

# New Procurement Policy

Standing Policy Committee on Finance

October 1, 2018

# Procurement Mission Statement

*To meet the needs of our stakeholders through open, fair, and transparent procurement processes that afford equal access to all qualified suppliers, maintain public trust, and adhere to our procurement principles.*

# Background

- Consultation with The Procurement Office which specializes in public sector procurement
  - broadly recognized industry standards, including compliance criteria drawn directly from federal and provincial procurement rules
  - diligence reviews to identify governance gaps and provide practical recommendations to help us avoid becoming the next audit headline or bid protest case study
- The Procurement Office's recommendations and new Procurement Policy were previously presented to City Council on January 29, 2018

# What are we doing?

- **Updating**
  - New Procurement Policy
  - Solicitation templates
  - Contracts
- **Procurement Protocols**
  - Guidelines for procurement at the City
- **Engaging Stakeholders**
  - Indigenous Procurement Workshop
  - North Saskatoon Business Association (NSBA)
  - Sask. Abilities
  - Corporate Procurement Committee
    - Ministry of Trade and Export, SaskPower, SaskEnergy, Priority Saskatchewan
  - Visible and Accessible
  - New Business Directory (to replace current vendor questionnaire)

# Why do we need change?

- **Consistency**
  - Different documents used throughout corporation
  - Ministry of Trade and Export, Priority Saskatchewan, Crown Corps, and other municipalities
- **Clarity** – rules are not always clear
- **Guidance** – documented protocols for City staff
- **Best practices** – current framework does not represent best practices
- **Legal** – new policy to be in compliance with trade treaty obligations
- **Transparency** – more transparent on the City's procurement practices

# Highlights of New Policy

- **Principles clearly outlined**
- **Expanded list of definitions**
- **Comprehensive forms/templates/tools**
  - Policy only part of full suite of products
- **Framework**
  - City Council approves the capital and operating budgets
  - Purchases made in accordance with an approved budget can be awarded by Administration
  - Purchases outside of approved budget will require City Council approval
  - Different levels of authority depending on value of the procurement

# Highlights of New Policy

- **Expanded role for Materials Management**
  - Approving solicitation documents
  - Facilitating evaluations
  - Market intelligence and best practice
  - Internal and external stakeholder engagement
  
- **Procurement Review Committee**
  - Procurement protest protocol
  - Supplier suspension protocol
  - Other matters referred to them

# Role of City Council

- Establish policy and approve expenditures through the City's budget approval process
- All approvals delegated to the Administration
- City Council may provide strategic direction and guidance on major projects before commencement of the procurement process
- Approve procurements outside of policy
  - No approved funding
  - Projects not in budget or over budget



# City Council

## Current Policy/New Policy

### Current Policy

- **Tenders**
  - City Council approval not required
- **RFPs**
  - Award of RFPs over \$75,000
- **Sole Source Contracts**
  - Award of contracts over \$75,000
- **Change Orders**
  - Changes over 25% of original contract
- **Projects not in Budget or Over Budget**
  - City Council approval required

### New Policy

- **Tenders**
  - Major projects for strategic direction
- **RFPs**
  - Major projects for strategic direction
- **Sole Source Contracts**
  - Major projects for strategic direction
- **Change Orders**
  - Within budget - City Council approval not required
- **Projects not in Budget or Over Budget**
  - City Council approval required

# Social, Environmental, Sustainable and Indigenous Procurement

- New policy includes definitions of and facilitates:
  - Best value (wide range of criteria)
  - Economic, environmental and social sustainability (wide range of criteria)
  - Indigenous Procurement
- Will work cooperatively with suppliers and other key stakeholders to advance corporate social responsibility in the business community by promoting the policy and encouraging suppliers and subcontractors to work towards the sustainability objectives of the policy
- Consultation to continue with external stakeholders
- Indigenous Procurement Workshop – October 22, 2018

# Questions?