

PROCUREMENT

Date Issued: April 11, 2017

Mandated by: City Council

Current Revision: April 11, 2017

Cross Reference:

- Business Licence Bylaw C9-16

Next Review: April 11, 2020

Responsibility: Chief Financial Officer

PURPOSE

To establish a governance framework for the procurement of goods and services by the City.

POLICY

The City shall procure all goods and services necessary for the provision of municipal services through fair, publicly accountable, open, and transparent processes in compliance with governing legislation, bylaws, and trade agreements. The City shall engage with and may give preference to local vendors, but best value shall be the determining factor in all procurement decisions. Procurement decisions shall be made to support the City's strategic objectives and are assessed based on obtaining the best value for the City. The City is committed to acting ethically in its procurement activities in order to minimize the risks to the City.

DEFINITIONS

Best value - means the most advantageous balance of price, availability, quality, and serviceability identified through competitive procurement methods in accordance with stated selection criteria.

Conflict of interest - means when an employee or their relatives' private interests, usually of a financial or material nature, encounter a real or perceived conflict with that employee's public duties and responsibilities.

CFO - means the Chief Financial Officer of the City or any person acting in that capacity.

City - means the City of Fort Saskatchewan.

City Council - means the Mayor and Councillors of the City, both together and individually.

City Manager - means the Chief Administrative Officer of the City.

Employee - means an individual employed by the City on a permanent, temporary, or casual basis.

Goods - means in relation to procurement, moveable property (including the cost of installing, operating, maintaining, or manufacturing such moveable property) and includes supplies, materials, raw materials, products, equipment, and other physical objects of every kind and description whether in solid, liquid, gaseous, or electronic form.

Local vendor - means a vendor that maintains a permanent business premises within the City's corporate limits and holds a resident business licence issued pursuant to Business Licence Bylaw C9-16.

NWPTA - means the New West Partnership Trade Agreement, a trade agreement between Alberta, British Columbia, and Saskatchewan.

Procurement - means the acquisition by any means of goods or services for the provision of municipal services.

Relative - means: (a) any member of the same family by birth, marriage, common-law relationship or adoption; or (b) any business owned, directed or managed by an employee or any relative of an employee described in (a).

Services - means all services to be supplied, including construction and consulting.

Vendor - means any individual or business, in any form, who may from time to time conduct business with the City or submit bids, proposals, quotes, or tenders to the City.

GUIDING PRINCIPLES

Open and Fair Competition:

1. This Policy and the associated procurement procedures and practices of the City shall protect the City and give guidance to employees involved in procurement of goods or services by providing clear direction and accountability.
2. All procurements of goods or services by the City shall be fair and impartially conducted, free of real or perceived conflicts of interest, ensuring that qualified vendors have reasonable access to the City's business, that no vendor is arbitrarily excluded, and that there is reasonable competition for procurement opportunities to ensure that the City receives best value for needed goods and services.
3. Procurement of goods and services shall be conducted in an open and transparent manner, treating all vendors fairly, including dealing with vendor complaints, providing feedback to unsuccessful vendors upon request, and maintaining records on vendor's performance under contracts.

4. All procurement procedures and practices must be compliant with the NWPTA and other internal or external trade agreements, all legislation, regulations, City bylaws, and other relevant sources of law.

Best Value:

5. The City encourages the consideration of overall best value in the procurement of goods and services. The City will consider and evaluate the relevant financial and non-financial factors prior to commencing competitive processes. The City shall select the vendor that offers the best value consistent with the required quality and service.
6. Factors that shall be considered in determining best value should include, but are not limited to:
- Price, including delivery and implementation or set up costs;
 - Operating costs, including maintenance and life cycle costs;
 - Salvage value and disposal costs;
 - Availability and timeliness of delivery;
 - Quality, serviceability and warranties;
 - Vendor experience, expertise, capacity, and capability to meet predefined requirements;
 - References regarding past performance from other customers of the vendor and the City's previous experience with the vendor;
 - Value add benefits to the City;
 - Contributions to the local economy through supporting businesses and creation of job opportunities;
 - Environmental and ethical impacts of producing the goods and services, and the goods and services themselves.

Local Vendors:

7. The City shall engage with local vendors to enhance the understanding of doing business with the City and how best for local vendors to interact with the City to promote vendor's services and products. This will include, where reasonable, posting procurement opportunities on the City's website, notifications to vendors of current business opportunities, and other appropriate communication methods.
8. The City may give preference to local vendors when the procurement of goods or services are valued at less than the relevant thresholds prescribed in the NWPTA.
9. Notwithstanding Section 8, procurement decisions shall be decided based on the option that represents the best value to the City as defined in the Best Value Section of this Policy.

Ethical Practices:

10. The City is committed to acting ethically in its procurement practices.
11. Employees shall ensure specifications in procurement competitions shall be performance based, accurate, and clear.

12. Employees involved in establishing the specifications of needed goods or services, or the evaluation of a procurement competition must remain free of any real or perceived conflicts of interest with any vendor or potential vendor.
13. Employees shall disclose any real or perceived conflicts of interest with a vendor or potential vendor as soon as they become aware of the conflict. Such vendors will not be disqualified due to the existence of a conflict of interest provided that it is properly disclosed at the outset that the conflicted employee is removed from any portion of the vendor selection process.
14. The City may refuse to do business with vendors who do not act in good faith towards the City, whether by failing to live up to the terms and conditions of past or current agreements or contracts with the City.

GENERAL REQUIREMENTS

Thresholds:

1. Less than \$10,000	<ul style="list-style-type: none">• Verbal or written quotations from one or more vendor(s);• Use of normal invoice procedures, City corporate credit card or via a payment requisition;• A verbal or written request for quotation may be used.
\$10,000 – \$50,000	<ul style="list-style-type: none">• A written request for quotation must be sent to three or more vendors; or• A written request for proposal or invitation to tender may be used.
Greater than \$50,000	<ul style="list-style-type: none">• A written request for proposal or invitation to tender must be used;• Requests for proposals and invitations to tender must be advertised on Alberta Purchasing Connection (www.purchasingconnection.ca) and posted on the City's website;• A contract may be required.

Sole Source Procurements:

2. With the prior written authorization of the City Manager, the City may acquire goods, services, or construction through sole source procurements when there is only one available supplier of a required good, service, or construction that meets the City's needs or in the event of an emergency.
3. Notwithstanding the foregoing, in no case shall sole source procurements be used to avoid competition or discriminate between suppliers. Every reasonable effort should be made to negotiate to receive the best value for the City.

AUTHORITY / RESPONSIBILITY TO IMPLEMENT

1. City Council delegates procurement authority to the City Manager through the budget process and through Council resolutions and bylaws.

2. The City Manager shall delegate procurement authority to department directors, who may further delegate that authority to appropriate personnel, which shall be conducted in compliance with any procurement procedures and practices established by the CFO. The City Manager shall ratify any procurement procedures and practices established by the CFO.
3. The CFO shall establish procurement procedures and practices to provide for the application of this Policy, which shall be ratified by the City Manager, and shall be responsible for implementing and monitoring compliance with the procedures and practices. Procurement practices must protect the financial assets of the City through an effective, efficient, and flexible system of controls that ensure risks are managed prudently without impairing the City's ability to acquire the best value in the goods and services that it requires to deliver municipal services and achieve the City's strategic objectives.
4. Department directors are responsible for ensuring compliance with this Policy and the procurement procedures and practices within their departments, implemented by the CFO.