

Purchasing Policy

Section 1: Purpose and Principles

1.1 Purpose

The purpose of this Policy is to detail the principles, procedures, roles and responsibilities for the City's Procurement program. This Policy makes reference to other protocols and procedures of the City related to Procurement.

1.2 Principles

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) Incorporates sustainability including Environmental Sustainability, Economic Sustainability and Social Sustainability;
- f) Incorporates the City's commitment to procure Goods, Services and Construction from Suppliers that encourage diversity, including Indigenous Suppliers;
- g) Effective balance between accountability and efficiency; and
- h) Ensuring adherence to the highest standards of ethical conduct.

Section 2: Interpretation and Application

2.1 Defined Terms

Terms used in this Policy are defined as follows:

"Best Value" means relevant financial and non-financial factors which may include:

- Quality of the Goods and Services;
- Delivery, Deliverables and performance commitments;
- Supplier experience, performance history and demonstrated ability to successfully perform the Contract, including service and support capacity;
- Risk and compliance management, including safety practices and history;
- Environmental Sustainability;

- Economic Sustainability;
- Social Sustainability;
- Encouragement of Diverse Suppliers;
- Public policy objectives identified as elements in the proposal and evaluation process;
- Total cost of ownership, which may consider factors such as:
 - Purchase or Contract total cost;
 - Costs of delay or performance failures;
 - Administration and Contract management costs;
 - Extensions, change orders, total cost change and cost escalation;
 - Cost of additional features, enhancements, upgrades, etc.;
 - Limitations associated with proprietary or patent rights or constraints;
 - Legal or technical costs;
 - Shipping and packaging;
 - Transition and training costs;
 - Licensing costs;
 - Regular and ongoing maintenance;
 - Lifecycle costing;
 - Warranty, parts and repair; and/or
 - Disposal and remediation costs.

“Bid” means a submission in response to a Solicitation Document, and includes proposals, quotations or responses.

“Bidder” means a Supplier that submits a Bid, and includes proponents and respondents.

“Business Case” means the written reasoning behind the initiation of a Procurement Project, prepared in the form set out in Part 1 of the Procurement Project Plan at Appendix A of the Procurement Project Planning Protocol.

“Construction” means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes the preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting Services related to the construction Contract unless they are included in the Procurement.

“Competitive Process” means Open Competitions, Invitational Competitions and Limited Competitions.

“Contract” means 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.

“Contract Administrator” means an employee or authorized City representative assigned to the management of a Contract.

“City” means The City of Saskatoon.

“City Council” means the Council of The City of Saskatoon

“City Solicitor” means the City’s legal advisors.

“Deliverables” means any Goods, Services or Construction, or a combination thereof.

“Director” means an individual officer or employee who is responsible for a specific Division.

“Director of Materials Management” means the individual officer or employee who is responsible for Materials Management.

“Diverse Supplier” means any business or enterprise that is more than 50% owned, managed and controlled by persons belonging to a group that experiences discrimination or barriers to equal opportunity including women, indigenous people, persons with disabilities, new immigrants, LGBTQ+ people, visible minorities, and other groups the City identifies as historically under-represented.

“Division” means the branch, department, division or unit of the City that is requisitioning the purchase of the Deliverables.

“Economic Sustainability” means providing and enhancing the Services, infrastructure and conditions that sustain a healthy, diverse and resilient local economy in which businesses of all sizes, and their employees, can flourish.

“Environmental Sustainability” means protecting and enhancing the climate, ecology and natural resources for future generations through approaches that reduce carbon dependency, enhance energy resilience, conserve energy and resources and reduce waste and toxins.

“General Manager” means an individual officer or employee who is responsible for a specific group of Divisions.

“Goods” means goods produced, manufactured, grown, or obtained in, used for a commercial purpose in, or distributed from a party.

“Invitational Competition” means a Competitive Process in which an invitation to submit Bids is issued to at least three Suppliers.

“Low Value Purchases” means any Procurement of Deliverables with a value of less than \$25,000.00, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster.

“Master Framework Agreement” means a master agreement entered into between the City and the pre-qualified Suppliers that have been included on a Qualified Supplier Roster.

“Materials Management” means the branch, department, division or unit responsible for purchasing Deliverables for the City.

“Non-Standard Procurement” means the acquisition of Deliverables through a process or method other than the process or method normally required for the type and value of the Deliverables. Non-standard Procurement processes include:

- a) A “Non-Competitive Procurement”, where the Deliverables are acquired directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required including consideration of unsolicited proposals; or
- b) A “Limited Competition”, where Bids are solicited from a limited number of Suppliers when an Open Competition would normally be required.

“Open Competition” means the solicitation of Bids through a publicly posted Solicitation Document.

“Performance Evaluation Report” means a report evaluating a Supplier’s performance.

“Procurement” or “Purchasing” means the acquisition of Deliverables by purchase, rental or lease.

“Procurement Project” means any Procurement of Deliverables with a value of \$25,000.00 or more, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster.

“Procurement Project Plan” means the plan developed by a Division at the outset of a Procurement Project in accordance with the Purchasing Policy.

“Procurement Review Committee” (the “PRC”) means the committee established by the City under the Purchasing Policy for the purposes of considering and making determinations on Procurement-related matters, including determinations under the Procurement Protest Protocol and the Supplier Suspension Protocol.

“Procurement Value” means the total value of the Deliverables being procured, and must include all costs to the City in Canadian dollars using the Bank of Canada exchange rate including, as applicable, acquisition, maintenance, replacement, disposal, or training,

delivery, installation and extension options, less applicable rebates or discounts and exclusive of sales taxes.

“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.

“Purchasing Card” means a credit card provided by the City to authorized officers and employees for use as a payment method to purchase directly from Suppliers where permitted under the Purchasing Policy and the P-Card Policy in accordance with any cardholder agreement and applicable procedures.

“Qualified Supplier Roster” means a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ), and have therefore been pre-qualified to perform discrete work assignments involving the delivery of a particular type of Deliverables.

“Services” means services supplied or to be supplied, by a person.

“Social Sustainability” means cultivating and sustaining vibrant, creative, safe, affordable and caring communities for the wide diversity of individuals and families who live in, work in and visit the City.

“Suspension Recommendation Report” means a written report recommending the suspension of a Bidder and setting out the terms of the proposed suspension in accordance with the Supplier Suspension Protocol.

“Roster Competition” means an expedited, Invitational Competition between Suppliers that have been included on a Qualified Supplier Roster for the selection of a Supplier to perform a discrete work assignment during the term of the roster.

“Solicitation Document” means the document issued by the City to solicit Bids from Bidders.

“Standing Offer” means a written offer from a pre-approved Supplier to supply Deliverables to the City, upon request, through the use of an ordering process during a particular period of time, at a predetermined price or discount, generally within a pre-defined dollar limit.

“Supplier” means a person carrying on the business of providing Deliverables.

2.2 Application

This Policy applies to the Procurement of all Deliverables with the exception of exempt purchases and expenditures set out in Schedule A of this Policy.

2.3 Contract Splitting

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 Materials Management, may result in revocation of delegated approval authority.

2.4 Emergency Purchases

Notwithstanding any other provisions of this Policy, where an emergency exists and prior approval of the Director of Materials Management cannot be obtained, a Director may authorize any officer or employee to acquire required Deliverables in an expedited manner if the required Deliverables have a Procurement Value of less than \$25,000.00. A General Manager may authorize any officer or employee to acquire required Deliverables in an expedited manner if the required Deliverables have a Procurement Value of less than \$75,000.00 for Goods and Services and \$200,000.00 for Construction. The City Manager may authorize any officer or employee to acquire required Deliverables in an expedited manner for required Deliverables with a Procurement Value in excess of those amounts.

For the purposes of this Policy, an emergency exists when an unforeseeable situation or event occurs that is a threat to any of the following:

- a) public health and/or safety;
- b) the maintenance of essential Services;
- c) the welfare of persons or public property; or
- d) the security of the City's interests.

Situations of urgency resulting from the failure to properly plan for a Procurement do not constitute an emergency and, in such cases, any deviation from the requirements of this Policy must be approved by the Director of Materials Management prior to the acquisition of any Deliverables.

As soon as possible following an emergency purchase, the Director must forward a purchase requisition to Materials Management and Materials Management will issue a Purchase Order confirming the purchase.

2.5 Cooperative Purchasing

The City may participate in cooperative or joint Purchasing initiatives with other entities where such initiatives are determined to be in the best interests of the City. If the City participates in such cooperative or joint Purchasing initiatives, the City may adhere to the policies of the entity conducting the Purchasing process, provided that such policies comply in spirit with this Policy.

Section 3: Ethical Conduct and Conflicts of Interest

3.1 Conduct and Conflicts of Interest

The City's Procurement activities must be conducted with integrity and all individuals involved in the City's Procurement activities must act in a manner that is consistent with the principles and objectives of this Policy and in accordance with the City's Employee Code of Conduct and Conflict of Interest Policy.

In addition to adhering to all rules and requirements set out in the Employee Code of Conduct and Conflict of Interest Policy, no City employee shall place themselves in a position of obligation to a Supplier and no City employees will use the City's Purchasing processes, forms and Services to purchase Deliverables for personal use.

All City participants in a Procurement process, including any outside consultants or other service providers participating on behalf of the City, must declare any perceived, possible or actual conflicts of interest to the Director of Materials Management. City participants must consult with the Director of Materials Management if they are unsure whether or not a particular relationship or circumstance may give rise to a conflict of interest.

Participants must not engage in any activity that may create, or appear to create a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing Suppliers or products.

3.2 Supplier's Conduct and Conflicts of Interest

The City requires its Suppliers to act with integrity and conduct business in an ethical manner. The City may refuse to do business with any Supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage or fails to adhere to ethical business practices.

a) Illegal or Unethical Bidding Practices

Illegal or unethical bidding practices include:

- bid-rigging, price-fixing, bribery or collusion or other behaviours or practices prohibited by federal or provincial statutes;
- offering gifts or favours to the City's officers, employees, appointed or elected officials or any other representative of the City;
- engaging in any prohibited communications during a Procurement process;
- submitting inaccurate or misleading information in a Procurement process; and
- engaging in any other activity that compromises the City's ability to run a fair Procurement process.

The City will report any suspected cases of collusion, bid-rigging or other offenses under the *Competition Act* to the Competition Bureau or to other relevant authorities.

b) Conflicts of Interest

All Suppliers participating in a Procurement process must declare any perceived, possible or actual conflicts of interest.

The term “Conflict of Interest”, when applied to Suppliers, includes any situation or circumstance where:

- i. in the context of a Procurement process, the Supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, or having access to, confidential information of the City that is not available to other Suppliers, (ii) communicating with any person with a view to influencing preferred treatment in the Procurement process (including, but not limited to the lobbying of decision-makers involved in the Procurement process), or (iii) engaging in conduct that compromises, or could be seen to compromise, the integrity of an open and competitive Procurement process or render that process non-competitive or unfair; or
- ii. in the context of performance under a potential Contract, the Supplier’s other commitments, relationships or financial interests (i) could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement, or (ii) could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations.

Where a Supplier is retained to participate in the development of a Solicitation Document or the specifications for inclusion in a Solicitation Document, that Supplier will not be allowed to respond to that Solicitation Document.

c) Ethical Business Practices

In providing Deliverables to the City, Suppliers are expected to adhere to ethical business practices, including:

- performing all Contracts in a professional and competent manner and in accordance with the terms and conditions of the Contract and the duty of honest performance;
- complying with all applicable laws, including safety and labour codes (both domestic and international as may be applicable); and
- providing workplaces that are free from harassment or discrimination.

Section 4: Role and Responsibilities

4.1 Role and Responsibilities of City Council

It is the role of City Council to establish policy and approve expenditures through the City's budget approval process. Through this Policy, City Council delegates to the City's officers and employees the authority to incur expenditures in accordance with approved budgets through the Procurement of Deliverables in accordance with the rules and processes set out in this Policy and applicable protocols and procedures. City Council shall provide strategic direction and guidance on major projects prior to the commencement of the Procurement process. However, City Council will not generally be involved in the day-to-day Procurement operations or individual Procurement processes, except to the extent that City Council approval is required under this Policy or in the event that an exception to this Policy is required.

4.2 Roles and Responsibilities of Officers and Employees

Specific responsibilities pertaining to all stages of a Procurement process, from the initial identification of requirements through to the management of Contracts with Suppliers, are detailed in this Policy and applicable protocols and procedures. In addition to those specific responsibilities, the general roles and responsibilities delegated to the City's officers and employees are set out below.

a) City Manager

It is the role of the City Manager to implement and enforce this Policy. The City Manager is responsible for overseeing the City's Procurement operations and providing support and guidance to the Director of Materials Management.

b) Director of Materials Management

It is the role of Materials Management to lead and administer the City's Procurement operations. In fulfilling this role, the Director of Materials Management, or designate, is responsible for:

- Ensuring the consistent application of this Policy and the provision of Procurement Services to the Divisions in an efficient and diligent manner;
- Developing Procurement strategies and continually analyzing business requirements and spending patterns to identify opportunities for more strategic sourcing;
- Researching, developing, updating and communicating Procurement protocols, procedures and templates;
- Addressing any issues or concerns that arise in respect of a Procurement process and seeking guidance, support and advice of the City Manager and the Office of the City Solicitor, as required; and

- Providing appropriate orientation, training and tools to employees involved in Procurement activities.

c) Directors and General Managers

It is the role of the Divisions to ensure that their requirements for Deliverables are met in accordance with the principles and objectives of this Policy. In fulfilling this role, Directors and General Managers are responsible for ensuring that their Divisions comply with this Policy and all applicable procedures and encouraging sound Procurement practices and ensuring the provision of appropriate education and training to employees involved in Procurement activities.

Directors and General Managers will be held accountable for any decision to proceed with a Procurement process or transaction that is not conducted in accordance with this Policy or does not have the approval of Materials Management.

d) Division Employees

Employees of all Divisions are responsible for complying with this Policy. Division employees involved in Procurement activities must clearly understand their obligations and responsibilities under this Policy and all applicable protocols and procedures and should consult with Materials Management in respect of any questions regarding the application or interpretation of this Policy or any relevant procedures.

e) Materials Management Employees

Employees of Materials Management are responsible for complying with this Policy and ensuring this Policy and all protocols and procedures are applied consistently. Materials Management employees must clearly understand their obligations and responsibilities under this Policy and all applicable protocols and procedures and should consult with the Director of Materials Management in respect of any questions regarding their application or interpretation.

f) City Solicitor

It is the role of the City Solicitor, or designate, to provide legal advice and assistance on the City's Procurement activities and its relationships with Suppliers. In fulfilling this role, the City Solicitor is responsible for:

- Advising the Director of Materials Management and Division Employees as required on legal issues arising from Procurement activities, and reviewing and approving specific Solicitation Documents and related documentation referred for legal review by the Director of Materials Management and/or Division;
- Providing legal advice and counsel to the City with respect to major projects;

- Providing advice on the finalization of Contracts and agreements, and reviewing and advising on proposed changes to the City's standard terms and conditions, legal agreements and Solicitation Document templates; and
- Providing legal advice and counsel to the City in the event of a Contract dispute or legal challenge flowing from a Procurement process.

4.3 Procurement Review Committee

The City will establish a Procurement Review Committee for the purpose of making determinations under the Procurement Protest Protocol and the Supplier Suspension Protocol, and for considering and providing input on other Procurement matters that may be referred to it by the Director of Materials Management. The Procurement Review Committee should generally consist of the Director of Materials Management and at least two other senior-level officers or employees of the City. The City Solicitor, or designate, will provide guidance and advice to the Procurement Review Committee, as required.

Section 5: Procurement Approval and Contracting Authorities

5.1 Delegated Approval and Contracting Authorities

5.1.1 Delegated Approval Authority

The Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy, sets out the delegated authorities and approval limits for:

- a) approving the initiation of a Procurement;
- b) approving the award of a Contract; and
- c) approving amendments to existing Contracts.

5.1.2 Delegated Contracting Authority

All agreements to which the City is a party must be signed in accordance with The City Administration Bylaw.

The Director of Materials Management is delegated the authority to issue a Purchase Order evidencing a Contract.

Directors are delegated the authority to issue departmental Purchase Orders for Low Value Purchases.

5.2 Conditions of Delegated Authority

Delegated approval and contracting authorities are subject to the following conditions:

- a) No Procurement may be initiated unless approved funding in an amount sufficient to cover the Procurement Value is available;

- b) No Contract award may be approved unless approved funding in an amount sufficient to cover the Procurement Value is available and the Procurement process was conducted in accordance with this Policy;
- c) No Contract may be entered into, either through the issuance of a Purchase Order or the signing of an agreement, unless approved funding in an amount sufficient to cover the Procurement Value is available, the Procurement process was conducted in accordance with this Policy and the Contract award has been approved in accordance with this Policy;
- d) No agreement may be signed unless the agreement and any ancillary documents have been prepared in a form satisfactory to the City Solicitor, or designate.

5.3 City Council Approval

City Council approval is required if:

- a) any of the conditions of delegated authorities, as set out in section 5.2 of this Policy, have not been met; or
- b) there is an irregularity or unresolved challenge in connection with the Procurement process and, in the opinion of the City Manager, in consultation with the Director of Materials Management, the award of the Contract is likely to expose the City to significant legal, financial or reputational risk.

Section 6: Procurement of Deliverables

6.1 Existing Resources and Supplier Arrangements

Before initiating a Procurement, Directors must first consider whether there is a compelling need for the acquisition and must also consider the availability of existing resources, including both internal resources and existing Supplier arrangements, as described below. In considering the availability of internal resources the following factors shall be considered:

- capacity of existing staff to perform the work;
- expertise of existing staff to perform the work;
- requirement of specialized Services;
- expected timeline of delivery;
- frequency for the need of the required expertise;
- requirement of an independent opinion;
- objectivity of an opinion;
- transfer of risk;
- cost of expected scope of work;
- regulated or legislated requirements of the work; and
- availability of technology in-house and long-term commitments.

a) Existing Standing Offer

A “Standing Offer” is an offer from a pre-approved Supplier to supply Deliverables to the City upon request, over a particular period of time, at a predetermined price or discount. The Standing Offer defines the general terms and conditions of the relationship between the parties and the unit prices of all items available under the Standing Offer, as well as applicable pricing terms, such as discounts and rebates, delivery charges, applicable surcharges, installation Services, warranty, etc., but does not create contractual commitment from either party to a defined volume of business. The commitment to purchase against a Standing Offer is formed at the time a specific order is placed through the issuance of a Purchase Order to the Supplier.

Standing Offers may be established by Materials Management for standardized Deliverables to be purchased by all Divisions, where the requirements for Deliverables are recurring and predictable over an extended period of time, the requirements are standard and clearly defined at the time of establishment of the Standing Offer and it is possible to fix pricing for the Deliverables for the duration of the Standing Offer.

It is the responsibility of the Division to determine if a Standing Offer for the required Deliverables has already been established before making a purchase. When a Standing Offer is available, its use is mandatory for all Divisions. To purchase from the Standing Offer, a Purchase Order referring the Standing Offer details should be created and sent to the Supplier by the Division.

b) Existing Qualified Supplier Roster

“Qualified Supplier Roster” is a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ), and have therefore been pre-qualified to perform discrete work assignments involving the delivery of a particular type of Deliverables. Further information on Qualified Supplier Rosters is set out in the Qualified Supplier Rosters Protocol.

It is the responsibility of the Division to determine if a Qualified Supplier Roster for the required Deliverables has already been established before making a purchase. When a Qualified Supplier Roster has been established, the Division must purchase the Deliverables through a Roster Competition in accordance with the Qualified Supplier Roster Protocol.

6.2 Low Value Purchases

If the required Deliverables have a Procurement Value of less than \$25,000.00 and are not covered under an existing Standing Offer or Qualified Supplier Roster, the purchase may be made in accordance with the Low Value Purchase Protocol.

The Director may authorize specific individuals within the Division to make Low Value Purchases and may assign specific spending authority limits. The Director is responsible and accountable for Low Value Purchases.

For Low Value Purchases under \$10,000.00, Divisions are encouraged to obtain and document competitive quotes to ensure that they obtain Best Value.

For Low Value Purchases between \$10,000.00 and \$25,000.00, Divisions are required to obtain three written quotes. If three written quotes cannot or are not obtained, the Division must document the reason why three written quotes were not obtained. Divisions are required to follow the Low Value Purchase Protocol when obtaining quotes.

If a Division anticipates making multiple Low Value Purchases of the same Deliverables and the total value of those purchases may exceed \$25,000.00, the Division must contact Materials Management to discuss the possibility of setting up a Standing Offer or Qualified Supplier Roster.

6.3 Procurement Projects

A Procurement Project is any Procurement of Deliverables with a value of \$25,000.00 or more, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster. The roles and responsibilities of those involved in the various stages of a Procurement Project are described in this section and the applicable protocols.

6.3.1 Stage 1 – Initial Planning and Approval to Proceed with Procurement Project

a) Procurement Project Planning – Overview

Effective Procurement planning is essential to ensuring an effective result and to limiting risk to the City. Divisions are responsible for ensuring the development and approval of a plan for each Procurement Project. Materials Management will act in an advisory capacity, where necessary, to assist the Division in developing an initial Business Case and a detailed Procurement Project Plan.

The Division must clearly identify what is to be procured. A concise initial mapping statement describing the Procurement Project will be used to develop clear business requirements and detailed specifications during the detailed planning stage.

Where the Division is uncertain about the Deliverables required for a Procurement Project or where there is insufficient internal knowledge about the market, the Business Unit must consult with Materials Management about conducting a Request for Information (RFI) process. A RFI process must be openly posted in order to gather market research from prospective Bidders. It must not be used as a prequalification tool.

If the Deliverables will be required on a frequent or regularly recurring basis, the Division must consult with Materials Management about the possibility of establishing a Standing Offer or Qualified Supplier Roster.

Divisions must ensure that they leave sufficient time to plan for a Procurement Project, including time for:

- i. developing proper specifications and business requirements;
- ii. obtaining internal reviews;
- iii. providing the requirements to Materials Management to permit Solicitation Document assembly; and
- iv. obtaining necessary approvals.

A meeting should be set up with Materials Management during the initial planning and budgeting stage to identify:

- i. major projects;
- ii. other resources or Services required to complete the project; and
- iii. similar Procurement Projects across the organization that may lead to bulk Purchasing.

b) Business Case

An initial Business Case must be developed to obtain approval to initiate the Procurement Project. The Division must complete Part 1 of the Procurement Project Plan to ensure that all components of the Business Case are addressed. This document is included in Appendix A of the Procurement Project Planning Protocol.

The Business Case must include the following minimum information:

- i. Initial Mapping Statement – A clear and concise description of the Procurement Project that identifies what Deliverables are being procured;
- ii. Need for Procurement Project – An explanation of what gave rise to the need for the Procurement Project and confirmation that existing internal resources are not sufficient to deliver the project and that no Standing Offer or Qualified Supplier Roster is in place for the required Deliverables;
- iii. Procurement Value – To ensure that Procurement Projects are appropriately streamed, it is important to accurately estimate the value of the Procurement Project and ensure that it is aligned with the budget process and the availability of funds. The value of a Procurement Project must include all costs to the City, including acquisition, maintenance, replacement, disposal, training, delivery, installation and extension options; and
- iv. Funding Source – Procurement Projects must have an approved funding source confirmed by the Division in order to obtain conditional approval to proceed.

The Business Case will be used as a starting point for the development of the detailed Procurement Project Plan.

c) Major Projects

A major project is a Procurement Project that is of a value of \$10,000,000.00 or more and/or of a complexity, risk level or public profile that requires that it be given a significant allocation of attention and time from the Division and Materials Management, as well as the potential involvement of other stakeholders.

When conducting a major project, Divisions, in consultation with Materials Management, must consider the following additional potential needs:

- i. The retention of external advisors where there are insufficient internal resources or expertise to assist in developing specifications or business requirements;
- ii. The appointment of an internal project lead to coordinate input from multiple Divisions or stakeholders;
- iii. The early involvement of the City Solicitor, or designate, and/or Corporate Risk to ensure that all legal and risk considerations are appropriately addressed; and
- iv. The engagement of a fairness consultant where the major project is high-profile or controversial or involves a particularly complex Supplier selection process.

d) Approval to Proceed

The Division must submit the Business Case to the appropriate approval authority in order to obtain approval to initiate the Procurement Project. The initiation of a Procurement Project must be approved in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy.

6.3.2 Stage 2 – Procurement Streaming and Detailed Procurement Project Planning

a) Procurement Stream

The Division, in consultation with Materials Management, must identify the appropriate Procurement stream from the list set out below. If the Deliverables will be required on a regular or an ongoing basis, the Division should consult with Materials Management with respect to the establishment of a Standing Offer or Qualified Supplier Roster.

Circumstances	Procurement Stream
Procurement of Deliverables not exceeding the applicable Open Competition Thresholds set out in Schedule B.	Invitational Competition
Procurement of Deliverables with a Procurement Value equal to or exceeding the applicable Open Competition Thresholds set out in Schedule B.	Open Competition
Establishment of a Standing Offer or Qualified Supplier Roster for any Deliverables.	Open Competition
Non-Standard Procurement justified under specified circumstances set out in the Non-Standard Procurement Protocol.	Limited Competition or Non-Competitive Procurement

b) Procurement Project Plan

The Division is responsible for developing a detailed Procurement Project Plan. The specific information required in the detailed Procurement Project Plan will depend on the applicable Procurement stream. The Division must complete Part 2 of the Procurement Project Plan form to ensure that all requirements of project planning are met. This document is included in the Procurement Project Planning Protocol and can be obtained online.

In addition to identifying the appropriate Procurement stream, the following information is required in the Procurement Project Plan:

i. Requirements and Specifications

For all Procurement Projects, the Division is responsible for drafting clear, detailed specifications and business requirements. Specifications cannot be written in a way that unduly restricts Suppliers from bidding, and should encourage open, fair and transparent competition. Divisions should consult the Solicitation Document Drafting Protocol for additional guidance in developing appropriate requirements and specifications.

ii. Pricing Structure

For all Procurement Projects, the Division is responsible for developing a clear pricing structure. Divisions should consult the Solicitation Document Drafting

Protocol for a description of various pricing structures and the factors to consider in developing the appropriate pricing structure for the Procurement Project.

iii. Evaluation Plan

For all Competitive Processes, the Division is responsible for developing an evaluation plan. Divisions should consult the Solicitation Document Drafting Protocol for a description of various evaluation methodologies and the factors to consider in developing the appropriate evaluation plan for the Procurement Project.

iv. Solicitation Document Format Selection

For all Competitive Processes, the Division, in conjunction with Materials Management, is responsible for selecting the most appropriate Solicitation Document format. Divisions should review the descriptions of the different formats that are set out in the Solicitation Document Format Selection Protocol and use the questionnaire and checklist included there to identify the appropriate Solicitation Document format for the Procurement Project.

v. Non-Standard Procurement Justification

For all Non-Standard Procurements, the Division must refer to the Non-Standard Procurement Protocol and must provide full details to explain how the Procurement Project falls within the circumstances required to justify a Non-Standard Procurement.

c) Procurement Project Plan Approval

The Division must submit the completed Procurement Plan to Materials Management for review and approval. Divisions are encouraged to consult with and involve Materials Management during the development of the Procurement Plan to avoid unnecessary delay in the review and approval process. Non-Standard Procurements must also be approved in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy.

d) Proceeding with Approved Procurement Project

i. Competitive Process

Where a Competitive Process will be conducted, including an approved Limited Competition, the Solicitation Document will be developed and assembled in accordance with Stage 3, as described below in section 6.3.3, and the competition and selection of the preferred Bidder will be conducted in accordance with Stage 4, as described below in section 6.3.4.

ii. Non-Competitive Procurement

In the case of an approved Non-Competitive Procurement, Stages 3 and 4 will not apply and the Division should proceed with the finalization of the Contract in accordance with Stage 5, as described below in section 6.3.5.

6.3.3 Stage 3 – Solicitation Document Assembly

a) Solicitation Document Requirements

The information contained in the Procurement Project Plan and the template for the selected format will be used to assemble the Solicitation Document. The principles and guidelines in the Solicitation Document Drafting Protocol should be followed and the following must be confirmed before the Solicitation Document is finalized:

- i. The most up-to-date template is used;
- ii. All material information relevant to the Procurement Project has been disclosed;
- iii. All evaluation criteria that will be considered in the evaluation of Bids are disclosed;
- iv. Where the terms and conditions of the Procurement Contract are included in the Solicitation Document, they are appropriately contained in the term sheet or form of agreement and have been approved by the Office of the City Solicitor;
- v. There is alignment between the technical requirements and specifications, the pricing structure and the Contract terms and conditions;
- vi. Administrative matters such as Procurement process dates, contact information and requirements for obtaining the Solicitation Document have been included, where appropriate; and
- vii. The Procurement Project schedule allows a reasonable timeframe for Bidders to respond.

b) Approval of Solicitation Document

The Division and Materials Management are responsible for ensuring that the principles and guidelines in the Solicitation Document Drafting Protocol are followed, as applicable. Both the Division and Materials Management, in consultation with the City Solicitor, or designate, where appropriate, must review and approve the final Solicitation Document prior to issuance.

6.3.4 Stage 4 – Competition and Selection

a) The Competitive Process

All Invitational Competitions, Open Competitions and Limited Competitions must be conducted in accordance with the Competitive Process Protocol. A summary of responsibilities is set out below:

i. Issuance of Solicitation Document

Materials Management is responsible for issuing the Solicitation Document. For an Open Competition, Materials Management will post the Solicitation Document on the SaskTenders website. For an Invitational Competition or a Limited Competition, Materials Management will issue the Solicitation Document to the invited Suppliers.

ii. Communication with Bidders and Addenda Process

Materials Management is responsible for managing all communications with Bidders after issuance of the Solicitation Document. The contact person designated in the Solicitation Document must be a representative of Materials Management, or a person approved by Materials Management. Any Division employee or any other individual who receives inquiries from Bidders must direct those Bidders to the designated contact person. Materials Management is responsible for issuing addenda to communicate any changes to the Solicitation Document or to communicate responses to questions from Bidders.

iii. Receipt of Bids

Materials Management is responsible for receiving Bids in the manner set out in the Solicitation Document. Materials Management is responsible for opening the Bids in accordance with the process established in the Solicitation Document and reviewing the Bids to determine if all mandatory submission requirements have been met in accordance with the process set out in the Solicitation Document.

iv. Evaluation of Bids

The Division is responsible for establishing the evaluation team and conducting the evaluation process in accordance with the evaluation methodology disclosed in the Solicitation Document. Where the evaluation is based only on price, the Bids must be reviewed by at least one representative from the Division and one representative from Materials Management. For Open Competitions, a representative of Materials Management will serve as an observer and advisor to the evaluation team.

v. Selection of Preferred Bidder(s)

The Division is responsible for recommending the selection of the preferred Bidder(s) based on the results of the evaluation process in accordance with

the Solicitation Document. The Division's recommendation to prequalify or award a Contract to the preferred Bidder(s) must be approved by Materials Management.

b) Cancellation of Competitive Process

Where the deadline for submission of Bids has passed and Bids have been received, a Competitive Process must not be cancelled without the approval of Materials Management, in consultation with the City Solicitor, or designate, and the approval of the General Manager of the Division.

6.3.5 Stage 5 – Contract Finalization

Contracts must be finalized in accordance with the applicable sections below. Divisions are responsible for obtaining approval to award a Contract to a Supplier in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy. A Contract must not be entered into unless all required Procurement approvals have been obtained in accordance with Section 5 of this Policy. The Contract must be in place prior to the delivery or provision of the Deliverables.

a) Competitive Process without Negotiation

In the case of a Competitive Process where the Solicitation Document does not provide for negotiation of the Contract with the selected Bidder(s), the selected Bidder must enter into the form of Contract included in the Solicitation Document. Materials Management and/or the City Solicitor, or designate, will notify the selected Bidder(s) and arrange for the execution of the Contract by the selected Bidder in accordance with the process set out in the Solicitation Document.

b) Competitive Process with Negotiation

In the case of a Competitive Process where the Solicitation Document provides for the negotiation of the Contract with the selected Bidder(s), the Division is responsible for negotiating the final Contract with the Supplier in accordance with the negotiation process set out in the Solicitation Document and in accordance with the Negotiation Protocol. In an Open Competition, negotiations must be conducted in consultation with Materials Management and/or the City Solicitor, or designate. Divisions are responsible for ensuring that any proposed changes to the City's standard Contract terms and conditions have been reviewed by the City Solicitor, or designate, prior to finalizing the Contract.

c) Non-Competitive Procurement

In the case of a Non-Competitive Procurement, the Division is responsible for negotiating the final Contract with the Supplier in consultation with the City Solicitor, or designate, as required. Divisions are responsible for ensuring that any proposed changes to the City's standard Contract terms and conditions have been reviewed by the Office of the City Solicitor prior to finalizing the Contract.

6.3.6 Stage 6 – Post-Contract Award Process

a) Procurement Notification

After a Contract has been entered into pursuant to an Open Competition, Materials Management will post the list of Bidders, the identity of the successful Bidder and the value of the awarded Contract on the SaskTenders website. For Open Competitions resulting in the establishment of Qualified Supplier Rosters, only the list of Bidders and the identity of the successful Bidder(s) will be published. After a Contract has been entered into pursuant to an Invitational Competition, including a Limited Competition, Materials Management will notify unsuccessful Bidders of the outcome.

b) Debriefings

Unsuccessful Bidders may request a debriefing. When requested, debriefings must be scheduled and conducted by Materials Management and the appropriate Division representative in accordance with the Debriefing Protocol.

c) Procurement Protests

Suppliers may formally protest the outcome of a Procurement process. In the case of a Competitive Process, a Bidder must request and receive a debriefing prior to submitting a formal protest. Procurement protests must be managed and responded to in accordance with the Procurement Protest Protocol.

6.3.7 Stage 7 – Contract Management and Supplier Performance Tracking

a) Contract Management

Any Contract entered into by a Division must be managed by the Division in accordance with the Contract Management Protocol. Qualified Supplier Rosters will be managed by Materials Management in accordance with the Qualified Supplier Rosters Protocol.

b) Contract Amendments and Extensions

During the course of a Contract additional work may arise that could not be anticipated during the project planning process. Contract amendments for adjustments to the scope of the Contract may be approved if the adjustment is for work that is directly connected or incidental to the original Contract scope. Contract amendments must not be used to expand a Contract beyond what was contemplated under the terms of the Contract and the original Solicitation Document, or to circumvent the need to procure additional Deliverables through a Competitive Process in accordance with this Policy.

If a Contract amendment results in a net increase to the Contract value previously approved, the amendment must be approved in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy. Any request for approval for a Contract amendment must be accompanied by a summary

of all previous amendments to the Contract that resulted in an increase to the Contract value.

All amendments to an existing Contract must be appropriately documented. The City Solicitor, or designate, should be consulted regarding all matters pertaining to Contract interpretation and application. Directors and/or the City Solicitor, or designate, should be consulted for any changes, extensions, renewals or amendments required to be made to any executed Contract.

All amendments must be approved prior to additional work being undertaken or acquired.

c) Contract Disputes

All potential Contract disputes with Suppliers must be managed in accordance with the dispute resolution mechanisms outlined in the Contract. Where a Contract is silent on dispute resolution, the Division should ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with Suppliers concerning a Contract dispute must be maintained by the Division. A Contract can only be terminated prior to its expiry date with the involvement of the Director of Materials Management, the City Solicitor, or designate, and the Director of the Division, in consultation with the General Manager.

d) Supplier Performance

The performance of a Supplier under contract must be monitored and tracked in accordance with the Supplier Performance Evaluation Protocol.

e) Supplier Suspension

Suppliers can be suspended from participating in future Procurement processes in accordance with the Supplier Suspension Protocol.

Section 7: Procurement Record Keeping

7.1 Procurement Record Keeping

The City must ensure that Bidder and Supplier information submitted in confidence as part of a Procurement Project is adequately protected. Materials Management and the Divisions must ensure that all Bids and Contracts are kept in a secure location and only accessible by those individuals directly involved with the Procurement Project.

The maintenance, release and management of all Procurement records must be in accordance with the City's internal policies and procedures on document management.

Materials Management is responsible for ensuring that all documentation relating to the Procurement Project is properly filed and maintained in the Procurement Project file. The

following are the minimum requirements of what should be kept in each Procurement Project file:

- i. Internal drafts of all Solicitation Documents, including internal correspondence concerning same;
- ii. Original copies of all final Solicitation Documents;
- iii. Copies of the Procurement Project Plan, together with evidence of all necessary conditional approvals;
- iv. Records of any communications with Bidders or potential Bidders;
- v. Copies of all addenda;
- vi. Copies of all original Bids received from Bidders;
- vii. All records of evaluation processes, including consensus reports and final scores;
- viii. Copy of the final recommendation memo together with all required approvals; and
- ix. Copies of debriefing or Procurement protest procedure requests and outcomes.

Section 8: Compliance Monitoring and Reporting

8.1 Compliance Monitoring

Directors are required to observe and address non-compliance with this Policy within their Divisions. Where instances of non-compliance are identified, the Director is expected to notify the Director of Materials Management and obtain advice with respect to mitigating potential risks to the City arising from the non-compliance.

The Director of Materials Management and/or the Director of Corporate Risk is responsible for monitoring compliance across the organization. Based on the results of compliance monitoring, reports outlining instances of non-compliance may be issued by the Director of Materials Management to the relevant Directors, General Managers and the City Manager. The Director must address the identified compliance concerns and submit a written confirmation of actions taken to the Director of Materials Management. Ongoing concerns with respect to compliance will be subject to internal audit and/or may result in the revocation of Procurement privileges.

8.2 Audit

All Procurement activities will be subject to audit by the City's Internal Auditor.

Section 9: Economic, Environmental and Social Sustainability

9.1 Consideration

The City's Procurement activities will be conducted with consideration of Economic, Environmental and Social Sustainability where practical. Divisions should consider the inclusion of evaluation criteria which reflects these factors where applicable.

The City will look at the following Sustainability criteria for products and services, which may relate to production, manufacturing and operational processes, distribution, use of the product or service, and replacement or disposal of products or materials:

- i. acquisition of raw materials;
- ii. consumption of resources (e.g. water, energy, raw materials);
- iii. product formulation (e.g. biodegradable, non-toxic, non-carcinogenic, recycled content);
- iv. ability for products and packaging to be recycled or re-used or both;
- v. waste management;
- vi. use of organic agricultural practices;
- vii. workers are adequately compensated for their labour;
- viii. workers are guaranteed safe and humane working conditions;
- ix. workers' basic human rights are respected;
- x. health and safety of the end users of products and services; and
- xi. financial costs of the purchase based on a total cost management analysis.

This list is illustrative and not exhaustive. The City may look at other criteria it considers relevant to the sustainability of a product or service.

The City 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.

Verification of supplier compliance with these principles will be achieved by reliance on a combination of external independent certifications, supplier disclosures and certifications, and disclosure of information about factory and production facilities.

Section 10: Diverse Suppliers and Indigenous Procurement

10.1 Consideration

The City will procure Goods and Services, and promote and participate in viable Procurement opportunities with Diverse Suppliers and Indigenous Suppliers. Divisions should consider the role of Diverse Suppliers and Indigenous Suppliers within Saskatchewan when conducting Procurement activities.

Schedule A – Exempt Purchases and Expenditures

The Purchasing Policy does not apply to the following purchases or expenditures:

- (a) Contracts or agreements relating to employment.
- (b) Contracts for the sale, purchase, lease or license of land or buildings.

Schedule B – Open Competition Thresholds

Goods	\$75,000.00
Services	\$75,000.00
Construction	\$200,000.00

Schedule C – Schedule of Delegated Authority Approval Limits

STANDARD PROCUREMENT	
Delegated Authority	Approval Limit
Directors	\$100,000.00
General Managers	\$5,000,000.00
City Manager	Unlimited
NON-STANDARD PROCUREMENT	
Delegated Authority	Approval Limit
Directors	\$25,000.00
General Managers	\$75,000.00 – Goods and Services \$200,000.00 – Construction
City Manager	Unlimited

The delegated authorities are authorized to:

- a) approve the initiation of a Procurement if the estimated Procurement Value does not exceed the specified approval limit;
- b) approve the award of a Contract if the Procurement Value does not exceed the specified approval limit; and
- c) approve amendments to existing Contracts if the increase in the value of the Contract does not exceed the specified approval limit except if the amendment results in a cumulative increase in the value of the Contract exceeding 15% of the original Contract value in which case the amendment must be approved by the General Manager and the Director of Materials Management.

In accordance with Section 5.2 of this Policy, the delegated approval authorities are subject to the following conditions:

- a) No Procurement may be initiated unless approved funding in an amount sufficient to cover the estimated Procurement Value is available;
- b) No Contract award may be approved unless approved funding in an amount sufficient to cover the Procurement Value is available and the Procurement process was conducted in accordance with this Policy; and
- c) No Contract amendment may be approved unless approved funding in an amount sufficient to cover the revised Contract value is available.

The following table provides a summary of the Procurement processes required under this Policy. This table is provided for reference and those exercising delegated authority are responsible for satisfying themselves that the Procurement process was conducted in accordance with the specific requirements detailed in this Policy.

STANDARD PROCUREMENT		
Requirement	Procurement Value	Procurement Process
Deliverables from an existing Standing Offer	Within the dollar limit, if any, set out in the Standing Offer	Standing Offer Order
Deliverables from an existing Qualified Supplier Roster	Any value	Roster Competition
Deliverables not covered by Standing Offer or Qualified Supplier Roster	Less than \$10,000.00	Low Value Purchase (one or more quote required)
	Less than \$25,000.00	Low Value Purchase (minimum of three written quotes required)
	From \$25,000.00 up to the Open Competition Thresholds	Invitational or Open Competition
	At or above the Open Competition Thresholds	Open Competition
Establishment of a Standing Offer or Qualified Supplier Roster	Any value	Open Competition
NON-STANDARD PROCUREMENT		
Requirement	Procurement Value	Procurement Process
Deliverables under the circumstances permitted in the Non-Standard Procurement Protocol	From \$25,000.00 up to the Open Competition Thresholds	Non-Competitive
	At or above the Open Competition Thresholds	Non-Competitive or Limited Competition