



Statement of Policy and Procedure			
Department:	Financial Services	Policy No.	17.6
Section:	Central Purchasing Division	Issued:	Bylaw No. 37 of 2003 – October 20, 2003
Subject:	Purchasing Policy	Effective:	November 29, 2021
Council Resolution # and Date:	Council Resolution No. 0444 of November 29, 2021	Replaces:	Policy No. 17.5
Issued by:	Director of Financial Services	Dated:	March 16, 2020
Approved by:	Director of Financial Services		

1 POLICY

- 1.01 To establish the basic direction, philosophies, climate and values upon which the procurement function must operate. The objective is to ensure that goods and services purchased or leased with public funds, from all sources, are acquired through a fair, open, transparent and competitive process that balances the interests of taxpayers with the fair and equitable treatment of suppliers. Considering quality, timeliness, and wherever applicable operational costs, equipment/product life-cycles and possible residual values of those items.
- 1.02 To obtain the best value for goods and services purchased while incorporating sustainable procurement principles and best practices.
- 1.03 To be as environmentally responsible as possible.
- 1.04 This Policy makes reference to other protocols and procedures of the City related to procurement.

2 PURPOSE

- 2.01 To provide guidance to all City of Prince Albert employees and Council members with respect to purchasing.
- 2.02 To detail the procedures, roles and responsibilities for procurement.
- 2.03 To ensure that goods and services are acquired through a fair, open, transparent and competitive process that is effective and efficient.
- 2.04 Safeguards public funds.

- 2.05 To comply with Federal and Provincial trade agreements and legislation while allowing the City to receive the best value for the goods and services it acquires.
- 2.06 To adopt consistent and standard approaches for all stages of the City's procurement process in order to protect the interests of the City, the public, and persons participating in the procurement process.
- 2.07 To maintain high legal, ethical, managerial, and professional standards in the management of the resources entrusted to it as a publicly funded entity.
- 2.08 This Purchasing Policy is also established to ensure that City purchasing procedures provide:
 - a) High public confidence in the conducting of all city procurement activities, and;
 - b) A well maintained process with quality and integrity, and;
 - c) is operated by professional procurement personnel.
- 2.09 To ensure objectives are met and specific needs of end users are recognized.

3 SCOPE

- 3.01 The Purchasing Policy applies to the purchase of goods and services by any municipal employee or Council member.
- 3.02 This Policy applies to the purchase and procurement of all deliverables with the exception of the following:
 - 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;
 - d) purchase or lease of real property;
 - e) payment of wages, salaries and benefits;
 - f) travel and mileage expenses;

- g) payments to or on behalf of employees or Council members for tuition, use of personal vehicles, business travel including conferences and seminars;
- h) payments to or on behalf of elected officials;
- i) payment of grants by the City of Prince Albert;
- j) payment of the principal and interest on long-term debt;
- k) payments to other municipalities, school or library boards, the Province of Saskatchewan, provincial agencies or crown corporations, the Government of Canada or federal agencies or crown corporations, where the payments are pursuant to legislation or agreement;
- l) payments required by the Cities Act, any other Act, or any other bylaw or agreement;
- m) when other legislated regulations must be followed; and
- n) Commission type Projects as defined by the Public Art Policy (5.03, 7.02 Acquisition).

4 RESPONSIBILITY

4.01 City Council is responsible for:

- a) approving the Purchasing Policy;
- b) providing strategic direction and guidance on major projects prior to the commencement of the Procurement process;
- c) approving the annual budget; and
- d) approving unplanned budgeted items.

4.02 All procurement activities will be subject to audit by the City Manager and Director of Financial Services.

4.03 The City Manager and Director of Financial Services are responsible for internal controls.

4.04 The City Manager and Director of Financial Services will provide the administrative direction to carry out the policy by stipulating the procedures and controls necessary to ensure that expenditures are made according to policy.

4.05 The Purchasing Manager is responsible for the planning, coordination and implementation of the Purchasing Policy concerning the supply of goods and services. The responsibilities are, but not limited to, as follows:

- The purchase of materials, equipment and services necessary to meet the needs of The City;
- To carry out inquiries concerning the reliability of suppliers and the quality of their services and products;
- To compile up-to-date supplier lists for the various commodities required;
- The receipt and public opening of all City Tenders and RFP's;
- To coordinate the proper ordering, receipt, storage and distribution of all stores items; and,
- To audit procurement activities.

4.06 All employees must adhere to the policies, procedures and processes so established to ensure compliance with this policy.

4.07 All individuals involved in the City's procurement activities must act in a manner that is consistent with the City's Conflict of Interest and Gifts, Favours and Entertainment Policies.

5 DEFINITIONS

5.01 The following definitions pertain throughout this policy.

- a) Agreement – a commitment by the City for the procurement of deliverables from a supplier, by an agreement executed by the supplier and the City, by mutually agreed upon terms and conditions.
- b) Bid – means a submission in response to a solicitation document under stated terms and conditions.
- c) Bidder – supplier that submits a Bid, and includes proponents and respondents.
- d) CETA – Canadian – Europe union Comprehensive Economic Trade Agreement
- e) CFTA – Canadian Free Trade Agreement (Formerly the Agreement on Internal Trade - AIT)

- f) Competitive Process – open competitions, invitational competitions and limited competitions.
- g) Consulting & Professional Services – Services provided by architects, engineers, designers, planners, 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.
- h) Contract – a commitment by the City for the procurement of deliverables from a supplier, which may be evidenced by an agreement executed by the supplier and the City or a purchase order issued by the City to the supplier.
- i) Department Head – Director position
- j) Emergency – 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, in circumstances where immediate action is necessary and it would be impracticable to obtain a prior decision of council.
- k) Public Tender – The process where a tender is publicly advertised on SaskTenders, the tender details the goods or services required with a specific closing date and time, at which they would be publicly opened by the Purchasing Department.
- l) Invitational Tender – The process where tender documents are forwarded directly to bidders, who are registered for the required commodity, with a specific closing date and time. An invitation to submit Bids is issued to at least three Suppliers where possible.
- m) MASH Sector – Defined by the NWPTA as, Municipalities, School Boards, Publicly-Funder Academic, Health and Social Service Entities, as well as any corporation or entity owned controlled by one of the preceding.
- n) NWPTA – New West Partnership Trade Agreement
- o) Purchase Order – means the City's written document issued by a duly authorized employee of the City to a supplier formalizing all the terms and conditions of the purchase and supply of the deliverables identified on the face of the Purchase Order.
- p) 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.

- q) Sole Source – When only one product/company is capable of supplying the goods or services required to meet City demands. Form stating justification must be completed.
- r) Technology – 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.), cloud services and subscription to online software.

6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

- 6.01 Administration Bylaw 1 of 2020
- 6.02 Account Payable Policy 110
- 6.03 Purchasing Card Policy 113
- 6.04 Public Art Policy 86
- 6.05 Conflict of interest Policy 9.1
- 6.06 Gifts, Favours and Entertainment Policy 11
- 6.07 Progressive Discipline Policy 33
- 6.08 Records Retention and Disposal Bylaw 02-2003
- 6.09 Central Stores Policy 111
- 6.10 Land Administration Policy 87
- 6.11 Project Budget Management Policy 109

7 PROCEDURE

The City is committed to conducting its Procurement program in accordance with the following principles:

- a) Compliance and consistency with applicable legislation, policies and procedures;
- b) Open, fair and transparent processes that afford equal access to all qualified Suppliers;

- c) Reciprocal non-discrimination and geographic neutrality with respect to its trading partners in accordance with trade treaty obligations;
- d) Achieving Best Value through consideration of the full range of Procurement formats and the adoption of commercially reasonable business practices;
- e) Demonstrate respect for suppliers by participating in meaningful engagement;
- f) Easy access to public tender information and opportunities;
- g) Realization of community benefits;
- h) Accountability for outcomes; and,
- i) Ensuring adherence to the highest standards of ethical conduct.

All purchase order requests shall be processed through Purchasing with the exception of those items listed in Section 3.02 of this policy.

Any 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 hereunder, shall be deemed to have committed an act of malfeasance in office and is liable to disciplinary action consistent with the Progressive Discipline Policy No. 33.

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.

7.01 Authorized Spending Limits:

Members of Administration shall be authorized to incur or commit the City to an expenditure only if:

- a. the expenditure amount is included in an operating or capital budget approved by Council for the department in which the member is responsible;
- b. A report must be drafted to City Council requesting approval of any purchase expenditure with insufficient funding; and,
- c. the expenditure amount is within the following authorized spending limits of that member of Administration.

Unless directly limited otherwise by The Administration Bylaw No. 1 of 2020, the authorized spending limits that apply to this policy shall be as follows:

Delegated Authority	Approval Limit	Acquisition Method*
In Scope Employees	\$500	Purchasing Card Invoice
Out of Scope Employees	\$1,000	Purchasing Card PO Invoice
Senior Manager (reports directly to Department Head)	\$10,000	Purchasing Card PO Invoice
Department Head / Purchasing Manager	\$50,000	Purchasing Card PO Invoice
City Manager	\$100,000	Agreement / Contract PO Invoice
City Council	N/A	Agreement / Contract PO Invoice

*The acquisition methods listed are in order of most to least preferred.

For the purpose of financial limits, the multi-year contract shall be evaluated and approved on the basis of the contract total amount.

Subdividing, splitting or otherwise structuring procurement requirements or contracts in order to reduce the value of the procurement or in any way circumvent the requirements or intent of this Policy is not permitted and, at the discretion of the Director of Financial Services, may result in revocation of delegated approval authority.

Exemptions:

- a) Emergency or limited unbudgeted purchases are only authorized as delegated within the City's Administration Bylaw.

In such circumstances, the City Manager shall in the event, be limited for unbudgeted expenditures to a maximum of \$50,000 to an accumulative maximum of \$100,000 per year.

In the case the City Manager authorizes an emergency or unbudgeted expenditure as authorized within the City's Administration Bylaw, the City Manager is required to submit a written report to Council at its next regular scheduled meeting, detailing the nature of the emergency/expenditure, the nature of the work performed, a description of the goods and services provided, a detailed account of the expenditures, and how the criteria has been met that authorizes the expenditure under the City's Administration Bylaw.

- b) All contracts for consulting or professional services as defined under Section 5 must be approved by City Council, except in time sensitive situations that require immediate action the City Manager can approve professional services up to \$10,000.
- c) Members of Administration under no circumstances have the authority to execute agreements / contracts for expenditures except in the limited circumstances expressly authorized by the Administration Bylaw for specialized business lines approved by Council. All Contracts for expenditures must otherwise be executed by the City Clerk signing together with second signing officers permitted by the Administration Bylaw.

7.02 Purchases Requiring Special Approvals

To ensure City of Prince Albert objectives are met and specific needs of end users are recognized, below are items / services that must be approved by designated departments. These approvals must be in place prior to submitting the purchase order.

ITEM OR SERVICE	APPROVAL REQUIRED
Building modifications - contracting for construction, renovations, electrical outlets, etc.	Facilities Department
Computers, Hardware, Software	Information Technology
Items with City Logos	Communications Manager
Signage - Interior & Exterior	Communications Manager
Chemicals, Hazardous Materials,	Coordinator Health Safety and Environment
Equipment	Fleet Manager & Coordinator Health Safety and Environment

Examples:

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 to 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.

Logo Approval

Approval from the Communication Manager is required prior to using the City identity (logo) on any clothing/apparel or advertisement/promotional specialty items (pens, cups, magnets, etc.). Approval must be obtained prior to ordering.

Building Modification

All building modifications require prior approval from the City Facilities Department prior to any work being contracted. Facilities must be consulted to review space and structural adequacy, environmental requirements, power safety, security, and code compliance.

7.03 Acquisition Method:

Purchasing Cards

Designated employees authorized by the Purchasing Card Policy, shall be provided with a purchasing card. The purchasing card is the preferred method to using a PO on lower value purchases.

Purchase Order

Majority of purchases will require a purchase order to be sent to vendors. The requisition will be made through purchasing with account number and authorization for purchase approval. The purchase order will be keyed and tracked in the City's software.

Agreement / Contract

Agreement / contracts relating to the expenditures must be authorized for execution by Council or in limited circumstances in accordance with the strict conditions of the City's Administration Bylaw, by the City Manager. 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.

7.04 Fair Competition and Competitive Bidding

All procurement will be open, fair and transparent conducted with consideration of economic, environmental and social sustainability where practical. Departments should consider the inclusion of evaluation criteria which reflects these factors where applicable.

Procurement Levels	
Less than \$1,000	Low Value Purchase (one or more quote required)
Less than \$10,000	Low Value Purchase (minimum of three written quotes required)
Less than \$75,000	Invitational or Open Public Competition
Greater than \$75,000	Open Public Competition

Compliance with Trade Agreements

The following trade agreements contain obligations in terms of procurement approach including thresholds to publicly post competitive procurement on SaskTenders or a similar procurement site:

1. New West Partnership Trade Agreement (NWPTA)
2. Canadian Free Trade Agreement (CFTA)
3. Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

The City of Prince Albert is expected to adhere to all the obligations contained within these applicable agreement(s) and will be subject to any of the dispute mechanisms available to suppliers.

Sole Source

The Purchasing Manager and Department Head (or his/her designate) may determine that there is only one practical source of supply for the

item/service required. An Expression of Interest can be used to determine if there is another source of supply not known to the City.

The intent here is to avoid waste, both in time and materials, in a non-productive bidding 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.

Instances when “sole source” designation is applicable include the following:

- a) When the procurement is for technical services in connection with assembly, installation or servicing of equipment of a highly technical or specialized nature.
- b) When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer.
- c) When the procurement involves construction where a contractor is already at work on the site and it would not be practical to engage another contractor.

Competitive Bidding

When the purchase of goods and/or services, for a value greater than \$500, is requisitioned, a Purchase Order or Contract 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.

Value under \$75,000 will require a minimum of three quotes or justification on why the minimum number of bids is not possible.

Value over \$75,000 requires public notice posted on sasktender.ca.

Quote / Tendering / Bid:

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

Request for Proposals (RFP):

The City shall accept the proposal which, in the opinion of the City, best meets the requirements based on the evaluation criteria.

With respect to Tendering or Bids, Request for Proposals and Multi-Year Contracts, in all cases where it does not contravene federal or provincial legislation governing the City, the City reserves the right to refuse any or all Tenders, Bids or Proposals where the City deems it to be in the best interests of the City to do so having regard, but not limited to, questions of quality supply and service, timelines, performance trustworthiness, solvency, monies owing or due to the City and the existence or potential of legal disputes or conflicts with the City of Prince Albert.

In order to consider the best option for going to market the following steps should be used to determine the best method of competitive bidding.

a) Procurement Pre-Planning

A procurement system focused on best value requires significant procurement planning. Procurement pre-planning provides the critical foundations for an effective procurement with an emphasis on clearly defining the problem or opportunity and framing the competition.

The Department, in consultation with the Purchasing Manager, must identify the appropriate procurement stream from the list above. If the deliverables will be required on a regular or an ongoing basis, the Department should consult with the Purchasing Manager with respect to the establishment of a Standing Offer or Stores Stock.

The City shall have the authority to enter into multi-year contracts if the following are met:

- i) The original term of the multi-year contract does not exceed five years in total including the current year unless approved by Council.
- ii) The contract includes a clause enabling the cancellations of the contract in the event that funding is not provided in subsequent years.
- iii) 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.

b) Clearly Defining the Problem or Opportunity

The basis for achieving best value is provided through clear definition of the business problem or opportunity of a particular procurement. In determining how best value will be assessed, the public entities should:

- Analyse the nature of the problem to be addressed through the procurement;
- Assess market capacity and readiness (e.g., through market engagement);
- Consider the degree of latitude possible for supplier innovation and creativity in proposing solutions; and
- Identify the outcomes to accomplish through the procurement.

c) Multi-Stage Procurement

In order to achieve best value and demonstrate leadership in service delivery; value and innovation; citizen and industry focus; expertise; and sustainability, it is important for The City of Prince Albert remain current with a dynamic and competitive supplier community.

A multi-stage procurement practice will be used when appropriate to effectively engage with potential suppliers and better define the problem or opportunity.

A multi-staged procurement may take the form of a market engagement, pre-qualification (such as a Request for Pre-Qualification, Request for Information or Expression of Interest) or a similar process. The goal of this initial assessment is to identify suppliers that may be invited to participate in a subsequent competition, such as a Request for Proposals.

Multi-stage procurement may be used for projects that are high value or complex; provides flexibility where it is difficult to specify project requirements; where there is uncertainty about the state of competition in the marketplace; where the nature of the procurement entails sensitive information requiring confidentiality protection; encourage innovative solutions; or where participating suppliers will invest significant time and resources to respond.

d) Framing the Competition

There are many factors that should be considered in framing a competition based on the nature of the business problem or opportunity. While not an exhaustive list, some of these may include:

- Estimated value
- Potential use of outcome and performance-based requirements over prescriptive technical specifications;
- The quality required in the goods and services;

- Budget, timing, and resource considerations;
- Selecting the most appropriate project delivery model;
- Deliverables, delivery and performance commitments;
- Supplier experience, performance history and demonstrated ability to successfully perform the contract, including service, response time, and support capacity;
- Team and individuals required;
- Demonstrated knowledge of relevant conditions such as geotechnical, environmental, applicable laws, codes and requirements, etc.;
- Environmental impact of the goods and services;
- Commercial or technical risks assumed by the supplier;
- Public policy objectives as relevant to the problem and solution sought;
- Policy, legal and trade obligations; and
- Total cost of ownership.

e) Balanced and Effective Evaluation Criteria

- All submissions in response to a competitive procurement are subject to evaluation after opening and before award of contract. The procurement documents should clearly identify the requirements of the procurement, the evaluation method, and evaluation criteria in order to ensure a focus on achieving a procurement decision based on overall best value.
- To be effective, evaluation criteria should clearly relate back to the requirements identified in the competition and should reflect the business problem or opportunity and the importance of each requirement as identified in the procurement documents.
- The development of effective evaluation criteria for each competition should be completed as part of the pre-procurement planning process.
- When developing evaluation plans and criteria, there should be consideration given to how innovation, creativity and alternative

solutions will be evaluated and compared.

- The development of evaluation criteria needs to determine if there are any mandatory elements, plus any minimum thresholds for individual criteria.
- Consider the inclusion of criteria valuing community benefits. Community benefits criteria chosen must comply with pertinent interprovincial and international trade agreements.
- A key priority will be to ensure that the evaluation criteria provide a level playing field for all suppliers.

f) Supplier Debriefing and Evaluation

The purpose of a supplier debriefing is to provide a transparent, two-way communication process for participating suppliers to exchange constructive feedback on the procurement processes and practices, and the strengths and weaknesses of the supplier's submission.

Supplier debriefings shall be offered, at a minimum, to all unsuccessful suppliers who engage in a competitive procurement process. Successful suppliers will also receive a debrief on their submission if requested. Lower value, competitive procurement processes conducted by invitation, may also receive a supplier debrief if requested.

7.05 Industry and Supplier Engagement

The City of Prince Albert is committed to promoting the development of suppliers and enhancing supplier relationships. The City will support the supplier community by undertaking a range of activities including:

- Assisting suppliers in understanding how to do business with the City of Prince Albert;
- When appropriate, conduct early supplier engagement;
- Conducting debriefs on open competitive procurement processes where the procurement document is publicly posted; and
- Share upcoming procurement activities enabling suppliers to prepare for, plan and consider which opportunities to respond to.

7.06 Environmental and occupational health and safety compliance purchasing

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 that minimize any carbon footprint and which are environmentally preferred products and services. As well, these specifications must address Occupational Health and Safety (OHS) requirements. This would include both sound and emission guidelines.

The consideration and selection of environmentally and/or OHS 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.

Tenders may contain information that will make suppliers aware of the environmental and OHS impact and legislative requirements.

7.07 Vendor and Employee Obligations

a) The City shall have the ability to exercise its power as the employer for employees within The City, and through an investigative procedure, if it is deemed that an employee has displayed wilfully, negative actions as indicated, then The City may use their discretion to deal with any disciplinary action as each case may require.

b) Vendors that fail to perform contracts, or fulfill goods or services in a satisfactory manner, may be removed from eligibility to participate in the City's procurement.

In addition to poor performance, vendors may also be removed from doing business with the City based on the following:

- (1) bankruptcy or insolvency;
- (2) false declarations;
- (3) final judgments in respect of serious crimes or other serious offences;
- (4) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the vendor;
- (5) the vendor has a history of litigious conduct or bringing frivolous or vexatious claims against the City;
- (6) abuse of City officials and/or employees; or
- (7) amounts owing to the City.