

CITY PURCHASING AND TENDERING POLICY
Council Policy No. 22/22

POLICY:

It is the policy of City Council to require that the City receives the best available value for services, products and materials by providing an open and competitive process to meet the City's needs.

BACKGROUND:

The City is bound by the New West Partnership Trade Agreement (NWPTA) that requires fair and open tendering of procurement opportunities. Purchases over the thresholds of \$75,000 for goods and services and \$200,000 for construction projects are subject to NWPTA requirements of non-discrimination and transparency in procurement policies and practices.

GOAL:

It is the goal of this Policy to outline the conditions and processes for maintaining a 'Fair' and 'Open' Tendering and Purchasing Policy for the City.

GUIDING PRINCIPLES:

- Ensure a high level of accountability is maintained;
- Procure the necessary quality and quantity of goods and services in an efficient, timely and cost-effective manner, while maintaining the controls necessary for a public institution;
- Encourage an open non-discriminatory bidding process practicable for the acquisition of goods and services;
- Recognize the value of supporting local businesses wherever possible, subject to the terms and conditions of this policy;
- Ensure the maximum value of an acquisition is obtained by determining the total cost of performing the intended function over the lifetime of the task, including, but not be limited to: acquisition cost, training cost, maintenance cost, operating cost, quality of performance and environmental impact;
- Subject to all applicable City policies and bylaws, any specific provisions within the *Community Charter*, or other relevant legislation.
- Promote positive vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

CITY PURCHASING AND TENDERING POLICY

Council Policy No. 22/22

TYPES OF PURCHASING PROCESSES:

Due to the variety of goods and services procured by the City, as well as the various technical, supply market, risk and other factors to be considered, the City recognizes that different types of competitive process may be used at different times. Below is a high-level description of some of the most common purchasing processes used. The Department Director or Manager shall decide and approve the actual process(es) to be used for each procurement, based on best fit and in accordance with this purchasing and tendering policy.

Request for Proposals (RFP):

- Most often used for public competition processes above \$75,000.
- Often used when:
 - a 'need' is identified, but the exact method on how it will be achieved is unknown;
 - there is a desire to seek innovative / creative proposals to a proposed project;
 - the selection of the contractor / supplier is to be based on both price and non-price factors;
- Contract is typically awarded to the highest-ranked proponent.
- May or may not be legally binding irrevocable bid process.
- May involve negotiation of the final contract and shortlisted proponents. Note: any negotiation parameters should be addressed in the RFP document.

Invitation to Tender (ITT):

- Most often used for Public Competition Process construction projects, or equipment above \$75,000.
- Often used when:
 - The scope of the work / specifications are very detailed and completely defined; and
 - The selection of the contractor / supplier is to be based on price only.
- Contract is typically awarded to the lowest-priced quote which meets the requirements.
- Typically, a legally binding irrevocable bid process, with no negotiation element.
- Constructed Project ITTs are often based on a standard contract, e.g. CCDC, or MMCD.

Request for Quotation (RFQ):

- Most often used for Limited Bidding quote processes below \$75,000.
- Often used when:
 - The scope of work / specifications are detailed and defined; and
 - The selection of the contractor / supplier is to be based on price only.
- Contract is typically awarded to the lowest-priced quote which meets the requirements.
- Typically, not a legally binding irrevocable bid process. Often does not involve negotiation.

CITY PURCHASING AND TENDERING POLICY
Council Policy No. 22/22

TYPES OF PURCHASING PROCESSES:

Pre-Qualification Process (Pre-Qual):

- Sometimes also referred to as a Request for Qualifications (RFQual).
- Often used for the Public Competition element, in order to screen or pre-qualify bidders prior to a second stage Limited Bidding ITT or RFP.
- Often includes minimum requirements or criteria that must be met.
- Often used to pre-qualify contractors based on experience or ability, prior to a 'lowest-price wins' ITT, in order to ensure quality of contractors.

Request for Information (RFI):

- Similar to a Pre-Qual, except an RFI is used to collect information and/or gauge interest in a project, rather than to pre-qualify.
- Another variant on this would be a Request for Expressions of Interest (RFEOI), where the primary purpose is to have contractors / suppliers express interest in bidding a project. That may also involve collecting certain information.
- May or may not be used as part of a Public Competition Process, depending on the terms of the RFI.

Notice of Intent (NOI):

- Sometimes used where the City intends to proceed with a Direct Award.
- The City may use a NOI to advertise its intention to Direct Award, plus details of the contractor, value and service / good. The public are invited to contract the City if they feel they should be given the opportunity to bid.
- Most often used where the procurement value is at the thresholds that require a Public Competition as per this purchasing and tendering policy.

Direct Award:

- Sometimes also referred to as "sole source" or "single source".
- Means a situation where the City awards a contract to a contractor / supplier without any competitive process.
- Should only be used where allowed under the Purchasing Policy.
- City staff should still employ analysis and negotiation, where applicable, to ensure best value.

CITY PURCHASING AND TENDERING POLICY
Council Policy No. 22/22

TYPES OF PURCHASING PROCESSES:

Purchase Orders (PO):

- City staff may sign purchase orders within their Authority limit along with their supervisor's signature.
- City staff may sign an invoice or cheque requisition associated with purchase orders within their authority limit, along with their supervisor's signature.
- Purchases under \$5,000 may be made, with approval, by selecting the best valued supplier using any reasonable procurement process at the purchaser's discretion.

Cooperative Purchasing Ventures:

- Savings likely to be achieved through purchasing Goods and Services jointly with other government bodies should be pursued when it is in the best interests of the City to do so. In such cases, the procedures set out with the Canoe Procurement Group of Canada will be followed and not the procedures set out in this policy.
- Where appropriate, City staff will seek to minimise the cost of procurement by using this collaborative purchasing arrangement.
- Where cooperative procurement arrangements are in place that have undergone competitive bidding processes that meets or exceeds the type of purchasing processes listed above, no further Bid process is Required.

POLICY OBJECTIVES:

1. The City will advertise public tenders or request for proposals for goods and services valued at more than \$75,000.
2. The City will obtain written quotations for goods and services estimated to exceed \$5,000, but not \$75,000.
3. The City Council will consider all tenders and request for proposals by resolution:
 - where the value of the tender or request for proposal exceeds \$250,000; or
 - where the value of the tender or request for proposal exceeds \$75,000 and the recommendation is not to award the tender or request for proposal; or
 - where the recommendation is not to award to the lowest tender or request for proposal; or
 - where sole sourcing of goods and services is being recommended.

CITY PURCHASING AND TENDERING POLICY

Council Policy No. 22/22

POLICY OBJECTIVES:

4. Where the value of the Tender or Request for Proposal is under \$250,000, the recommendation is to award to the lowest tendered price or request for proposal, and it is within the available budget dollars. When arriving at the lowest bid, consideration must be given to such matters as qualifications, quality, source of supply, availability and supplier's past performance. City Council will delegate by Bylaw to the Chief Administrative Officer or the designate authority to establish the necessary administration policy and procedure to give effect to this policy.
5. For the purposes of ensuring efficiency and effectiveness, the following exceptions to the normal procedure are authorized and the quotation and tender or request for proposal provisions of the Purchasing Policy do not apply when:
 - services and supplies are provided by utility companies on a monopoly basis; or
 - cooperative purchasing agreements are made with other agencies or levels of government; or
 - due to emergency, a situation exists which could adversely affect the life, health or convenience of citizens.
6. The City will select successful tenders or request for proposals based on the highest evaluated and fully qualified proponent who will demonstrate they can fulfill all conditions and performance requirements of the contract to the satisfaction of the City. The City will determine the successful proponent based on the evaluation of the total cost of performing the intended function over the lifetime of the task, including, but not limited to: acquisition costs, training costs, maintenance costs, operating costs, quality of performance, environmental impact and any other evaluation criteria identified in the tender or request for proposal document.
7. Suppliers and/or Contractors Performance:
 - a. If suppliers and / or contractors may be exposed to an actual, perceived or potential conflict of interest in relation to a particular purchase then provisions regarding conflicts of interest should be included in the applicable solicitation documents and/or contract documents.
 - b. A supplier/contractor may initiate a complaint if dissatisfied with the general procurement process or the application of the procedures in this policy. The supplier/contractor should initially contact the City contact person named in the solicitation document who may be able to provide information or clarification required to satisfy the concern. If that does not resolve the matter, the supplier/contractor may submit in writing the specific details and concerns and any action or review requested to the Director of Finance or Chief Financial Officer.

CITY PURCHASING AND TENDERING POLICY
Council Policy No. 22/22

POLICY OBJECTIVES:

- c. Suppliers/contractors may be disqualified when they indicate an inability or unwillingness to perform a contract in accordance with the terms and conditions or specifications.
 - d. Suppliers/contractors will be given reasonable notice of their non-performance and reasonable opportunity to respond.
 - e. Suppliers/contractors who fail to respond appropriately may be disqualified from providing goods and/or services to the City for a period of up to three (3) years.
 - f. The Chief Administrator Officer is responsible for approving supplier/contractor disqualifications. The Chief Administrator Officer will report all disqualifications to Council on a timely basis and seek Council's approval. City Council will be the final authority on the length of the disqualification period.
 - g. In cases where fraudulent activities to the detriment of the City are suspected of suppliers/contractors, purchasing from that supplier/contractor may be suspended pending further investigation. The City will consider all legal remedies against suppliers suspected of committing fraud to the detriment of the City. The final course of action will be determined by the Chief Administrator Officer in conjunction with advice from the City Solicitor; it may include legal recourse and permanent supplier/contractor disqualification. Council approval is required before legal recourse is sought or supplier permanent disqualification.
8. Any non-compliance to this policy must be reported to the Director of Finance and approved by both the Chief Financial Officer and the Chief Administrative Officer before proceeding. Using one of the exemptions listed in this policy is not considered non-compliance. A non-compliance would be any situation where staff wishes to deviate from this policy and the procedures outlined in the City's Purchasing Administration Procedure.
9. Employees are accountable to ensure that purchases are within budget and comply with applicable bylaws, policies, procedures and guidelines as well as any applicable provincial and federal legislation and regulations.

CITY PURCHASING AND TENDERING POLICY

Council Policy No. 22/22

SPENDING THRESHOLDS:

Spending Thresholds	Pricing Support	Approval Required
Less than \$5,000	Low-value purchase (PO, 3 verbal Price checks, 3 verbal quotes)	Department Superintendent, Supervisor, or Manager
Between \$5,000 and \$24,999	Informal Quotation Request (3 written quotations, RFI)	Department Manager, or Director
\$25,000 to \$74,999	Formal Quotation Request (RFQ, RFP, Pre-Qual, RFI)	Department Director, or designate
\$75,000 and greater	Competitive Solicitation (RFP, ITT, Pre-Qual, NOI)	Council approval