

CITY OF MOOSE JAW PURCHASING POLICY

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| POLICY TITLE <i>Purchasing Policy</i> | ADOPTED BY: <i>City Council</i> | EFFECTIVE DATE |
| ORIGIN <i>Financial Services</i> | RESOLUTION # | PAGE NUMBER 1 of 7 |

1. **PURPOSE & OBJECTIVE**

- 1.1 The purpose of this policy is to establish the parameters for the acquisition, sale or lease of goods and services by the City of Moose Jaw. The policy establishes the basic direction, philosophies, climate and values upon which the purchasing function must operate.
- 1.2 The objective of the City's Purchasing Policy is to ensure that goods and services are acquired through a fair, open, transparent and competitive process that uniformly balances the interests of taxpayers with the fair and equitable treatment of suppliers.

2. **DEFINITIONS**

- 2.1 Consultant - includes individuals and firms who provide professional services, reports, opinions and recommendations in specialist areas. For the purpose of this policy, consultant will not include those who perform day-to-day functions as an extension of in-house resources or those who are retained for on-going municipal operations.
- 2.2 Request for Proposals (RFP) - a request to vendors to submit proposals that are innovative. Requests for proposals do not tie firms to existing processes or rigid specifications but, rather, encourage new approaches, techniques and methods for meeting the City's requirements. Requests for proposals must set out evaluation criteria and a predetermined scoring algorithm to determine if the proposals are compliant.
- 2.3 Sole Source Contract - an agreement entered into by the City for the purchase of goods or services which has not been publicly advertised or for which written quotations or telephone quotations have not been received from more than one vendor.
- 2.4 Public Tender - a process wherein the specifications and conditions of the tender are readily available to suppliers either through advertising

CITY OF MOOSE JAW PURCHASING POLICY

| | | |
|---|---|------------------------------|
| POLICY TITLE <i>Purchasing Policy</i> | ADOPTED BY: <i>City Council</i> | EFFECTIVE DATE |
| ORIGIN <i>Financial Services</i> | RESOLUTION # | PAGE NUMBER 2 of 7 |

or by invitation and bids are publicly opened.

- 2.5 Purchasing Procedures - The Director of Financial Services shall develop and maintain Purchasing Procedures that provide city personnel with the guidelines and, where appropriate, the specific action sequences to ensure uniformity, compliance and control of purchasing activities.
- 2.6 Purchasing Co-ordinator - The individual or individuals designated by the Director of Financial Services responsible for the implementation of and compliance to the City's Purchasing Policy and Purchasing Procedures.
- 2.7 Compliant - Compliant means that, in the sole opinion of the City, the bidder has the expertise and ability, physically and financially, to supply or perform the goods or services tendered, bid or proposed, and whose past performance or references are satisfactory to the City

3. ACQUISITION POLICY

- 3.1 When the City decides to acquire (purchase or rental) goods or services from outside parties it shall do so through the process outlined below:
 - a) Public Tender with Public Advertising - A tender that is publicly advertised is required when the amount of the purchase is expected to exceed \$100,000 or if it is deemed to be in the best interest of the City.
 - b) Invitational Tendering - Notwithstanding a) above, invitational tenders may be utilized for purchases over \$100,000 if the Purchasing Co-ordinator is satisfied that all known suppliers in the Moose Jaw region will be invited to bid.
 - c) MERX - Pursuant to the federal provincial agreement on inter-provincial trade, tenders for goods over \$100,000 and

CITY OF MOOSE JAW PURCHASING POLICY

| | | |
|---|---|------------------------------|
| POLICY TITLE <i>Purchasing Policy</i> | ADOPTED BY: <i>City Council</i> | EFFECTIVE DATE |
| ORIGIN <i>Financial Services</i> | RESOLUTION # | PAGE NUMBER 3 of 7 |

construction contracts over \$250,000 must be advertised on the MERX computer system.

- d) Public Tender without Public Advertising – A public tender shall be used when the contract is over \$10,000 and less than \$100,000 or if it is deemed to be in the best interest of the City. The Purchasing Co-ordinator will determine if public advertising is required.
- f) Telephone/Facsimile Quotations - The acquisition of goods or services expected to be less than \$10,000.00 shall be completed by obtaining telephone/facsimile quotations from a minimum of three vendors.
- g) Direct Awards - a sole source contract may be awarded if the acquisition is expected to be less than \$5,000 unless it is deemed to be in the best interest of the City to obtain written or facsimile quotations.

3.2 Sole Source Contracts - The City retains the right to use a sole source contract with the prior approval of Council regardless of the quantum of the contract. In the case of apparent emergencies, the City Manager shall be empowered to sole source the acquisition.

4. TENDER/BID/PROPOSAL ACCEPTANCE CRITERIA

- 4.1 The City reserves the right to refuse any or all tenders, bids or proposals if:
 - i) the price exceeds the approved budget, or
 - ii) the tender documents or specifications contain errors.
- 4.2 Subject to the rights and reservations contained in the City's Purchasing Policies, Purchasing Procedures and tender documents, the City shall accept the lowest compliant tender or bid meeting the City's specifications.

CITY OF MOOSE JAW PURCHASING POLICY

| | | |
|---|---|------------------------------|
| POLICY TITLE <i>Purchasing Policy</i> | ADOPTED BY: <i>City Council</i> | EFFECTIVE DATE |
| ORIGIN <i>Financial Services</i> | RESOLUTION # | PAGE NUMBER 4 of 7 |

5. AWARDING OF CONTRACTS

- 5.1 The Department Head has the authority to award public tenders, telephone/fax quotations, direct awards (under \$5,000) and RFPs if all of the following conditions have been met:
- (a) sufficient funding has been provided for in the approved budget or the budget as amended pursuant to the City Managers Bylaw;
 - (b) the contract is being awarded to the lowest compliant bidder meeting specifications notwithstanding the amount of the contract may exceed \$100,000.
 - (c) the award of the contract is not of a controversial nature.
 - (d) in the event of purchases in excess of \$10,000, the Purchasing Co-ordinator has certified that the City's Purchasing Policy and Purchasing Procedures have been uniformly applied.
- 5.2 All tender and RFP awards over \$25,000 must be reported four times per year to City Council for the information of Council by the Director of Financial Services. The report shall confirm that the City's Purchasing Policy and Purchasing Procedures have been uniformly applied for each award or inform Council of any deficiencies.
- 5.3 City Council shall award contracts if any of the following conditions exist:
- a) sufficient funding has not been provided for in the budget.
 - b) in the case of public tenders, the contract is not being awarded to the lowest compliant bidder meeting specifications.
 - c) in the case of sole source contracts, the contract is in excess of \$5,000.
 - d) the Purchasing Co-ordinator has not certified that the City's purchasing policy and associated procedures have been uniformly applied.
 - e) the award of the contract is of a controversial nature.

CITY OF MOOSE JAW PURCHASING POLICY

| | | |
|---|---|------------------------------|
| POLICY TITLE <i>Purchasing Policy</i> | ADOPTED BY: <i>City Council</i> | EFFECTIVE DATE |
| ORIGIN <i>Financial Services</i> | RESOLUTION # | PAGE NUMBER 5 of 7 |

f) the City Manager, for any reason, refers the award of the contract to City Council.

5.4 If the purchase is expected to be in excess of \$10,000, the Purchasing Co-ordinator will ensure compliance to the City's Purchasing Policies and Procedures by:

- a) reviewing and approving all public tender and RFP documents before they are issued. The Department Head is responsible for obtaining the approval of the Purchasing Co-ordinator before the tender documents are issued including tenders managed by third parties such as architects, engineers and project managers. Issuing a tender without the approval of the Purchasing Co-ordinator constitutes a violation of this policy; and
- b) reviewing bids, evaluation results and other relevant documents prior to the contract being awarded and certifying that the City's purchasing policy and associated procedures have been uniformly applied. If the Purchasing Co-ordinator is not satisfied that the City's purchasing policy and associated procedures have been uniformly applied, he/she will issue a Notice of Deficiency detailing his/her concerns. The Notice of Deficiency is to be sent to the Department Head and copied to the City Manager, the City Solicitor and the Director of Financial Services.

6. LEASES AND LAND SALES

6.1 Property is leased on the basis of policies established by Council and traditional practices. The Department Head has the authority to lease property unless it is of a controversial nature. If the lease is of a controversial nature, Council approval is required.

6.2 Property acquired pursuant to the *Tax Enforcement Act (the Act)* as a result of tax arrears shall be disposed of according to the

CITY OF MOOSE JAW PURCHASING POLICY

| | | |
|---|---|------------------------------|
| POLICY TITLE <i>Purchasing Policy</i> | ADOPTED BY: <i>City Council</i> | EFFECTIVE DATE |
| ORIGIN <i>Financial Services</i> | RESOLUTION # | PAGE NUMBER 6 of 7 |

specifications in *the Act*. The Department Head has the authority to sell tax title property unless it is of a controversial nature. If the sale is of a controversial nature, Council approval is required.

6.3 Residential property shall be sold on the basis of the prices and policies established by Council. The Department Head has the authority to sell residential property unless it is of a controversial nature. If the sale is of a controversial nature, Council approval is required.

6.4 The sale of Commercial property shall be sold for the greater of market value or the full cost recovery of servicing costs. The Department Head has the authority to sell commercial property only if the price has been pre-approved by Council. The City Manager may authorize the sale of commercial property if the sale price is less than \$100,000. Council approval is required for all other sales of Commercial property.

7. EXCEPTIONS

7.1 This requirement for a public tender does not apply to the purchase of the following goods or services:

- a) utility contracts (e.g. telephone, power, etc.);
- b) contracts or agreements relating to employee compensation, reimbursements, training, education, etc.
- c) land;
- d) any items designated in the Purchasing Procedures, which due to their nature do not lend themselves to a public tender.

8. DISPOSAL OF SURPLUS ITEMS

8.1 The Purchasing Co-ordinator shall dispose of all valuable surplus items by way of public sale. The Purchasing Co-ordinator may

CITY OF MOOSE JAW PURCHASING POLICY

| | | |
|---|---|------------------------------|
| POLICY TITLE <i>Purchasing Policy</i> | ADOPTED BY: <i>City Council</i> | EFFECTIVE DATE |
| ORIGIN <i>Financial Services</i> | RESOLUTION # | PAGE NUMBER 7 of 7 |

approve disposal by way of trade-in allowance, auction sale, bids, or public solicitation. Exceptions must be approved in writing by the City Manager.

9. MONIES TO BE DEPOSITED

9.1 All monies forwarded with tenders/RFP's shall immediately be deposited in the City's bank account. The City shall refund the deposits submitted by unsuccessful bidders.

10. CONFLICT OF INTEREST

10.1 No city employee shall place himself/herself or another in a position of advantage or conflict when acquiring goods or services on behalf of the City. Accepting gifts or favors from suppliers is prohibited except promotional items such as caps, pens, golf shirts, etc with a value of under \$30 and entertainment (excluding alcohol) for the strict purpose of business discussions. Potential conflicts should be referred to the Purchasing Co-ordinator or the Personnel Supervisor in advance for clarification.