

Summary of New Purchasing Policy

Background

The City has been working with The Procurement Office to complete a review of the City's procurement framework. The Purchasing Policy reflects their recommendations. The documents drafted by The Procurement Office comply with broadly recognized industry best practices including:

- international best practices drawn from leading sources;
- Canadian best practices from a broad range of treaties;
- a synthesis of over 30 years of case law rulings drawn from every jurisdiction and level of court in Canada; and
- good governance recommendations from the *Gomery Commission*, the *Bellamy Commission* and from a broad range of Canadian and International auditor general reports.

Highlights of Purchasing Policy

The key component of the draft Purchasing Policy is the delegation of all contract award decisions to the Administration. As recommended by The Procurement Office, the approval framework has been revised to reflect a clear separation of roles between the City's elected officials and the Administration. The Procurement Office feels that the current approval framework puts City Council in an untenable position as approvers of some contracts, which is contrary to good procurement governance practices.

Instead, the Policy has been drafted to more clearly define and assign the roles, responsibilities and accountabilities with respect to procurement at the City. Appropriate checks and balances have been built into the procurement cycle to prevent potential abuse. Procurements are only authorized if made in accordance with an approved budget. Council approval is required for any procurement not meeting the conditions of the Policy, or if there is an irregularity or unresolved challenge in connection with the procurement process and in the opinion of the City Manager, the award is likely to expose the City to significant legal, financial or reputational risk.

Council will be asked to provide strategic direction and guidance on major projects prior to the commencement of the procurement process. Major projects are defined as those procurement projects of a value in excess of \$10 million and/or of a complexity, risk level or public profile that requires it be given a significant allocation of attention and time, as well as, the potential involvement of other stakeholders.

Key highlights are as follows:

- recognition of achieving best value as a principle of the City's procurement program;
- a Business Case/Procurement Plan for all purchases over \$25,000 which must be approved prior to commencement of the procurement;
- consideration must be given to need for the acquisition as part of the Business Case/Procurement Plan including availability of existing resources;

- factors to be considered regarding the availability of internal resources have been outlined in the policy;
- open Competition is the standard form of procurement;
- non-standard Procurement limited to circumstances allowed by trade agreements;
- implementation of an Advance Contract Award Notice (ACAN) for non-standard procurement where we are saying there is only a single supplier; and
- outlines economic, environmental, and social sustainability.

The Purchasing Policy is also now just one component in a larger suite of procurement protocols which include:

- appropriate checklists;
- contract dispute management and supplier performance tracking;
- vendor debriefing;
- handling bid disputes; and
- suspending suppliers from participation in future procurement processes for unsatisfactory performance.

The following is a list of protocols that will form part of the Procurement Manual:

- Procurement Project Planning Protocol
- Document Format Selection Protocol
- Competitive Process Protocol
- Enhanced Consensus Scoring Protocol
- Non-Standard Procurement Protocol
- Low Value Purchase Protocol
- Qualified Supplier Rosters Protocol
- Negotiation Protocol
- Bidder Debriefing Protocol
- Procurement Protect Protocol
- Supplier Suspension Protocol
- Contract Management Protocol
- Supplier Performance Evaluation Protocol

It is the intent to create more consistency across the City with respect to how we do procurement and evaluations. The Procurement Manual will help create one set of rules. The Procurement Manual will be publicly available on the City's website. Transparency and openness are important components of public procurement.

Priority Saskatchewan

Consultations have occurred with Priority Saskatchewan to align our efforts with their initiative as much as possible. There are many similarities between our new procurement framework and the work completed by Priority Saskatchewan. In particular, several of our procurement templates align with those adopted by Priority Saskatchewan. However, there are also differences as the City has a different level of risk when it comes to procurement than the Province of Saskatchewan.

The Administration will continue to work with Priority Saskatchewan to create alignment between our approaches where possible.

The City of Regina is also undertaking a similar process and we are confident that our new procurement framework will align with their work as well.

Creating similarities where possible helps eliminate vendor confusion and creates efficiencies. However, it is unlikely we will achieve exact conformity amongst the three jurisdictions.