

PROCUREMENT

Date Issued: April 11, 2017 – R64-17

Mandated by: City Council

Current Revision: August 26, 2025 – R173-25

Cross Reference:

- Business License Bylaw C10-23
- Conflict of Interest Policy HUM-010-A

Next Review: January 1, 2030

Responsibility: Chief Financial Officer

1. PURPOSE

- 1.1. The City of Fort Saskatchewan spends a considerable amount annually on Goods, Services, construction, and intellectual property. These purchases are required to deliver municipal services to the community. This policy establishes minimum requirements for Procurement.
- 1.2. The City is committed to using public funds in a fair and transparent matter that complies with all applicable laws and Trade Agreements.
- 1.3. 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 Goods and Services.

2. POLICY

- 2.1 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.
- 2.2 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.
- 2.3 The City is committed to acting ethically in its Procurement activities to minimize the risks to the City.

3. DEFINITIONS

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

- 3.2 *Conflict of Interest* – means a conflict of interest as defined in the City’s Conflict of Interest Policy.
- 3.3 *CFO* – means the Chief Financial Officer of the City, or their designate. .
- 3.4 *City* – means the municipal corporation of the City of Fort Saskatchewan.
- 3.5 *Council or City Council* – means the municipal Council of the City of Fort Saskatchewan.
- 3.6 *City Manager* – means the Chief Administrative Officer of the City, or their designate.
- 3.7 *Employee* – means an individual employed to do work on a permanent, temporary, or casual basis either a part-time or full-time for the City and is included on the City’s biweekly payroll.
- 3.8 *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.
- 3.9 *Group Purchasing* – means a Procurement strategy where multiple organizations combine their purchasing means to Procure Goods or Services in bulk. This collective approach may be facilitated by a group purchasing entity which manages the joint Procurement process for multiple buyers. This organization aims to secure advantageous pricing, terms, and benefits from Vendors by combining the purchase volumes of its members.
- 3.10 *Limited Tendering* - means a Procurement method whereby the procuring entity contacts a supplier or suppliers of its choice.
- 3.11 *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 the most current version of the City of Fort Saskatchewan’s Business Licence Bylaw.
- 3.12 *NWPTA* – means the New West Partnership Trade Agreement, a Trade Agreement between Alberta, British Columbia, and Saskatchewan.
- 3.13 *Procure or Procurement* – means the acquisition by any means of Goods or Services for the provision of municipal services.
- 3.14 *Public Procurement Opportunity* - means a procurement opportunity posted on a public website and available for anyone to bid, such as invitations to tenders, Requests for Proposals, and Requests for Quotes, but excludes Limited Tendering.
- 3.15 *Relative* – means:
- 3.16.1 any member of the same family by birth, marriage, common-law relationship or adoption; or
 - 3.16.2 any business owned, directed or managed by an employee or any relative of an employee described in 3.7.
- 3.16 *Services* – means all services to be supplied, including construction and consulting.

3.17 *Trade Agreements* – means an agreement between government entities intended to reduce trade barriers, create a framework for economic cooperation, increase market access, or promote fair competition to foster economic growth (e.g. *Canadian Free Trade Agreement, New West Partnership Trade Agreement*).

3.18 *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.

4. GUIDING PRINCIPLES

4.1 Open and Fair Competition:

- 4.1.1 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.
- 4.1.2 All Procurements of Goods or Services by the City shall be fair and impartially conducted, free of any Conflicts of Interest, ensuring that qualified Vendors have reasonable access to the City's business, and that no Vendor is arbitrarily excluded.
- 4.1.3 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.
- 4.1.4 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.

4.2 Best Value:

- 4.2.1 The City encourages the consideration of overall Best Value in the Procurement of Goods and Services. The City shall select the Vendor that offers the Best Value consistent with the required quality and service, which may include selecting a Vendor through a Group Purchasing process.
- 4.2.2 Factors that should be considered in determining Best Value, as applicable, may include, but are not limited to:
 - a) price, including delivery and implementation or set up costs;
 - b) operating costs, including maintenance and life cycle costs;
 - c) salvage value and disposal costs;
 - d) availability and timeliness of delivery;
 - e) quality, serviceability and warranties;
 - f) Vendor experience, expertise, capacity, and capability to meet predefined requirements;
 - g) references regarding past performance from other customers of the Vendor and the City's previous experience with the Vendor;
 - h) value add benefits to the City;
 - i) contributions to the local economy through supporting businesses and creation of job opportunities; and

- j) environmental and ethical impacts of producing the Goods and Services, and the Goods and Services themselves.

4.2.3 The City shall consider and weigh the relevant Best Value financial and non-financial factors prior to commencing competitive processes.

4.2.4 The weighting of relevant factors should be consistent between similar purchases.

4.3 Local Vendors:

4.3.1 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 Goods and Services. 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.

4.4 Ethical Practices:

4.4.1 The City is committed to acting ethically in its Procurement practices. Procurement practices shall align with the City of Fort Saskatchewan's Conflict of Interest Policy.

4.4.2 Employees shall ensure specifications in Procurement competitions shall be free from Vendor bias, accurate, and clear.

4.4.3 Employees involved in establishing the specifications of needed Goods or Services, or the evaluation of a Procurement competition must remain free of any Conflicts of Interest with any Vendor or potential Vendor.

4.4.4 Employees shall disclose any 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 and that the conflicted Employee is removed from any portion of the Vendor selection process.

4.5 Disqualification of Vendors

4.5.1 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.

4.5.2 The Employee responsible for securing a Vendor, at their sole discretion, may disqualify a Vendor's bid for the following reasons:

- a) Ongoing or past litigation between the City and the bidder;
- b) Past abusive behavior towards Employees;
- c) Documented poor performance or failure to achieve project deliverables;
and
- d) Procuring the Vendor could damage the City's reputation.



5. General Requirements:

5.1 Thresholds:

Less than \$20,000	<ul style="list-style-type: none"> • Verbal or written quotations from one (1) 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.
\$20,000 – \$74,999	<ul style="list-style-type: none"> • A written or verbal request for quotation must be sent to three (3) or more Vendors; • Vendors shall be given at least three (3) working days to respond to the request; • A written Public Procurement Opportunity may be used. If a public procurement method is used, all Public Procurement Opportunity requirements apply.
\$75,000 and greater for Good and Services \$200,000 and greater for Construction	<ul style="list-style-type: none"> • A written Public Procurement Opportunity must be used; • Public Procurement Opportunities must be advertised on Alberta Purchasing Connection and posted on the City's website; • A contract is required; • Contract award notice must be posted on Alberta Purchasing Connection within 72 days. If a Limited Tendering exemption is relied upon, a description of the circumstances justifying the use of limited tendering must be included in the notices.

5.2 Limited Tendering Procurement:

- 5.2.1 With the prior written authorization of the City Manager, the City may acquire Goods, Services, or construction through Limited Tendering Procurements when there is only one available Vendor of a required good, service, or construction that meets the City's needs or in the event of an emergency.
- 5.2.2 In exceptional circumstances and with written approval prior to procurement, the City Manager may approve a modification to the threshold requirements set out in section 5.1 of this Policy provided that the procurement is below the appropriate NWPTA limits.
- 5.2.3 Notwithstanding the foregoing, in no case shall Limited Tendering Procurement be used to avoid competition or discriminate between Vendors. Every reasonable effort should be made to negotiate to receive the Best Value for the City.

6. Group Purchasing / Standing Offer Arrangements

- 6.1 Goods and Services may be procured using Group Purchasing or standing offers when:
 - a) The City is a party to the buying group or has a standing offer arrangement; and
 - b) The buying group or standing offer arrangement is compliant with all applicable Trade Agreements.
- 6.2 The Employee responsible for securing a Vendor must be able to demonstrate that Best Value for the procurement has been obtained.

7. Authority / Responsibility to Implement

- 7.1 The City Manager is responsible for administrative compliance and monitoring of this Policy.
- 7.2 The City Manager may delegate responsibility to the Chief Financial Officer to establish and administer compliance with this Policy, and for compliance with City Bylaws, the Municipal Government Act, and other applicable legislation.
- 7.3 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

Date Issued: February 1, 2018

Responsibility: Chief Financial Officer

Current Revision: August 26, 2025

Cross Reference:

- Procurement Policy FIN-020-C
- Procurement Card Policy FIN-003-A
- Delegation of Authority GOV-010-A
- Vendor Management SAF-026-A
- City Manager's Bylaw C29-95
- Emergency Management Bylaw C4-15
- Conflict of Interest Policy HUM-010-A

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1. [Purpose](#)
 2. [Definitions](#)
 3. [Procedure](#)
 - 3.1 [City Manager Responsibilities](#)
 - 3.2 [Department Responsibilities](#)
 - 3.3 [Financial Services Department Responsibilities](#)
 - 3.4 [Legislative Services Department Responsibilities](#)
 - 3.5 [People Services Department Responsibilities](#)
 4. [General Procedures](#)
 - 4.1 [Open and Fair Competition](#)
 - 4.2 [Delegated Authority](#)
 - 4.3 [Determining the Minimum Requirements of a Procurement](#)
 - 4.4 [Evaluating Vendor Quotes, Proposals and Tenders](#)
 - 4.5 [Performance Evaluation and Disqualification of Vendors](#)
 - 4.6 [Ethical Procurement Practices](#)
 - 4.7 [Conflicts of Interest](#)
 - 4.8 [Health and Safety](#)
 5. [Specific Topics](#)
 - 5.1 [Standing Offers](#)
 - 5.2 [Group Purchasing](#)
 - 5.3 [Limited Tendering Procurements](#)
 - 5.4 [Emergencies and Unforeseen Situations](#)
 - 5.5 [Purchase Orders \(POs\)](#)
 - 5.6 [Contracts & Other Purchasing Agreements](#)
 - 5.7 [Operating or Capital Leases and Rental Agreements](#)
 - 5.8 [Request for Quotes \(RFQ\)](#)
 - 5.9 [Capital Project Procedures](#)

[Appendix 1: Maximum Procurement Authority Levels](#)

1. PURPOSE

To establish Procurement procedures that the City through an effective and efficient system of controls that complies with applicable laws and Trade Agreements, while ensuring risks are managed prudently without impairing the City's ability to acquire the Best Value in Goods and Services.

2. DEFINITIONS

- 2.1 *Accounts Payable* – means the Accounts Payable business unit of the Financial Services Department.
- 2.2 *Best Value* – means the most advantageous balance of price, availability, quality, and serviceability identified through competitive Procurement methods in accordance with stated selection criteria.
- 2.3 *Capital Project* – means any expenditure in excess of the relevant capitalization threshold stated in the City's Tangible Capital Assets Policy FIN-018-A incurred to acquire, design, construct or improve a Tangible Capital Asset used in the provision of municipal services.
- 2.4 *Chief Financial Officer* – means the Chief Financial Officer of the City, or their designate.
- 2.5 *Change Order* – means a negotiated amendment to a Contract (usually Construction) that covers a specific change in the method, approach, or execution of a project, typically required when an unforeseen circumstance arises in the field, resulting in an amendment to the cost of the project. A change order does not impact the Original Scope of the Project.
- 2.6 *City* – means the municipal corporation of the City of Fort Saskatchewan.
- 2.7 *City Manager* - means the Chief Administrative Officer of the City, or their designate.
- 2.8 *Conflict of interest* – means a conflict of interest as defined in the City's Conflict of Interest Policy.
- 2.9 *Construction* – means the construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural works and includes site 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. Construction does not include professional consulting Services related to the construction Contract unless they are included in the Procurement.
- 2.10 *Contract* – means a legally binding agreement between two or more parties that is enforceable by law which involves an offer, acceptance, consideration, and mutual intent to be bound by the agreement.
- 2.11 *Council or City Council* – means the municipal Council of the City.
- 2.12 *Department Director* – means an individual responsible for directing the operations of a City Department, as per the City's organizational structure chart.

- 2.13 *Department Manager* – means a position which reports to a Department Director and is responsible for planning and directing the work of a group of Employees within a City Department.
- 2.14 *Director of Emergency Management* – means the City Employee appointed as Director of Emergency Management pursuant to the Emergency Management Bylaw.
- 2.15 *Emergency Procurement* – means a Sole Source Procurement of Goods or Services that bypasses normal Procurement requirements, such as the need for an SOA, RFQ, RFP, or ITT, which is necessitated by emergency or other unforeseen circumstances.
- 2.16 *Employee* – means an individual employed to do work on a permanent, temporary, or casual basis either a part-time or full-time for the City and is included on the City's biweekly payroll.
- 2.17 *Deputy City Manager or General Manager* – means the person(s) holding or acting in the position(s) of a General Manager of the City of Fort Saskatchewan.
- 2.18 *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.
- 2.19 *Group Purchasing* – means a Procurement strategy where multiple organizations combine their purchasing means to Procure Goods or Services in bulk. This collective approach may be facilitated by a group purchasing entity which manages the joint Procurement process for multiple buyers. This organization aims to secure advantageous pricing, terms, and benefits from Vendors by combining the purchase volumes of its members.
- 2.20 *Limited Tendering* – means a Procurement method whereby the procuring entity contacts a supplier or suppliers of its choice.
- 2.21 *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 the most current version of the City of Fort Saskatchewan's Business Licence Bylaw.
- 2.22 *NWPTA* – means the New West Partnership Trade Agreement, a trade agreement between Alberta, British Columbia, and Saskatchewan.
- 2.23 *Procure or Procurement* – means the acquisition by any means of Goods or Services for the provision of municipal services.
- 2.24 *Procurement Authority* – means the authority to enter into a Purchase Order and/or approve payment for an invoice indicating that the Goods or Services listed on the invoice have been received, are correct and in good order.
- 2.25 *Procurement Card or P-Card* – means a credit card which designated Employees can make Procurements on behalf of the City. The P-Card will be embossed with both the City's name and the Employee's name.
- 2.26 *Progress Billing Certificate (PBC)* – means a statement or invoice document issued by a Vendor to the City which summarizes the portion of work completed for a project and the corresponding amount owed to the Vendor for that portion of the project.

- 2.27 *Project Manager* – The Project Manager develops the project work plans and monitors project activities and outcomes to ensure successful delivery of the project deliverables with defined scope, schedule and budget. The Project Manager will facilitate the review sessions and meetings, document outcomes and be accountable to the project team for project status information.
- 2.28 *Project Scope* – means the anticipated end product or deliverable of the project.
- 2.29 *Project Sponsor* – The Project Sponsor has responsibility to provide the funding, direction, commitment, resources and approval at specific milestones. The Project Sponsor may be called upon to work with the project team to resolve high ranked project issues and risks.
- 2.30 *Public Procurement Opportunity* – means a procurement opportunity posted on a public website and available for anyone to bid, such as invitations to tenders, Requests for Proposals, and Requests for Quotes, but excludes Limited Tendering.
- 2.31 *Purchase Order (PO)* – means a binding agreement that commits the City to purchase and the Vendor to provide the specified Goods or Services in accordance with the City’s standard purchase order terms and conditions.
- 2.32 *Relative* – shall mean:
- 2.32.1 any member of the same family by birth, marriage, common-law relationship or adoption; or
 - 2.32.2 any business owned, directed or managed by an Employee or any relative of an Employee described in 2.32.1.
- 2.33 *Services* – means all services to be supplied, except Construction.
- 2.34 *Standing Offer* – means an offer from a potential supplier to provide Goods or Services at pre-arranged prices, under set terms and conditions, when and if required. Standing offers are not contracts until the City issues a “call-up” against the standing offer. The City is under no obligation to purchase until it issues a “call-up”.
- 2.35 *Supervisor* – means a City Employee responsible for supervising the work of a group of Employees within a Department, monitoring their work, and taking corrective action when necessary.
- 2.36 *Trade Agreements* – means an agreement between government entities intended to reduce trade barriers, create a framework for economic cooperation, increase market access, or promote fair competition to foster economic growth (e.g. Canadian Free Trade Agreement, New West Partnership Trade Agreement).
- 2.37 *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.

3. PROCEDURE

3.1 City Manager Responsibilities:

The City Manager is responsible for reviewing and approving the City's Procurement Policy and associated Procedure.

3.2 Department Responsibilities:

- 3.2.1 Department Directors are responsible for ensuring compliance with Procurement Policy and associated Procedure, and all other relevant policies or procedures of the City within their department.
- 3.2.2 Department Directors, Managers, and Supervisors shall monitor the Procurement activities of their subordinate Employees to ensure compliance with this Procedure.
- 3.2.3 Department Directors are responsible for determining the amount of Procurement Authority required by their subordinate Employees, subject to the maximum amounts provided in Appendix 1 of this Procedure.
- 3.2.4 Any Employees initiating a Procurement must have the authority to do so and have sufficient Budget funding.
- 3.2.5 Department Directors, Managers, Supervisors and Project Managers are responsible for monitoring Vendors under their area of responsibility and ensuring ongoing compliance with all City policies and procedures.
- 3.2.6 In accordance with Delegation of Authority Policy, whenever an Employee is acting for another position and signing a document on behalf of a delegate, the Employee must have authorization (Sub-Delegation of Authority Form) to act in this position.
- 3.2.7 Department Directors are responsible for posting a notice of award for procurements valued at \$75,000 or more on the Alberta Purchasing Connection Website. This includes all awards made following public procurement opportunities and all awards made by limited tendering.

3.3 Financial Services Department Responsibilities:

- 3.3.1 Implement and monitor compliance with this Procedure and the Procurement practices of all City departments.
- 3.3.2 Provide initial and ongoing Procurement Training to all Employees who have Procurement Authority.
- 3.3.3 Maintain, and review annually, an electronic register of all current Procurement Authorities and Standing Offers.
- 3.3.4 Notify the appropriate Supervisor of any situation that may be unethical, illegal, and non-compliant with the Procurement Policy or this associated Procedure, the Procurement Card Policy, the Delegation of Authority Policy, or places the City in a

position of potential legal or financial risk. If the issue remains unresolved, the Chief Financial Officer shall advise the City Manager.

3.4 Legislative Services Department Responsibilities:

- 3.4.1 Assisting with the drafting, review, and finalizing of Procurement documents such as Requests for Proposals (RFPs), Invitations to Tender (ITTs), and Contracts.
- 3.4.2 Reviewing legal documents and organization templates for regulatory requirements and compliance, alignment with City policies and procedures, indemnification and risk management content, dispute resolution, and any other content that may affect the City's interests.
- 3.4.3 Ensuring all Contracts and delegations of authority are properly executed, distributed, and appropriately retained.

3.5 People Services Department Responsibilities:

- 3.5.1 People Services is responsible for monitoring compliance with the City's health and safety policies, and to ensure adequate training is provided to all Employees responsible for the Procurement of goods or Services that may be subject to one or more of those safety policies.

4. GENERAL PROCEDURES:

4.1 Open and Fair Competition:

- 4.1.1 The City's Procurement of Goods or Services shall be fair and impartially conducted, free of any Conflicts of Interest, ensuring that qualified Vendors have reasonable access to the City's business, and that no Vendor is arbitrarily excluded.
- 4.1.2 All City Procurement must comply with this Procedure, any applicable Trade Agreements, and all relevant legislation.

4.2 Delegated Authority:

- 4.2.1 No person shall make a Procurement on behalf of the City unless they are delegated the authority to do so pursuant to the Procurement Policy, this Procedure, or by the City Manager.
- 4.2.2 Directors may delegate procurement authority by completing a Procurement Authority Form, and sending the form to Accounts Payable.
- 4.2.3 Employees will be required to successfully complete Procurement Training provided by the Financial Services Department before their Procurement Authority will come into effect.
- 4.2.4 The City Manager, Deputy City Manager, or General Manager may authorize exceptions to the Maximum Procurement Authority Limits established in Appendix 1. Such exceptions shall be authorized by a Sub-Delegation of Authority Form that is sent to Accounts Payable, which shall include the following:

- a) A clear definition of a specific transaction or type of transactions being excepted;
- b) A maximum transaction value which shall not exceed the relevant department's approved Budget; and
- c) An expiry date for the exception that shall not exceed three (3) years from its effective date.

4.2.5 The Chief Financial Officer will sign any Sub-Delegation of Authority form as acknowledgement.

4.3 Determining the Minimum Requirements of a Procurement:

4.3.1 For the purposes of determining the minimum requirements for a Procurement, the acquiring Employee must calculate the estimated value of the procurement at the time the tender notice will be published. Estimated value refers to the maximum total value of the Procurement, whether awarded to one or more suppliers, taking into account all forms of remuneration to be paid to a supplier including, but not limited to, premiums, fees, commissions, and interest over the entire course of the Procurement.

4.3.2 Where an agreement to Procure Goods, Services, or Construction over a period of time includes one or more options to renew the agreement, only the mandatory portion of the agreement shall be considered in estimating the value of the Procurement so long as the mandatory portion of the agreement is not less than one year.

4.3.3 If the maximum total value of the procurement is not able to be determined, then the procurement must be posted on the Alberta Purchasing Connection website as a public procurement opportunity in a manner that is compliant with NWPTA and other applicable Trade Agreements.

4.4 Evaluating Vendor Quotes, Proposals and Tenders:

4.4.1 The City will consider and evaluate the relevant financial and non-financial criteria prior to commencing competitive processes.

4.4.2 Purchasers should ensure that the weighting of relevant factors is consistent between similar purchases made by their departments and in other City departments.

4.4.3 The Procurement evaluation criteria will be provided to potential Vendors at the beginning of the competitive process to allow for open and fair competition.

4.4.4 Vendors must meet all applicable mandatory criteria including health and safety requirements, as well as other mandatory industry specific qualifications.

4.4.5 The City shall select the Vendor that offers the Best Value consistent with the required quality and service, which may include selecting a Vendor through a Group Purchasing process or Standing Offer.

4.4.6 Factors that shall be considered in determining Best Value should include, but are not limited to:

- a) Purchase price, including all taxes, delivery and implementation or set up costs;

- b) Operating costs, including maintenance and life cycle costs;
- c) Disposal or retirement costs;
- d) Salvage value and other credits;
- e) Availability and timeliness of delivery;
- f) Quality, serviceability and warranties;
- g) Vendor experience, expertise, capacity, and capability to meet predefined requirements;
- h) References regarding past performance from other customers of the Vendor and the City's previous experience with the Vendor;
- i) Value add benefits to the City;
- j) Contributions to the local economy through supporting businesses and creation of job opportunities; and
- k) Environmental and ethical impacts of producing the Goods and Services, and the Goods and Services themselves.

4.5 Performance Evaluation and Disqualification of Vendors:

4.5.1 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.

4.5.2 The Employee responsible for securing a Vendor, at their sole discretion, may disqualify a Vendor from the Procurement opportunity for the following reasons:

- a) Ongoing or past litigation between the City and the Vendor;
- b) Past abusive behavior towards Employees;
- c) Documented poor performance or failure to achieve project deliverables; and
- d) Procuring from the Vendor could damage the City's reputation.

4.6 Ethical Procurement Practices:

4.6.1 Employees shall ensure specifications in Procurement competitions shall be free from Vendor bias, accurate, and clear.

4.6.2 Employees have a duty to report concerns regarding the City's Procurement practices, including non-compliance with this Procedure, Procurement Policy, or any other applicable policy, bylaw, law, to their Supervisor.

4.7 Conflicts of Interest:

4.7.1 Employees involved in establishing the specifications of needed Goods, Services or Construction, or the evaluation of a Procurement competition must remain free of any real or perceived conflicts of interest with any Vendor or potential Vendor.

4.7.2 Employees shall disclose to their Supervisor 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 and the conflicted Employee is removed from any portion of the Vendor selection process.

4.7.3 Failure to properly declare Conflicts of Interest may result in the Vendor being disqualified from current or future Procurement opportunities, disciplinary action

against the Employee up to and including dismissal, and all other remedies available to the City under law.

4.8 Health and Safety:

- 4.8.1 Protection of health, safety and the environment is a core value of the City and is the direct responsibility of all Employees.
- 4.8.2 All Procurement activities, including the selection of Vendors, must be in accordance with the City's Health Safety and Environmental Management System.
- 4.8.3 Before selecting a Vendor or Good, departments must familiarize themselves with all relevant laws and City policies. Employees are encouraged to contact the People Services Department to ensure full compliance with these guidelines.
- 4.8.4 At all times while Vendors are providing Services to or on behalf of the City, they must comply with all applicable laws and City policies, including but not limited to Vendor Management Policy. The Purchaser is responsible for monitoring such compliance and addressing any issues in accordance with policy.

5. SPECIFIC TOPICS

5.1 Standing Offers:

- 5.1.1 Standing Offers may be used to prepare for recurring needs when departments repeatedly order the same goods or services.
- 5.1.2 Standing Offers shall include the following elements:
 - a) Detailed specifications of the goods or services being offered;
 - b) Pre-arranged prices for the goods or services, including any applicable taxes;
 - c) Maximum total value of the Standing Offer;
 - d) The terms and conditions under which the goods or services will be provided, including delivery schedules, payment terms, and any warranties;
 - e) The period during which the standing offer is valid;
 - f) Instructions on how the City can place orders against the standing offer; and
 - g) Details about the supplier, including contact information and any relevant certifications or qualifications.
- 5.1.3 Standing Offers may be awarded in the same manner as other procurement contracts based on the maximum total value of the Standing Offer. Standing Offers with a maximum total value of \$75,000 or more must be awarded through a Public Procurement Opportunity.
- 5.1.4 The Validity Period for all standing offers shall be no greater than five (5) years to ensure the City continues to receive Best Value from all Procurements.

5.2 Group Purchasing:

- 5.2.1 Employees authorized to procure on behalf of the City may leverage Group Purchasing opportunities from any of the following: Alberta Purchasing Connection,

Canoe Procurement Group of Canada, and Kinetic GPO.

- 5.2.2 The Chief Financial Officer shall maintain a register of approved buying groups and administer user access to buying groups in accordance with employee procurement authority delegations
- 5.2.3 Employees Procuring Goods or Services may use Group Purchasing at any level of Procurement set out in this Procedure so long as:
- a) Best Value is the determinate factor in the final Procurement decision; and
 - b) All other requirements of this Procedure are met (e.g. three quotes for Procurements between \$20,000 - \$74,999).

5.3 Limited Tendering Procurements:

- 5.3.1 Procurement valued at less than \$20,000 may be conducted by Limited Tendering as the purchaser deems appropriate.
- 5.3.2 Procurements valued at \$20,000 or more may be conducted by Limited Tendering when:
- a) There is only one available provider of a required Good or Service that meets the City's needs;
 - b) a trade agreement exemption applies; or
 - c) Emergency circumstances arise.
- 5.3.3 When Limited Tendering is required, the Department Director is required to obtain prior written authorization from:
- a) Their General Manager if the value is between \$20,000 and \$74,999; or
 - b) The City Manager if the value is \$75,000 or more;
- 5.3.4 The Department Director shall submit a Limited Tendering Form signed by their General Manager or City Manager with the Purchase Order or Contract reference number to Accounts Payable as evidence of such authorization. The Limited Tendering Form shall indicate the name of the Vendor, the details of the Goods or Services, the expected cost, and the rationale for conducting the Procurement by Limited Tendering.
- 5.3.5 If Limited Tendering is used for Procurements above the relevant threshold for the NWPTA or other trade agreements, a notice of award must be posted on the Alberta Purchasing Connection website within 72 days of the contract award. This notice must include the limited tendering exception that was relied upon and a description of the circumstances justifying the use of the limited tendering.
- 5.3.6 In no case shall Limited Tendering be used to avoid competition or discriminate between Vendors. Every reasonable effort should be made to negotiate to receive the Best Value for the City.

5.4 Emergencies and Unforeseen Situations:

- 5.4.1 When emergencies or other unforeseen situations occur that require an urgent and unavoidable Procurement and as a result of the situation:
- a) The responsible General Manager, Chief Financial Officer, or Department Director shall provide justification for the Emergency Procurement to the City Manager or, where appropriate, the Director of Emergency Management who may authorize an Emergency Procurement;
 - b) If deemed necessary and reasonable given the emergency or unforeseen situation, the City Manager or the Director of Emergency Management may authorize the Emergency Procurement.
 - c) Once the Emergency Procurement is approved, it shall be exempt from the requirements for a Public Procurement Opportunity or an open Procurement process. However, all other requirements of this procedure shall be followed.
 - d) Paper or electronic Purchase Orders are required for all Emergency Procurements and must be clearly marked "EMERGENCY".
- 5.4.2 Emergency Procurements are to be completed in an expedient but economic manner.
- 5.4.3 Emergency Procurements shall not bind the City by way of Contract or other legal instrument beyond the scope of the emergency which necessitated the Emergency Procurement.

5.5 Purchase Orders:

- 5.5.1 Purchase Orders are required for all purchases valued from \$20,000 to \$74,999 when a written contract is not provided but are not limited to these amounts.
- 5.5.2 Purchasers shall submit a Purchase Requisition to initiate the creation of a Purchase Order. The Purchase Requisition shall contain:
- a) A description of the Goods, Services, or Construction being purchased;
 - b) The date the purchase was confirmed with the vendor;
 - c) Purchase details, including the unit price, quantity, and delivery costs (if any) of the Goods, Services or Construction;
 - d) Vendor name or vendor ID;
 - e) Buyer name or buyer ID; and
 - f) The expected delivery of Goods or completion date for Services are also required.
- 5.5.3 The Purchase Requisition submission should also include supporting documentation such as:
- a) the three written quotes;
 - b) limited tendering form; or
 - c) standing offer reference.
- 5.5.4 A complete Purchase Requisition will be sent to the department specified clerk for processing and work-flowed for system approvals. Once approved the Purchase Order will be emailed to the Purchaser and Vendor through the financial software.

5.6 Contracts & Other Purchasing Agreements:

- 5.6.1 All agreements entered into by the City with any Vendor for the Procurement of Goods or Services valued at \$75,000 or more must be evidenced by a written Contract, executed in accordance with the City's Delegation of Authority Policy and the City Manager's Bylaw.
- 5.6.2 Contracts shall be in a form authorized by Legislative Services.
- 5.6.3 For vehicles and equipment, a Purchase Order together with a bill of sale will meet the requirement for 5.5.1.

5.7 Operating or Capital Leases and Rental Agreements:

- 5.7.1 Any procurement of Goods that includes the City entering into a lease or rental agreement that has a term that is greater than one year may be subject to the City's Debt Management Policy and sections 251 to 263 of the *Municipal Government Act*.
- 5.7.2 Prior to entering into a lease or rental agreement for a term that is greater than one year, a cost benefit analysis between buying as opposed to leasing the relevant goods must be approved by the Chief Financial Officer. This analysis should include:
 - a) The fair market value of the Goods;
 - b) The estimated service life of the Goods;
The term of the lease;
 - c) The minimum lease payments required;
 - d) Any service or maintenance fees embedded in the lease payments;
 - e) The implied interest rate for the lease;
 - f) The estimated buy back or salvage value of the Goods if they were purchased instead of leased; and
 - g) An assessment to determine if the goods would be considered tangible capital assets;
- 5.7.3 The term of a lease or rental agreement shall not be greater than five years.
- 5.7.4 Council must enact a borrowing bylaw authorizing entering into a capital lease agreement prior to the agreement's execution and delivery of the goods.

5.8 Request for Quotes (RFQ):

- 5.8.1 Any Employee making Procurements where a public procurement opportunity is not issued shall obtain the minimum number and type of quotes indicated in Figure 1. When three or more quotes are required, quotes shall be summarized in the Purchase Requisition Form.

Figure 1 - Minimum number and type of required quotes for procurement values.

One or more verbal or written quotes	<ul style="list-style-type: none"> • Less than \$20,000
Three written quotes	<ul style="list-style-type: none"> • \$20,000 \$74,999 (Goods & Services) • \$20,000 \$199,999 (Construction)
Public Procurement Opportunity	<ul style="list-style-type: none"> • Greater than \$75,000 (Goods & Services) • Greater than \$200,000 (Construction)

5.9 Capital Project Procedures:

- 5.9.1 The Project Manager is responsible for reporting any Procurement of a capital nature in accordance with the City’s Tangible Capital Assets Policy.
- 5.9.2 If a Construction project is valued greater than \$200,000, the City requires an Public Procurement Opportunity to be conducted and a Contract must be executed with the winning Vendor.
- 5.9.3 The Project Manager that is managing the Public Procurement Opportunity is responsible for ensuring that the bid documents and processes are clear, complete, fair, and accurately reflect the City’s requirements.
- 5.9.4 Progress claims, and invoices for Contracted items must be authorized by City Employees within their Delegated Procurement Authority.
- 5.9.5 Contracts must be executed in accordance with the City’s Delegation of Authority Policy and the City Manager’s Bylaw.
- 5.9.6 The authority to authorize Change Orders related to budgeted projects shall follow the following standards:
 - a) *Within the Approved Project Budget:*
 - (i) Approval to proceed with a Change Order within the original project scope, provided that the adjusted cost of the project remains within the approved project Budget amount, will be authorized as follows:

Change Order within original project scope	Who can approve
Change value less than 10% of the project Budget or \$100,000 (whichever is less)	Project Manager;
Change value equal to or greater than 10% of Budget or \$100,000 (whichever is less)	Project Manager’s Supervisor’s approval and Project Sponsor’s approval are both required

- (ii) Approval to proceed with a Change Order to change the original scope of a project within the approved project Budget due to lower tender prices compared to Budget, or unexpected circumstances impacting completion of a project, will be authorized as follows:

Changes to original project scope within project Budget	Who can approve
Change value less than 10% of Budget or \$100,000 (whichever is less)	Project Manager's Supervisor's approval and Project Sponsor's approval are both required
Change value equal to or greater than 10% of Budget or \$100,000 (whichever is less)	General Manager's approval and Project Sponsor's approval are both required



APPENDIX 1: MAXIMUM PROCUREMENT AUTHORITY LEVELS

OPERATING / NON-CAPITAL MAXIMUM DOLLAR LIMIT	
Council	<ul style="list-style-type: none">• Approval of Budgets
City Manager	<ul style="list-style-type: none">• Limited as per Budget
General Manager / Chief Financial Officer	<ul style="list-style-type: none">• Approved Budgets for Divisions/Departments• Individual Procurements up to \$500,000
Department Directors	<ul style="list-style-type: none">• Approved department budgets• Individual Procurements up to \$200,000
Department Managers	<ul style="list-style-type: none">• Procurements up to \$74,999
Department Supervisors	<ul style="list-style-type: none">• Procurements up to \$24,999
Other City Employees	<ul style="list-style-type: none">• Procurements up to \$9,999
CAPITAL PROJECT MAXIMUM DOLLAR LIMIT	
General Manager / City Manager	<ul style="list-style-type: none">• Individual approved contracts for their Divisions
Department Directors	<ul style="list-style-type: none">• Approved department budget for the project
Project Managers	<ul style="list-style-type: none">• Individual Procurements up to \$300,000