the issuance and usage of all Purchasing Cards. At its discretion Financial Services shall have the authority to suspend or cancel an individual's card for not complying with the Purchase Policy and Procedures.

It will be the policy of The City of Prince Albert to prefer those local suppliers that accept The City of Prince Albert Purchasing Card. In the event The City of Prince Albert is required to conduct business with vendors that do not accept The City of Prince Albert Purchasing Cards alternate payment/billing arrangements will be made with that vendor.

1.03 Competitive Bidding

When the purchase of goods and/or services, for a value greater than \$500, is requisitioned, a Purchase Order is issued, and the procurement of those goods and/or services shall be done by one of the City's competitive bidding practices as outlined below.

Tendering or Bid

The City shall accept the lowest qualified tender or bid meeting the City's specifications, unless the tender documents set out additional and/or acceptance criteria.

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The City Manager shall have the authority to award tenders as outlined in the Administration Bylaw.

In all cases, the City reserves the right to refuse any or all tenders where the City deems it to be in the best interest of the City to do so.

Request for Proposals (RFP)

The City shall accept the proposal which, in the opinion of the City, best meets the requirements of the City, unless the proposal documents set out additional and/or other acceptance criteria.

In all cases, the City reserves the right to refuse any or all requests for proposals where the City deems it to be in the best interest of the City to do so.

Multi-Year Contracts

The City shall have the authority to enter into multi-year contracts, or contracts beyond the current year, if the contract is advantageous to the City, provided:

- 1) The original term of the multi-year contract does not exceed five years in total including the current year.
- 2) The contract includes a clause enabling the cancellations of the contract in the event that funding is not provided in subsequent years.
- 3) The contract includes a clause that the acquisition of the goods and/or service in the second and subsequent years of the contract is subject to continued acceptable performance by the vendor and/or continued acceptable quality of good and/or services acquired under the contract.

Multi-year contracts are subject to the financial limits of the Purchasing Policy, as outlined above. For the purpose of financial limits, the multi-year contract shall be evaluated and approved on the basis of the annual amounts.

In all cases, the City reserves the right to refuse any or all tenders where the City deems it to be in the best interest of the City to do so.

1.04 Sole Source

Should it be determined that there is only one source of supply for the item/service required, the Purchasing Agent may decide the appropriate method of purchase on those occasions. In any event, the Purchasing Agent is responsible for all purchase

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negotiations covering materials and services except those listed exempt from this policy.

The intent here is to avoid waste, both in time and materials, in a meaningless tendering process when a source is predetermined to be the only source capable of performing the service or supplying the material; or the only service indicated for reasons specific to the situation even though competition may be potentially available.

These occurrences should be kept to a minimum since the best assurance that a price is right comes with adequate and effective competition.

1.05 Central Stores

The City shall replenish its repetitive requirements through Stores, in preference to repeated direct purchases, when more economical to do so.

The supply systems shall deliver requirements to the operational point of use.

With due regard to suitability for purpose, the City shall standardize on common-use materials for reasons of economy and safety.

1.06 Surplus/Obsolete Items

Items surplus to the City Departments may be reassigned, traded in, held for later use, altered for other uses, etc. at the discretion of Financial Services.

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Section 2 PURPOSE

The Central Purchasing Division (Purchasing), a division of the Financial Services Department, in conducting its activities, strives to provide high public confidence in the conduct of all City procurement activities and the maintenance of a purchasing system of high quality and integrity operated by professional procurement personnel.

- 2.01 The purpose of the Purchasing Policy is to establish general guidelines for the Central Purchasing Division (Purchasing), in the procurement of goods and services for the City of Prince Albert from outside parties.
- 2.02 This Purchasing Policy is also established to ensure that City purchasing procedures provide:
- High public confidence in the conducting of all city procurement activities, and
 - A well maintained process with quality and integrity and is operated by professional procurement personnel.
- 2.03 The mission of the Purchasing Policy is to ensure that quality goods at the best prices available are procured, while endeavouring to ensure that as many suppliers as practical are given the opportunity to quote on City Business.
- 2.04 The purpose of contacting the IT Department prior to the purchase of any Technology is to ensure compatibility with our systems and that the City is aware of its' responsibilities with respect to licensing.

Section 3 SCOPE

To operate with an approved policy and promote the basic principles of purchasing by competitive, publicly opened tenders.

To foster and maintain the highest standard of business ethics in all dealings with the business and public.

Allow all suppliers having the capabilities to supply products or services at a competitive price, an opportunity to supply those items or services to the City.

Ensure all alternatives are reviewed in pursuit of the most practical and economical

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solutions to meet the needs of the operation.

Maintain a system which will assure the supply of materials and services to City operations in a manner consistent with the Purchasing Policy and at the lowest overall cost considering quality and timeliness.

Establish and maintain a major supply process which begins with the need and is completed with the payment for goods which satisfy the need.

Centralizing the purchasing, inventory/stores control and disposal function of The City of Prince Albert.

- 3.01 This policy is to be adhered to be all Departments within The City of Prince Albert organization, the Mayor and City Councillors.
- 3.02 This policy, subject to Sections 3.03 to 3.05, will apply to all acquisitions of goods and/or services by the City.
- 3.03 This policy will not apply to the purchase of the following foods and services from outside parties:
 - a) utility contracts (i.e. telephone, power, etc.)
 - b) contracts relating to confidential matters (i.e. labour, legal and land issues)
 - c) contracts for the sale, purchase, lease or license of land or buildings
- 3.04 This policy does not apply to salaries, wages, benefits and travel.
- 3.05 This policy will not apply when there are other legislated regulations that must be followed.

Section 4 RESPONSIBILITY

All purchase transactions shall be processed through Central Purchasing Division (Purchasing), a division of the Financial Services Department, with the exception of those items listed in Section 3 of this policy.

The Financial Services Department (City of Prince Albert Account Payable department) shall not approve for payment any invoices for goods, materials or services within the scope of Purchasing, without proper documentation.

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4.01 City Council will be responsible for approving the Purchasing Policy. The Director of Financial Services is charged with the responsibility of creating procedures, processes and forms for the implementation and administration of the Purchasing Policy; and all departments must adhere to the policies, procedures and processes so established.

4.02 Purchasing is responsible for the planning, coordination and implementation of the Purchasing Policy of The City of Prince Albert concerning the supply of goods and services. The responsibilities of the Department are, but are not limited to, as follows:

- The purchase of materials, equipment and services necessary to meet the needs of The City of Prince Albert;
- To prepare and assist in determining specifications and control the quality, quantity and price of merchandise upon receiving;
- To carry out inquiries concerning the reliability of suppliers and the quality of their services;
- To compile up-to-date supplier lists for the various commodities required;
- The receipt and public opening of all City Tenders;
- To carry out the resale of salvageable goods, materials, merchandise, equipment and vehicles as required;
- To coordinate the proper ordering, receipt, payment, storage and distribution of all stores items.

Section 5 DEFINITIONS

Acquisition Method The process by which goods, equipment, or services are procured and may include requests for quotations, invitations to bid, requests for proposals, and direct negotiations

Bid Offer to supply under stated terms and conditions.

Change Order A written alteration to a Contract or Purchase Order, authorized by the Director of the department acquiring the goods, or services, in accordance with the terms of the Contract, directing the vendor to make the changes

Consultant An individual or firm that provides consulting and professional services

Consulting and Professional Services provided by architects, engineers, designers, planners,

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Services	accountants, auditors, appraisers, lawyers, management, software and financial consultants, and any other similar services but does not include professional services by employees of the City
Contract	A written document containing all terms and conditions agreed to, signed under seal by all parties.
Control Purchase Order	A Contract, Purchase Order issued to a vendor for the supply of goods and/or services for a specific time period at a predetermined price.
Emergency	a) a situation, or threat of an impending situation, which may affect the environment, the life, safety, health, or welfare of the general public, or the disruption of work or to restore or to maintain essential services to a minimum level; and b) shall be determined by the City Manager
Emergency Purchase Order	A Confirmation Purchase Order issued by Purchasing to authorize the purchase contract already entered into by a department when due to the nature of timing of the situation, it was not possible for the department to obtain the materials or services through the regular purchasing process.
Expedite	To hasten/follow up to assure delivery.
Formal tender	The process where a tender is publicly advertised in local and regional newspapers as well as being forwarded to the registered bidders, the tender form details the goods or services required with a specific closing date and time, at which they would be publicly opened at the Financial Services Department.
Invitational Tender	The process where tender documents are forwarded to bidders, who are registered for the required commodity, with a closing date and time. These prices are received by a sealed bid and publicly opened in the Financial Services Department at the stated time.
Local Purchase Order	A Purchase Contract entered into directly by the user department. The total value of these purchases cannot exceed the authorized limit of \$500.00 and must be made from Prince

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Albert area suppliers.

Lowest Evaluated Tender	The tender meeting the specifications at the lowest overall cost to the City, as determined by the City, considering all factors such as suitability, price, availability, service, warranties, administrative costs and disposal value.
Obsolete	Materials/items that no longer meet current required specifications.
Quotations	The process of securing price quotations from selected vendors for required goods or services via telephone and/or fax, all verbal quotes are to be immediately followed up by forwarding a written confirmation of the stated prices.
Public Tender	A process requiring documents which contain the specifications and conditions on which The City will enter into a contract with the bidder to be publicly advertised and opened.
Regular Purchase Order	The document issued by Purchasing to a vendor by which a Contract is formed for the supply of stated goods and/or services.
Request for Proposal (RFP)	A request to vendors to submit proposals that are innovative. Requests for Proposals do not tie firms to existing processes or rigid specifications but, rather, encourage new approaches, techniques and methods for meeting the City's requirements.
Requisition	The form completed by departments to initiate the following: <ul style="list-style-type: none"> a) A purchase of goods or services through Purchasing b) A quotation and/or formal tender c) Issuance of goods from Central Stores d) A blanket purchase order e) An emergency purchase order
Sole Source	When only one product/company is capable of supplying the goods or services required to meet our demands.
Specification	Detailed description of construction, workmanship, materials, equipment and performance.

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Supplier	Source of supply															
Surplus	Materials or items that is no longer required.															
Technology	<table> <tr> <td>Cell Phones</td> <td>PDA's</td> <td>Laptop Computers</td> </tr> <tr> <td>Desktop Computers</td> <td>Scanners</td> <td>Monitors</td> </tr> <tr> <td>Photocopiers</td> <td>Software</td> <td>LCD Projectors</td> </tr> <tr> <td>Fax Machines</td> <td>Printers & Multifunction Devices</td> <td></td> </tr> <tr> <td colspan="3">Peripheral Devices (Mouse, Keyboard, Card Reader, etc.)</td> </tr> </table>	Cell Phones	PDA's	Laptop Computers	Desktop Computers	Scanners	Monitors	Photocopiers	Software	LCD Projectors	Fax Machines	Printers & Multifunction Devices		Peripheral Devices (Mouse, Keyboard, Card Reader, etc.)		
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Desktop Computers	Scanners	Monitors														
Photocopiers	Software	LCD Projectors														
Fax Machines	Printers & Multifunction Devices															
Peripheral Devices (Mouse, Keyboard, Card Reader, etc.)																
Tender	An offer or proposal for acceptance.															
Vendor	Seller/supplier															

Section 6 ENVIRONMENTAL PURCHASING

- 1) The City of Prince Albert shall ensure that wherever possible and economically feasible, tender specifications are reviewed and amended to provide for consideration of environmentally preferred products and services.
- 2) The consideration and selection of environmentally preferred products and services shall be subject to cost analysis to ensure that the products and services are made available at competitive prices and to ensure that the performance of the products and services do not alter the intended use.
- 3) Tenders shall contain information that will make suppliers aware of the City's Environmental Purchasing Policy and also will encourage suppliers to provide environmentally preferable alternatives.

Section 7 PURCHASING CARDS

Policy

Designated employees authorized by their Department Head, or in the case of a Department Head, authorized by the City Manager, may be provided with a City of Prince Albert Purchasing Card. This authorization allows the employee to acquire goods and services on behalf of The City of Prince Albert via the Purchasing Card.

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Dependant upon the authorization provided restrictions are placed on the utilization of the purchasing card by vendor type or dollar amount. This may restrict the value of a transaction, the number and value of transactions per day or month and the total amount of expenditures per month. In addition to this, restrictions may be placed on a card that may or may not allow them to utilize the card for hotels, meals, travel, etc. These restrictions are placed on the card in consultation with the Department Head authorizing the issuance of the Purchasing Card.

Financial Services shall maintain control over the issuance and usage of all Purchasing Cards.

Purchasing cards may take the place of LPO's. It will be the policy of The City of Prince Albert to prefer those local suppliers that accept The City of Prince Albert purchasing card. In the event The City of Prince Albert is required to conduct business with vendors that do not accept The City of Prince Albert's purchasing cards alternate payment/billing arrangements will be made with that vendor.

Authorizations

7.01 Purchase Authorization Limits

The Purchasing Card system is to be used primarily for purchasing items that:

- 1) Are not stocked at the City stores facility;
- 2) Are not covered by any type of contract;
- 3) Are not of a repetitive nature that can lend itself to any type of contract purchase;
- 4) Are approved to spend in either of the Capital or Operating budget documents
- 5) The Purchasing Card is the fastest way to procure goods and services required to assist with an emergency situation; and the purchase has been pre-approved in the City's Capital or Operating Budget documents.

7.02 Transaction Limits

a. Authorization Level 1

This level applies to:

- New Cardholders
 - Existing cardholders whose job duties require this level of authorization as deemed by the appropriate Department Head
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- Single transaction limits for individual new cardholders is set at \$1000.
- Monthly charge limits for individual cardholders is \$5,000, but will be reviewed as spending history is accumulated.
- Movement to authorization level 2 will only be done by a written or emailed request submitted to Financial Services from the appropriate Department Head.

b. Authorization Level 2

This level applies to:

-Existing cardholders whose job duties require this level of authorization as deemed by the appropriate Department Head

- Single transaction limits for individual employee cardholders is set at \$2,500.
- Monthly charge limits for individual employee cardholders is \$5,000

c. Authorization Level 3

This level applies to, but is not exclusive to:

-Assistant Department Heads
-Senior Managers

- Single transaction limits for Assistant Department Heads or Senior Managers is set at \$2,000.
- Monthly charge limits for Assistant Department Heads or Senior Managers is \$7,500, but will be reviewed as spending history is accumulated.

d. Authorization Level 4

This level applies to:

-Department Heads
-City Manager

- Single transaction limits for Department Head cardholders and the City
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manager is set at \$2,500

- Monthly charge limits for Department Heads and the City Manager is \$10,000.

e. Authorization Level 5

This level applies to:

-Existing cardholders whose job duties require this level of authorization as deemed by the appropriate Department Head, City Manager AND Financial Services

- Single transaction limits for individual employee cardholders is set at \$25,000.
 - Monthly charge limits for individual employee cardholders is \$25,000
 - This level will include such positions as the City of Prince Albert Purchasing Agent, and Mechanics, but is not limited to such positions. The Mayor may also be included in this authorization level.
 - This card may be set to limited vendors as deemed appropriate by Financial Services and the appropriate Department Head.
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7.03 Spot checks

It is the responsibility of the immediate Manager of all purchase card holders to sign off the transaction log, whereby confirming that all guidelines and policies were followed, and that the card was used for its intended purpose.

Financial Services will also randomly conduct spot checks on items submitted to ensure that all cardholders are not misusing their cards.

7.04 Personal Purchases

The City of Prince Albert Purchasing Card cannot be used for personal purposes.

7.05 General Ledger Linking

Each Purchase Card may be linked to one General Ledger account or subaccount, in which all monthly card transactions will be recorded. Each manager is responsible to identify the appropriate General Ledger account distribution, including PST and GST distributions and to ensure that distributions are recorded accurately and correctly.

Failure to comply with any of the above sections will result in the City of Prince Albert Purchasing Card being removed from those employees or managers who are continual offenders.

7.06 Cardholder lists

Financial Services will control and maintain a central listing of all cardholders and their corresponding transaction and monthly limits. These lists will be provided to managers upon written request.

Purchase Card Usage Procedures

7.07 On-Site (Pick-up) Purchases

The steps of a typical pick-up order include the following:

- i) The cardholder selects goods and presents it with the card to the cashier.
- ii) The cashier totals the sale and obtains authorization from MasterCard.
- iii) The cardholder signs a detailed cash register receipt and receives a copy to be retained in his/her transaction log (supplier's GST # must be on cash register receipt).

7.08 Telephone Purchases

The steps of a typical telephone order include the following:

- i) The cardholder selects goods or services, and then calls the supplier with the

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- order.
- ii) The cardholder instructs supplier to charge goods or service to his/her MasterCard number.
 - iii) The cardholder must enter pertinent information into the transaction log as noted below in the section below.
 - iv) The cardholder must instruct the supplier to perform the following:
 - a) Forward a receipt or invoice to the cardholder for confirmation
 - b) Ensure that the GST number is on receipt or packing slip.

In the case of a declined sale for which there is no apparent reason, the purchaser should immediately contact Financial Services who will then contact the bank and an appropriate course of action will be determined.

7.09 Payments, Reconciliations, and Record Retention

MasterCard Statement Reconciliation & Payment

- Each month Accounts Payable receives a report from MasterCard detailing all transactions incurred by cardholders. Each cardholder will also receive a monthly statement detailing all the transactions made by their card.
- The cardholder is responsible to reconcile the statement to their transactions ensuring accuracy and legitimacy. Any problems encountered will be handled through the Dispute Process detailed below.
- The cardholder is required to maintain a log of all of the transactions of their card (Appendix 2). The log must contain the following information:
 - 1) Date of purchase
 - 2) Suppliers name
 - 3) Description of goods or services
 - 4) Account number and object code that the expense is to be coded to
 - 5) Separation and notation of GST and PST
 - a) The vendor's GST number must be clearly displayed on the receipt. If the GST number is missing, the cardholder will be asked to obtain the number.
 - b) The cardholder must ensure the GST and PST values on the transaction log are the same as on the receipt.
 - 6) Total amount owing.
- This log must be reconciled to the MasterCard statement and the purchase receipts. The log is **signed** by the cardholder **and** their manager/supervisor and forwarded with the receipts attached to Accounts Payable **by the 25th day of the month**.
- When cardholders are on holidays or away for extended periods of time, it is necessary that arrangements be made with their manager/supervisor to ensure the transactions log is reconciled and submitted within the appropriate time on the cardholder's behalf. Faxed copies of missing receipts or invoices will be acceptable replacements for originals.
- Financial Services will be performing regular spot checks to ensure cardholders are

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- complying with the above transaction log requirements and deadlines.
- Financial Services keep all transaction log information, receipts and monthly statements for a period of seven years, as required by provincial and federal legislation.

7.10 Card Cancellation or Personnel Leaving City of Prince Albert

The Manager of any employee leaving the City's employ is responsible for the following:

- i) To provide Financial Services with the name of the cardholder; and
- ii) To provide Financial Services with the Purchasing Card so that it can immediately be inactivated and destroyed.

7.11 Purchasing Card Dispute Process

The following steps should be taken for all Purchasing Card transactions in dispute:

Cardholder identifies a discrepancy, initiates dispute and follows through to resolution with the following:

- a) If it is determined it is a bank error, do the following:
 - i) Identify the discrepancy to MasterCard
 - ii) Record it on your personal transaction log, and
 - iii) Ensure a correction or revision to the transaction appears on the next purchasing card statement.
- b) If it is determined it is a supplier error, do the following:
 - i) Contact the pertinent supplier to rectify the billing problem
 - ii) Record the error on your personal transaction log
 - iii) Ensure the transaction appears on the next Purchasing Card statement

If the dispute is not resolved satisfactorily, contact Financial Services. All disputes must be brought to the attention of the bank within 30 days of statement cut-off date. (4th calendar day of each month)

7.12 To Obtain a Card or Change Card Information

- a) New card requests
 - i) An email from the respective Department Head must be submitted to Financial Services stating the Employee's last name, first name, position, department, recommended transaction levels and who their supervisor will be.
 - ii) Financial Services will process the request for the new card
 - iii) Once the card is received, the employee reviews and signs the "Purchasing Card Employee Acknowledgement of Responsibilities" form (Appendix 1). One copy of this form is kept by the employee and the rest is returned to Financial Services.
 - iv) The employee is expected to refer to Section 7 Purchasing Cards of the City of Prince Albert Purchasing Policy.
- b) Changes to Purchasing Card Information
 - i) An email from the respective Department Head must be sent to Financial

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Services identifying the employee's last name, first name and last eight digits of employee's purchasing card number, stating what needs to be changed on the account.

ii) Financial Services will forward this information to the bank for processing.

7.13 Reporting Lost or Stolen cards

It is the responsibility of the cardholder to notify the Bank of Montreal immediately of any lost or stolen cards. An email must be sent to Financial Services immediately to make them aware of the lost or stolen card. See Appendix 1.

Section 8 REQUISITIONS

Policy

A properly authorized Requisition is required from User Departments to acquire goods or services. This includes all supplies, materials, equipment, general maintenance and services required by all departments.

Procedure

Requisitions for goods or services, the value of which exceeds the sum of \$5,000 must be signed by the Department Head, or authorized Acting Department Head in the case of the Department Heads absence.

Requisitions for goods or services the value of which is less than \$5,000 shall be signed on behalf of the Department Head by a member of their department, who is responsible for the budget allocation for the proposed expenditure.

Purchasing shall not purchase any goods without receiving a completed and authorized Requisition.

Section 9 LOCAL PURCHASE ORDERS (LPO)

Policy

Numerous purchases by the City are of a non-stocking, non-repetitive nature which are of

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a small dollar value and do not lend themselves to bulk buying by Purchasing. The Local Purchase Order (LPO) delegates the responsibility for these purchases to staff approved by the User Department and Purchasing, and does not require purchasing approval on individual orders. The value of any LPO is not to exceed \$500 in total value.

It is the preference of the City of Prince Albert, that Purchasing Cards be used whenever possible for the acquisition of goods and services over LPO's.

Procedure

Authorized personnel approved by any Department Head may purchase goods in lieu of a Materials Requisition or Purchase Order on a Local Purchase Order when:

- 1) The total value of goods purchased is less than \$500.
- 2) The goods purchased are not stocked in Central Stores or other stocking locations in the City's operations.
- 3) The goods purchased are covered by a Control Purchase Order.
- 4) The goods purchased are not covered by any type of Systems Contract.
- 5) The goods are not of a repetitive nature which may lend themselves to any type of contract purchase.
- 6) The goods/services are being purchased from a local (Prince Albert) vendor. LPO's cannot be used for out-of-town suppliers.
- 7) The purchaser is not a holder of a City of Prince Albert Purchasing Card.

Section 10 SOLE SOURCE ACQUISITIONS

- 1) A Sole Source Acquisition is the direct purchase of goods, equipment or services from a vendor, with the price of the goods, equipment or services either based on a negotiated rate or a price schedule maintained by the vendor.
- 2) Sole Source Acquisitions may be used in the following circumstances:
 - a) For the acquisition of any goods, equipment or services as approved by City Council by resolution:
 - b) For the acquisition of goods, equipment or services required due to an emergency;
 - c) For the acquisition of goods, equipment or service required due to an emergency;
 - i) The value is \$5,000 or less;
 - ii) The City does not have a standard purchasing agreement with vendor for

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- the supply of the particular goods, equipment or service being acquired.
- d) For the acquisition of goods, equipment or services where the selection of a vendor is limited to a single vendor as a result of proprietary rights;
 - e) For the acquisition of goods, equipment or services where there is only a single vendor identified that is capable of providing the goods, equipment or service based on a consideration of the geographic location of potential vendors, and the practical ability of those vendors to supply and service the needs of the City;
 - f) For the acquisition of goods, equipment or services where the City has adopted a standard pursuant to this Policy, and where the provision of the goods, equipment or service that meets the standard is limited to a single vendor;
 - g) Subject to the approval of the City Manager, for the acquisition for goods, equipment or services where there is a fluctuating price or shortage of availability and a delay in securing pricing or supply could adversely affect the interests of the City; or
 - h) For the acquisition of any goods, equipment or services from another municipality, or school or library board, the Province or Saskatchewan, a provincial agency or crown corporation, or the Government of Canada or federal agency or crown corporation.

MASH Procurement Annex

The City of Prince Albert City Council shall have the discretion to opt out of the tendering process within its Purchasing Policy subject to the provisions of the MASH annex regulations in order to contract the procurement of roadway construction, resurfacing and/or maintenance asphalt supply and services on a multi-year basis.

Where City Council determines it is in the best interest of the City to pursue negotiations for the procurement of roadway construction, resurfacing and/or maintenance asphalt supply and service without tendering, it may do so provided the procurement falls under the applicable exception under the MASH annex provisions.

The exception in the MASH annex that allows the municipality to be excluded from the tendering process is found in the following circumstances:

“Where construction materials are to be purchased and transportation costs or technical considerations impose geographic limits on the supply, specifically in the case of sandstone, gravel, asphalt compound and pre-mix concrete for the use in the construction or repair of roads.”

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This exception under the MASH annex may be applied to exempt this procurement from the tendering process.

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Section 11 FORMAL PUBLIC TENDERING

Policy

- 1) It is the responsibility of Administration to adhere to the policy of recommending the acceptance of the lowest evaluated bid meeting specifications, where payment has been made by the City or the highest evaluated bid when the City is to receive payment.
- 2) The word "evaluated" may occasionally call for some judgment, which will be exercised responsibility by the officials concerned. Evaluation process will take into account such items as initial cost, operating costs, warranty, delivery time, maintenance costs and disposal value.
- 3) Formal tendering shall encourage maximum competition such as to ensure the best possible price advantage to the taxpayers of Prince Albert, while promoting economic growth of local business.

Responsibility

It shall be the responsibility of the Operating Departments to prepare specifications for item being tendered. It shall be the joint responsibility of the Operating Department and the Purchasing Department to ensure specifications are as broad as practical to assure an economic supply.

Procedures

Public Tenders:

This section details the comprehensive procedure of the tendering practices of The City of Prince Albert which serves as a guide for the Supplier and the City.

The Operating Department must submit to Purchasing along with a signed requisition, detailed specifications outlining the major components for the required goods or services. Specifications shall be open and non-restrictive to allow for competition, yet assure a level of quality that will meet the needs of the user department.

This Section also covers all possible aspects of Public Tendering including:

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- a) Initial Tendering Procedure
- b) Tendering Requirements
- c) Changes to Contracts under Call (ie: addendums)
- d) Deposit Requirements
- e) Receiving Tenders
- f) Withdrawal of Tenders
- g) Opening of Tenders
- h) Checking of Tenders
- i) Award procedure

Purchasing is responsible for the calling of formal public tenders for all types of goods and/or services required in our operations. **All public tenders and bid solicitations will be handled through Purchasing.**

A) Initial Tendering Procedure

11.01 Advertising

Tenders shall be called by public advertisement by Purchasing for all formal public tenders.

In accordance with regulations, The City of Prince Albert shall post on the MERX System:

- a) all supply contract over \$100,000;
- b) all service/construction contracts over \$250,000
- c) other tenders that may be deemed beneficial in using this electronic notification system.

11.02 Tender Closing Time

Requests for tenders shall state that tenders will be received not later than 2:30 p.m. local time on a specified day. Tenders shall be opened at 2:30 p.m. in the afternoon of such specified day.

11.03 Bid Package

Upon request of a perspective bidder, Purchasing may supply the following material for each contract.

- a) One copy of the official tender forms.
- b) One standard tender envelope with red stripe.
- c) Tendering material, e.g. specifications, plans, profiles, etc.

NOTE: when a fee for tendering material is required, it shall be paid to The City of Prince Albert.

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11.04 Recording and Control of Tendering Material

A list of prospective bidders shall be maintained by Purchasing.

NOTE: It is essential that names and addresses are recorded when tenders are released to facilitate distribution of addenda and when necessary to extend or cancel a contract under call.

B) Tendering Requirements

All Tenders shall either be mailed or delivered personally to Purchasing. Tenders are required to conform to the conditions listed below:

- 1) The correct tender form, as supplied by the City, must be used and in the possession of the Purchasing Agent, on or before the tender closing date and time. Only those bids received prior to the closing time will be considered. No bids received after the closing deadline will be considered.
 - 2) The tender must be legible, written in ink or typewritten and all items must be bid on, unless the tender specifically permits otherwise, with the unit price for every item and other entries clearly shown.
 - 3) Adjustments by telephone to a tender already submitted will not be considered. Bidders desiring to make adjustments to a tender that they have already submitted, must provide written documentation of the change (fax or hand delivered document) must be received by Purchasing prior to tender closing time to be considered. The original copy must be forwarded to Purchasing.
 - 4) Envelopes must be sealed and clearly marked identifying the tender number in order to assure the secrecy of the enclosed bid.
 - 5) The tender form must be signed in the space provided on the form with the signature of the Bidder and/or responsible official of the Contractor/Supplier bidding. If a joint bid is submitted it must be signed on behalf of each of the bidders and if the signing authority for both Bidders is vested in one individual, he shall sign separately on behalf of each Bidder. In the case of an incorporated company the tender must be signed by an authorized signing officer.
 - 6) Erasures, overwriting or strike outs must be initialled by the person signing on behalf of the contractor/supplier bidding.
 - 7) When a bid deposit is requested, it must be enclosed with the tender submission and must be in the form of a certified cheque, bank draft, money order, or bid
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bond make payable to The City of Prince Albert equal to or greater than the amount specified in the tender documents.

C) Changes to Contracts Under Call

- 1) Preparation of Addenda
When it becomes necessary to revise, delete, substitute or add to tender material for a contract under call, the Purchasing Agent shall approve the issuance of an addendum or cancel the contract.

- 2) Notification of Addenda to Contractors/Suppliers
In the event that an addendum is prepared to a specific tender, the addendum will be forwarded to each Contractor/Supplier who obtained the original tender. A copy of the addendum notice shall also be stapled to all tender forms not yet distributed. If an addendum notice as aforesaid is prepared too late to allow notification by mail prior to the contract closing time, in addition to mailing the notice, each Contractor/Supplier who obtained tender documents for the contract shall be notified of the revision by fax and/or telephone call advising the bidder of the change. A signed copy of each addendum must be enclosed with the original tender documents and received prior to tender closing time, or listed on the tender documents as being received.

- 3) Notification of Cancellation of Contract
Each Contractor/Supplier who received the original tender documents shall be notified by mail, telephone and/or fax of the cancellation of any contract.

- 4) Return of Tenders on Cancelled Contracts
When a contract is cancelled, no tenders will be accepted. All tenders received shall be returned unopened to the Contractor/Supplier by regular mail service.

- 5) Notification of Extension of Time
Each Contractor/Supplier shall be notified by telephone, mail or fax regarding any extension of time on a particular tender.

- 6) Disposition of Tenders When Closing Date has been Changed
When the closing date for receiving tenders has been extended, tenders already received will be given consideration at the new tender closing time, however, upon request by the bidder the tender submission already received may be returned unopened to the bidder so requesting.

D) Deposit Requirements

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- 1) Deposits
Deposits may be required at the discretion of the Purchasing Agent and originating Department Head. The amount of deposit required for a specific tender shall be clearly stated in the Instructions to Bidders and must accompany the original tender submission. Deposits may be by bid bond, certified cheque, bank draft or money order make payable to The City of Prince Albert.
- 2) Failure to Observe Tender Requirements
If any of the tender requirements stated in the Instructions to Bidders have not been met, the tender shall be considered to be an improper bid and shall be given no consideration.
- 3) Bonding Requirements
Certain tenders may request the posting of a performance bond and/or a materials labour bond and must be provided on behalf of the bidder by an approved guarantee company.

E) Receiving Tenders

- 1) Tender Envelopes
All bids must be received in a sealed envelope.
 - 2) Time and Date Stamping and Recording of Tenders Received
When a tender is received, the envelope shall be date and time stamped by the person receiving the tender documents at Purchasing. The tender documents must be received by Purchasing Department prior to the tender closing time. It is the Bidder's responsibility to ensure that this requirement is met. The number of Bidders who obtained the tender documents and the number of bids that have been received is confidential information and shall not be divulged prior to the tender opening.
 - 3) Official Time
The official time referred to is that which is applicable to the Prince Albert area and the Purchasing Agent shall ensure the correct time is used.
 - 4) Late Tenders
Regardless of the time a bid is received, it shall be time and date stamped. If the bid is for a tender already closed it shall be returned unopened to the bidder. If a late bid is received without a return address on the envelope the tender shall be opened, address obtained and then returned to the bidder.
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F) Withdrawal of Tenders Prior to Tender Opening

- 1) A Contractor/Supplier who has submitted a tender on a contract may request that his tender be withdrawn. The withdrawal shall be allowed if the request is made before the closing time for the tender too which it applies. Withdrawal requests must be directed to the Purchasing Agent by letter or in person. Telephone requests shall not be considered.

When withdrawals are made in person, the Purchasing Agent shall obtain a signed withdrawal form confirming the details. If the person requesting the withdrawal is other than a Senior Official of the Company or for letter withdrawals, the authenticity of the request must be confirmed by telephoning the proper signing officer of the Company. Tenders confirmed as withdrawn shall be returned unopened to the Contractor/Supplier. These bids are dealt with at the opening by announcing that the tenders are withdrawn and are to be returned.

Withdrawal requests received after the contract closing time will not be allowed. The party concerned shall be informed that the withdrawal request arrived too late for consideration.

NOTE: The withdrawal of a tender does not disqualify a Bidder from submitting another tender on the same contract prior to closing time.

- 2) Withdrawal of Tenders During Tender Opening
During a tender opening at the conclusion of the reading out of bids on a contract, the accepted Bidder may withdraw any of his remaining unopened tenders on other contracts. Tenders withdrawn under this procedure cannot be reinstated. If more than one tender is read out under the same name for the same contract and no withdrawal notice has been received, the tender contained in the envelope bearing the latest date and time stamp shall be considered the intended bid. The first tender received shall be considered withdrawn and returned to the Bidder in the usual manner.

G) Opening Tenders

- 1) Opening
Tenders shall be opened by the Purchasing Officer in the presence of at least one or more City employee(s) acting as a witness(es). Any other persons desiring to be present at the opening of the tenders may attend.

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- 2) Action on "Unknown" Tenders at Tender Opening
Any tender that does not have the tender number on the envelope shall be opened and placed with its appropriate group.

- 3) Action on Correspondence Requesting Withdrawal When Tender Opened
Any correspondence requesting withdrawal of a tender shall be read by the Purchasing Agent who shall state the nature of correspondence, the name of the Bidder and the Contract number. He shall then attach the withdrawal notice to the tender envelope which shall remain unopened.

- 4) Opening and Sorting of Tenders
When the correspondence has been dealt with, the remaining tenders shall be opened. The deposit cheque, if applicable, shall be clipped to the tender form and the tenders sorted according to the Contract number.

- 5) Action on Correspondence Found Enclosed in Tender Envelopes
If correspondence is found enclosed with a tender in the tender envelope which, in the opinion of the Purchasing Agent, could qualify the bid in any way, the tender shall initially be considered and IMPROPER BID and shall be so noted in the record of tenders opened and the tender read out in the normal manner. This correspondence and the tender shall be referred to the Purchasing Agent for decision as to acceptance or rejection.

- 6) Reading Out of Bid Amounts and Listing of Information
When all tenders have been accounted for, the Purchasing Agent shall announce for each Contract, the Contract number of bids received and for each tender the name of the Bidder and total bid amount simultaneously recording the name of each Bidder, the amount of the tender, and the deposit cheque if applicable.

- 7) Action When Correspondence Requesting Withdrawal Attached to Tender
If, during the reading out of tenders, the Purchasing Agent receives a tender that has correspondence requesting withdrawal attached, the Purchasing Agent shall read out the Contract number and the Bidder's name. The Purchasing Agent will then indicate to those in attendance that the tender is one previously announced as withdrawn at the request of the Bidder. The Bidder's name for each withdrawn bid shall be recorded immediately following the names of the bidders whose tenders are being considered noting the method and date of withdrawal.

NOTE: If, during the reading out of the tenders, the Purchasing Agent receives a tender with correspondence other than a withdrawal request attached, the tender shall be read out in the normal manner.

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H) Checking Tenders

- 1) The tenders will be checked to determine whether:
 - a) All tendering requirements have been met;
 - b) All unit prices have been correctly extended;
 - c) The extensions have been correctly totalled.

Tenders which do not conform to tender requirements (Paragraph 2) or which require mathematical corrections(s) shall be deemed IMPROPER BIDS.

NOTE: All checking shall be completed by the Purchasing Agent as soon as possible following the public portion of a tender opening.

- 2) The Purchasing Agent shall check to ensure that:
 - a) The Bidder's name and tender amount shown on the Record of Tenders opened is correct.
 - b) The tender form is properly signed;
 - c) Each tender envelope is time and date stamped prior to the contract closing time;
 - d) The deposit (when applicable) is sufficient and in an acceptable form.
 - e) Each item on the tender has been bid (unless the tender specifically permits otherwise).
 - f) All extensions and the total for each tender are correct. If an extension or total is incorrect, the checker shall cross out the incorrect figure shown on the tender form, enter the correct figure in red above, and initial the entry. If the extensions and total are correct, the checker shall initial each tender adjacent to the totals are correct, the checker shall initial each tender adjacent to the total certifying that it had been checked.
 - g) The tender is free of restrictions or alterations.
 - h) All other tendering requirements have been met.

I) Award Procedures

- 1) Contract on Which all Bids are in Order
 The Purchasing Agent shall report in writing to the originating department identifying all tenders received. When the Purchasing Agent and Originating Department reach concurrence on the recommendation, the procedure to be followed is dependent upon the total dollar value of the tender. Following is a summary of the procedure to be followed:

Value of Tender Quotation

Authority to Purchase

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\$501 - \$10,000

If the low bidder - Purchasing Officer and Department Head. If other than low bidder – City Manager

\$10,000 - \$50,000

If low bidder – Department Head and City Manager approval. If other than low bidder – City Council approval

Over \$50,000

City Council approval

- 2) Contract on Which Improper Bids have been Received
Following completion of the checking procedures outline in Section H, bidding infractions, if any, shall be noted on the Record of Tenders Opened. This notation must clearly state the reason the bid has been considered improper. The Purchasing Agent shall then decide on the acceptance or rejection of all tenders noted as improper on the Record of Tenders opened.

 - 3) Basis of Decisions on Acceptance or Rejection of Improper Bids
Extreme care must be exercised by the Purchasing Agent to ensure that IMPROPER BIDS are handled in a manner which is fair to the other bidders as well as the public. The following guidelines are only intended to illustrate the exercise of his discretion.
 - a) **Late Bids** – Must be rejected (see paragraph E 8)
 - b) **Tender Form** – Bids received on other than supplied tender forms may be rejected.
 - c) **Bids not Complete in Ink or in Typewritten Form** – Must be rejected.
 - d) **Incomplete Bids** – Part bids may be rejected except when the tender form clearly states that an award may be made for individual items (e.g. Contracts such as equipment, rental, or some material contract which are in effect, several individual contracts combined).
 - e) **Qualified Bid** – If a bid is restricted by a statement added to the tender form or a covering letter or alterations to a form, it may be rejected unless the change was requested by the City (e.g. FOB point changed, escalator clause, etc).
 - f) **Bid Not Signed** – Bids that are not properly signed must be rejected.
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- g) **Bid Not Sealed** – Bids that are not properly sealed must be rejected.
- h) **Erasure, Overwriting or Strikeouts Not Initialled** – Bids received with erasure, overwriting or strikeouts which are not initialled may be rejected.
- i) **Arithmetic Errors** – Bids containing arithmetical corrections from the checking procedure may be rejected. Unit bid prices shall ordinarily be used to correct extensions.
- j) **Deposit Not Submitted or of Insufficient Amount** –
- i) If a bid bond, certified cheque, bank draft, or money order is specifically requested by the Designated Official and is not submitted, the tender must be rejected.
 - ii) If a bid bond, certified cheque, bank draft, or money order for an insufficient amount is submitted, if in the opinion of the Purchasing Agent an inadvertent error was made, a bidder may be allowed a reasonable time to submit sufficient deposit. If the deposit is not received within the time allotted, the tender must be rejected.
- k) **Agreement to Bond** –
- i) If an agreement to bond is not submitted when required, the tender may be rejected.
 - ii) If an agreement to bond is not properly executed when required, a bidder may be allowed a reasonable time to have it corrected. If the corrected agreement is not received within the time allotted, the bid must be rejected.
- 4) Decisions on Improper Bids
When an IMPROPER BID must be rejected in Paragraph I) 2), the amount of the tender shall not be recorded but the words “Rejected Bid” shall be recorded instead. When an IMPROPER BID is one that may be accepted as outlined in Paragraph I) 1), it shall be noted as an “Improper Bid” with the amount of the tender. All tenders shall be referred to the Purchasing Agent for review of the bids in order to make a recommendation.
- 5) Notification of Acceptance of Tender
Upon the award of the Contract, the Purchasing Agent shall immediately advise the successful bidder that his tender has been accepted by letter or by Purchase Order.
- 6) Disposition of Deposit Cheque
Following the opening of tenders, all deposit cheques other than the low and second low bidders and any others that the Purchasing Agent elects to retain shall be returned to the
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applicable bidders by Registered mail to his last known place of business or by hand. If a deposit cheque is returned by hand, a letter acknowledging receipt must be signed by the bidder. The retained deposit cheques will be held by Financial Services until the Contract is executed.

- 7) Disposition of Withdrawn Tenders
Following the tender opening, the Purchasing Agent shall return the withdrawn tenders and the deposit cheques (when applicable) to the Bidders by Registered Mail or by hand. If a tender and deposit cheque is returned by hand, a letter acknowledging receipt must be signed by the Bidder.
 - 8) Execution of Contract
A Contractor/Supplier shall be allowed fifteen working days between the date of mailing the Form of Contract and the date the executed contract for the signed form to be returned to the Originating Department.
 - 9) Action on Acceptance of Contracts
When the contract is executed, the Purchasing Agent shall return all deposit cheques and/or bid bonds and shall be returned by Registered Mail to the last known place of business or by hand. If returned by hand a letter acknowledging receipt must be signed by the Bidder.
 - 10) Action When Successful Bidder Does not Finalize Contract
If a contract has been awarded and the successful Bidder fails to sign the Contract or provide a contract bond, or other acceptable collateral within the specified time, the Purchasing Agent may grant additional time to fulfil the necessary requirements or may recommend one of the following:
 - a) That the Contract shall be awarded to the next low Bidder;
 - b) That the Contract shall be cancelled.

In the case of a) or b) above, the deposit of the low Bidder shall be forfeited. If a Contract is to be awarded to the second low Bidder, his deposit cheque shall be retained until he has actually signed the Contract. If the second low Bidder fails or declines to execute the Contract if awarded to him, his deposit shall be forfeited.
 - 11) Purchase Order (PO)
A tender for the purchase of goods shall be confirmed by the issuing of a Formal Purchase Order.
 - 12) Contractors/Suppliers Definition
The Contractors/Suppliers shall also mean their heirs, executors, administrators, and
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assigns.

- 13) Right to Reject
Notwithstanding the provisions of the procedure, the City shall have the right to reject the lowest or any tender at its absolute discretion.

J. Extension of Contracts

- 1) An extension to an existing contract is an increasing in the scope and/or volume of work specified in the original approved contract. All Contracts, including those on a unit price basis, must be fixed with a maximum dollar value for use as the original Contract price for authorization purposes.
- 2) All Contract extensions must be approved by the individual who approved the original contract. In any event, if all Contract extensions cumulatively exceed 25% of the original Contract price, the Contract extension must be approved by City Council.
- 3) Extensions to Contracts are only permitted within the approved project budget.
- 4) Contract extensions must be approved prior to incurring actual expenses.
- 5) Each request to extend a Contract should be accompanied by a summary of all previous extensions to this Contract.
- 6) For all extensions which are 25% or more of the original Contract price, consideration shall be given using the competitive bidding process as set out in this Purchasing Policy.

Section 12 REQUEST FOR PROPOSALS

Policy

Any supply or service required by the City in which the specific requirements cannot be definitely identified shall be procured by the Request for Proposal process.

Responsibility

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It shall be the responsibility of the Operating Departments to prepare specifications for items being tendered. It shall be the joint responsibility of the Operating Department and the Purchasing Department to ensure specifications are as broad as practical to assure an economic supply.

Procedures

Requests for Proposals for supplies and/or services may be called when the requirements of supplies or services cannot be definitely specified, or the requirements or services are non-standard in nature, and where such proposals would result in specific offers by the bidders to fulfil the requirements at a particular price.

Requests for Proposals for consulting, architect, and engineering services and potential land developments may be in the form of open competition with the rating and evaluation criteria of the proposal submission and the use of a two envelope system.

Two Envelope System:

- 1) The proposal must be submitted in a separate envelope from the bid submission, but must accompany the bid submission.
- 2) Only the accepted proposals will have the bid quotation opened to determine the lowest responsible and responsible bidder.
- 3) Such Requests for Proposals may be established by invitation or through the appropriate advertising process.

The two envelope system is used to isolate cost from material content. Administration will be responsible for weighing vendor responses using established scores identified in the proposal call.

Opening of Request for Proposals:

Requests for Proposals will be opened and their receipt acknowledged.

Proposal unit values or contents of vendor proposal responses will not be disclosed and will be held in confidence. Scoring activities will also be held in strict confidence until after the award. Only the final contract awarded price of the successful proponent will be available upon award.

Any decision as to acceptance or rejection of proposals due to irregularities will not be made until

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a review has been conducted, and bidders will be instructed not to conclude any particular award results from the opening itself.

Specific contract documents may be required such as architectural, engineering or construction related standard documents.

Requests for Proposals will clearly establish required project outcome or requirements and contain existing conditions if applicable.

Requests for Proposals will specifically outline response requirements at time of proposal receipt.

Requests for Proposals will clearly outline "the evaluation criteria" complete with score values for each criteria component that will form the basis of contract award.

Section 13 FORMAL PURCHASE ORDERS

Policy

Requirements of a legally enforceable Contract are offer and acceptance. In order for the City of Prince Albert to have a legal contractual agreement for the purchase of goods, a Purchase Order must be established to satisfy the acceptance portion of the contractual agreement between the City Of Prince Albert and the Vendor.

Procedure

The Purchase Order is a contractual instrument and has important legal functions affecting the rights and obligations of The City of Prince Albert.

Only the Purchasing Agent has the authority to issue a Formal Purchase Order on behalf of the City of Prince Albert. See Section 1 for the appropriate authorization authority.

Section 14 INVOICE APPROVAL

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Policy

The Financial Services Department shall not approve for payment any invoices for goods, materials, or services within the scope of Purchasing, without proper documentation (LPO, Formal PO).

Responsibility

The responsibility to assure a Local Purchase Order (LPO) or Formal Purchase Order (PO) is issued for each service or commodity obtained on behalf of The City of Prince Albert is that of the operating departments with LPO's, and the Purchasing Agent, in the case of a PO. **All persons issuing LPO's or PO's must assure all purchases are made in accordance with The City of Prince Albert Purchasing Policy.**

Section 15 CENTRAL STORES

Policy

The City of Prince Albert shall replenish its repetitive requirements through Stores, in preference to repeated direct purchases, when more economical to do so.

The supply system shall deliver requirements to the operational point of use.

With due regard to suitability for purpose, the City shall standardize on common-use materials for the reasons of economy and safety.

Responsibility

The Storekeeper of Purchasing is responsible for the on-going review of the item activity to ensure the efficiency and effectiveness of the Centralized Inventory System.

Procedure

- 1) The Central Storekeeping (Stores) section of Purchasing shall gather and classify the historical data necessary toward the identification for stock and non-stock items and the development of the appropriate information base for replacement.
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- 2) The Stores section shall provide for the immediate maintenance and distribution of stock to the point of use and/or satellites.

Central Stores Procedure

- 1) The stocking policy at Central Stores is as follows:
 - a) A computer catalogue is kept updated and available to all users at net cost which lists each item held and shows:
 - Description
 - Unit Price
 - Stock Numbers
 - b) Adequate stocks of all catalogue items are maintained at all times.
 - c) Items not listed (or abnormal quantities of listed items will be procured on an urgent basis; usually within two weeks of receipt of requisition.
- 2) To obtain supplies and materials from Central Stores, Departments must send a fully completed and authorized interdepartmental order (Materials Requisition) to the Central Stores at least 24 hours prior to the requested delivery date.
- 3) In the event of an emergency, the materials Requisition form may be hand carried to Central Stores and the items obtained over the counter. If the consignment is bulk, unless a scheduled delivery by a Stores vehicle is planned for a nearby location, the Stores will be unable to deliver, and the Department concerned will have to arrange their own transportation.
- 4) Materials secured from Central Stores will be charged back to the Using Departments by an internal charge back.
- 5) Items required for emergency purposes by local companies may be purchased from our Stores operations. The invoiced cost shall be our net cost plus a 15% administration fee plus a 25% mark-up on net cost.

Section 16 SURPLUS / OBSOLETE ITEMS

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Policy

Items surplus to City Departments may be reassigned, traded in, held for later use, altered for other uses, etc. at the discretion of Purchasing.

Definitions

- 1) **Surplus Equipment**
Operable or usable equipment no longer required such as vehicles, desks, chairs, screens, typewriters, cabinets, tables, office equipment, maintenance equipment, tools, etc.
- 2) **Salvage Materials**
Materials that have residual value through the scrap process, such as copper, aluminium, lead etc.

Responsibility

The Purchasing Agent is responsible for the inventory control and disposal of all surplus equipment and/or salvage materials.

Procedure

- 1) The User Department shall notify the Purchasing Agent of available surplus equipment and/or salvage materials.
 - 2) The Purchasing Agent will take custody of the surplus or salvage and arrange for disposal either on site or from Central Stores as appropriate
 - 3) Disposition of the aforementioned equipment and materials shall be accomplished through the following by the Purchasing Agent:
 - a) Sale/Transfer to other City Departments
 - b) Tender process
 - c) Auction Sales
 - d) Donation of items of historical nature to City Archives
 - e) Direct Scrap
 - f) Trade-in
 - g) Donation/Sale to non-profit organizations
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- 4) Salvage materials – are disposed of through the bid process wherein the Purchasing Agent will obtain competitive bids and make disposition arrangements with the high bidder. The Purchasing Agent shall:
 - Arrange for weighing process so as to protect the City's interest.
 - Arrange for the credit of proceeds to the User Department's account.
 - Reconcile any discrepancies occurring in the disposition process.

 - 5) High value equipment such as graders, buses, fire trucks, street sweepers, etc., may be disposed of by a means of publicly advertised requests for tenders with award to the highest bidder at the discretion of the Purchasing Agent.

 - 6) Auction sales are arranged by the Purchasing Department through an auctioneer predetermined as follows:
 - a) Unclaimed vehicles and articles in the possession of the City Police are disposed of through the Department of Financial Services.
 - b) City vehicles (autos) no longer required may be disposed of through the auction process.
 - c) Surplus equipment, office furniture, file cabinets, calculators, computers, etc. will be disposed of periodically through one of the processes identified in Section 3.

 - 7) All City employees, including those involved in the auction sales of surplus/salvage, may purchase equipment/material offered for sale in the same manner as the public.

 - 8) Procedure for receipt and disbursement of monies realized from the disposal of declared surplus/salvage materials/equipment on behalf of The City of Prince Albert:
 - a) Auction Sales
 - i) Upon completion of the auction, the auctioneer will be instructed to remit a listing of items sold, prices obtained, commissions charged and total amount remitted with the cheque within five working days after the auction to the Financial Services Department.
 - ii) The Purchasing Agent or a City representative will periodically attend auctions to ensure that the City is receiving proper proceeds from such sales.

 - b) Salvage Sales
 - i) The Purchasing Agent will send a copy of the memo awarding the sale and price obtained to the Department concerned and one copy to the Finance Department.

 - 9) The release of the salvage items will not be allowed until payment in full has been
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received. A receipt showing payment in full must be presented in order to remove any goods. Upon receipt of the monies from the auctions, surplus sales, and direct sales, the Finance Department will make the deposits as they are received. After each sale they will submit to the Departments concerned and the Purchasing Agent, a monthly list of items sold and total credits given.

- 10) Credits to Departments – Departments may be credited for all monies received for goods disposed of less auctioneering and administration costs.