



# City of Yorkton

<b>POLICY TITLE</b> PURCHASING OF GOODS AND SERVICES		<b>ADOPTED BY</b> City Council	<b>POLICY NO.</b> 10.110
<b>ORIGIN/AUTHORITY</b> City Council	<b>JURISDICTION</b> City of Yorkton	<b>EFFECTIVE DATE</b> August 9, 1988 Amended Jan. 10, 2011 Amended Nov. 20, 2017	<b>PAGE #</b> 1 of 16

## 1. PURPOSE

- 1.1 It is the policy of the City to purchase goods and services using fair, open, and transparent practices, which ensure both value for money for the City's residents and fair and equitable treatment of vendors.
- 1.2 This Policy is intended to:
  - 1.2.1 establish appropriate purchasing authority, spending limits and approval requirements for City employees empowered to make purchases on behalf of the City;
  - 1.2.2 ensure that the City's financial resources are managed effectively and that spending alternatives are examined prior to expenditures taking place, taking into consideration the best interests of the community.
  - 1.2.3 provide guidance to the City's employees as to the methods and processes to be used when purchasing goods and services, and when issuing calls for quotations, proposals and tenders;
  - 1.2.4 ensure that vendors offering goods and services to the City are treated fairly, with all vendors participating in City procurement processes being subject to the same procedures and criteria, regardless of where participating vendors are located;
  - 1.2.5 ensure that the City's procurement processes are compliant with federal and provincial laws, and trade agreements entered into by the federal or provincial government, to the extent that such trade agreements impose obligations on the City; and
  - 1.2.6 establish "best value" as the preferred basis upon which purchasing decisions are to be made, recognizing that factors such as total lifetime cost, vendor qualifications, and quality of performance all contribute to the overall value that the City receives for its purchase.
- 1.3 This Policy is made pursuant to *The Cities Act*, S.S. 2002, c. C-11.1, which requires the City to establish a purchasing policy that is consistent with any interprovincial or international trade agreements that govern procurement by municipalities, including the New West Partnership Trade Agreement and the Canadian Free Trade Agreement.

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## 2. **SCOPE**

- 2.1 **Application:** This Policy governs the acquisition by the City of goods and services, whether by purchase or lease, using City funds from all sources. The City Manager has overall responsibility for administering this Policy. All City employees must comply with this Policy in purchasing goods and services on behalf of the City.
- 2.2 **Exclusions:** This Policy does not apply to the following:
- 2.2.1 purchases, licenses, or leases of land and improvements owned by third parties
  - 2.2.2 licenses, leases and other agreements related to land and buildings owned by the City, and sales or other dispositions of land and buildings owned by the City
  - 2.2.3 purchases relating to employee compensation, development or training
  - 2.2.4 payroll deductions such as workers' compensation assessments and employment insurance
  - 2.2.5 fees and expenses for attendance at workshops, seminars, etc.
  - 2.2.6 association or membership dues
  - 2.2.7 legal, insurance, and auditing services
  - 2.2.8 specialized consulting services
  - 2.2.9 specialized software programs
  - 2.2.10 payment of damages or settlements
  - 2.2.11 purchase of utility services such as electricity, natural gas, phone and internet
  - 2.2.12 recurring annual charges such are payment to other governmental authorities

Unless otherwise specified in a bylaw or another policy of the City, the City Manager shall have authority over the purchases described in this paragraph 2.2.

## 3. **DELEGATION OF PURCHASING AUTHORITY**

- 3.1 **Definitions:** In this Policy:
- 3.1.1 "**Acquisition Value**" means the total amount payable by the City for an acquisition of goods or services. Where the City intends to engage a vendor under an agreement where the scope of supply is not defined at the time of engagement, a maximum expenditure value shall be assigned as the Acquisition Value for authorization purposes.

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- 3.1.2 **"Capital Purchase"** means an expenditure on account of a "tangible capital asset", as such term is defined in City of Yorkton Policy No. 10.40 - Tangible Capital Assets Policy.
- 3.1.3 **"Operational Purchase"** means an expenditure that does not constitute a Capital Purchase.
- 3.2 Policy: It is the policy of the City to provide the City Manager and Department Directors with discretionary purchasing authority congruent with their professional responsibilities to the City.
- 3.3 Department Purchasing: Department Directors shall have the authority to make purchases of goods and services which:
  - 3.3.1 conform to a plan or program approved by City Council in the budget process;
  - 3.3.2 are within the purchasing limits established for Department Directors under this Policy; and
  - 3.3.3 are not expenditures within the sole authority of the City Manager under paragraph 2.2 of this Policy.
- 3.4 Spending Limits: The spending authority of the City Manager and Department Directors is established as follows:
  - 3.4.1 City Manager: In accordance with the City Administration Bylaw, the City Manager shall have the authority to make all expenditures as authorized within the current approved annual operating and capital budgets for the City, subject to City Council approval where required by this Policy. In addition, the City Manager has the authority to authorize the following expenditures:
    - (a) Operating Expenditures - up to \$50,000 above the approved budgeted amount for each purchase; and
    - (b) Capital Expenditures – up to \$100,000 above the approved budgeted amount for each capital project.
  - 3.4.2 Department Directors: Department Directors shall have the authority to make expenditures within the current approved annual operating and capital budgets for the City up to the following amounts:
    - (a) Operating Expenditures – Acquisition Value up to \$75,000; and
    - (b) Capital Expenditures – Acquisition Value up to \$100,000

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3.5 City Council Approval:

3.5.1 Approval by resolution of City Council is required for all purchases where:

- (a) the expected Acquisition Value exceeds \$350,000; or
- (b) the expenditure is not within the City current approved annual operating and capital budgets.

3.5.2 The Department proposing such expenditure shall obtain City Council approval (either as part of the City's budget approval process or otherwise) prior to issuing an RFP, tender or other solicitation with a view to selecting a vendor to supply the contemplated goods or services.

3.5.3 In addition, the Department proposing such expenditure shall obtain City Council approval after concluding the RFP, tender or other solicitation (unless the purchase is exempt from any solicitation process) and prior to entering into the contract for the supply of the contemplated goods or services with the selected vendor. The resolution of City Council will authorize the City entering into and administering the contract with the selected vendor. If City Council does not approve such contract, then the department proposing the expenditure shall either: (a) conduct a new solicitation for the contemplated goods or services; or (b) withdraw the proposed purchase.

3.6 Emergency Purchasing Procedure:

3.6.1 Where a Department Director determines that an emergency purchase is required on short notice (for reasons such as repairs resulting from plant or equipment failure), and such purchase would otherwise exceed the Department Director's purchasing authority as established in this Policy, then the Department Director may nevertheless authorize the purchase on an emergency basis, provided that:

- (a) the amount of the purchase does not exceed the Department Director's purchasing authority by more than \$50,000;
- (b) the Department Director provides the City Manager with a written justification for this emergency purchase and obtains the City Manager's approval; and
- (c) the Department Director provides the Director of Finance with a finance plan to fund the expenditure, or advises the Director of Finance why this is not possible.

3.6.2 This emergency purchase procedure is meant to give Department Directors the authority to address true unforeseen circumstances. It is not intended to facilitate purchases required as a result of poor planning, or failure to properly maintain equipment and infrastructure.

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3.6.3 The City Manager shall notify City Council of any emergency expenditure which is greater than \$50,000, and describe to City Council the intended outcome of the emergency expenditure.

3.7 City Budget: Except as provided in paragraphs 3.4 (Spending Limits) and 3.6 (Emergency Purchasing Procedure) above, no Department Director has the authority to make or authorize any purchases outside of the City's current approved departmental budgets.

3.8 Delegation by Written Authorization: Department Directors are authorized to delegate all or part of their purchasing limits to designated employees by way of written authorization letters, acknowledged by such designated employees. Copies of all authorization letters are to be provided to the Director of Finance and to the Accounts Payable Clerk. Department Directors and the City Manager shall have the authority to revoke a purchasing authorization letter granted to any City employee.

3.9 Documenting Authorizations: All City employees, including Department Directors, shall ensure that purchasing requests are properly documented and authorized. Purchase requests must bear signatures of persons with the power to authorize the purchase in accordance with this Policy.

#### **4. PROCUREMENT PROCEDURES**

4.1 Policy: It is the policy of the City to conduct purchases using procedures that:

4.1.1 are fair, open and transparent;

4.1.2 comply with applicable interprovincial or international trade agreements that govern procurement by Saskatchewan municipalities, including the New West Partnership Trade Agreement and the Canadian Free Trade Agreement; and

4.1.3 provide for an appropriate degree of vendor due diligence, competition, and evaluation, having regard to the value and nature of goods or services to be purchased; and

4.1.4 encourage the development of local sources of supply, to the extent permitted under applicable trade agreements and provided that such vendors offer value for money to the City.

4.2 Definitions: In this Policy:

4.2.1 "**Invitation to Tender (ITT)**" describes a process where the City invites irrevocable bids to perform certain work, and where the solution, scope of work, and specifications are defined in detail in the ITT document. Contractors submit irrevocable bids stating the price at which they offer to perform the specified work, together with the other submittals required by the ITT.

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An ITT typically requires that bidders provide bid bonds or equivalent bid security to support their bids.

The bidder providing the "best value" under an ITT will often be the qualified bidder with the lowest bid who also satisfies all other requirements of the City.

- 4.2.2 **"Open Solicitation"** means a procurement process conducted by the City which is open for participation by any interested vendors. In an open solicitation the City will typically post competition documents on an open electronic portal such as [www.sasktenders.ca](http://www.sasktenders.ca), or on such other tendering website established to facilitate compliance with trade agreements.
- 4.2.3 **"Request for Pre-Qualifications (RFPO)"** – describes a process where the City seeks information regarding the qualifications of vendors who are interested in submitting bids or proposals for a specific City project, or to be placed on an "approved vendor" list for a category of services. The City decides on the number of vendors to pre-qualify, and no firm commitment or contract to perform any work is formed through the pre-qualification process.
- 4.2.4 **"Request for Proposals (RFP)"** describes a process where the City seeks proposals to supply goods or perform services. The RFP will typically include a statement of the City's requirements for the good or services. However, vendors are able to propose their own solution in response to the City's requirements, together with pricing and any other information requested in the RFP document. In an RFP, proposals are not irrevocable and there are no binding obligations between the City and any proponent until the City signs a Contract with the chosen proponent.
- 4.2.5 **"Request for Quotations (RFQ) – Formal"** – describes a process where the City seeks written price quotations for the supply of goods and/or services by issuing an RFQ document setting out the City's requirements for the goods and/or services. Unlike in an RFP, an RFQ will typically define the required goods or services, instead of allowing for vendors to propose their own solutions. Unlike in an ITT, price quotes made in response to an RFQ are not irrevocable, and there are no binding obligations between the City and any vendor until a contract is signed for the goods or services.
- 4.2.6 **"Request for Quotations (RFQ) – Informal"** – describes a process where the City seeks price quotes for goods or services on an informal basis. The City may send a brief RFQ letter, email or other document to potential vendors outlining the City's required goods/services, or the City may request price quotations on a verbal basis. Regardless of how the City requests price quotes, the quotes from vendors should be provided to the City in writing.
- 4.2.7 **"Sole Source"** – describes a process where the City purchases goods or services from a vendor without conducting a competitive procurement process or seeking pricing from alternative vendors.

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4.3 Summary of Purchasing Procedures:

Subject to those exceptions outlined in this Policy, the following table summarizes the procedures for City employees to follow in connection with purchases of goods and services on behalf of the City.

<b>Anticipated Value</b>	<b>Procurement of Goods</b>	<b>Procurement of Services (Other than Construction)</b>	<b>Procurement of Construction Services</b>
<b>\$0-\$7,500</b>	<ul style="list-style-type: none"> <li>Recommended to obtain at least three verbal or written price quotes through an Informal RFQ.</li> <li>Sole Sourcing is permitted</li> </ul>	<ul style="list-style-type: none"> <li>Recommended to obtain at least three verbal or written price quotes through an Informal RFQ.</li> <li>Sole Sourcing is permitted</li> </ul>	<ul style="list-style-type: none"> <li>Recommended to obtain three verbal or written price quotes through an Informal RFQ.</li> <li>Sole Sourcing is permitted</li> </ul>
<b>\$7,500 - \$25,000</b>	<ul style="list-style-type: none"> <li>Required to obtain at least three written price quotes through an informal RFQ</li> </ul>	<ul style="list-style-type: none"> <li>Required to obtain at least three written price quotes through an informal RFQ</li> </ul>	<ul style="list-style-type: none"> <li>Required to obtain at least three written price quotes through an informal RFQ</li> </ul>
<b>\$25,000 - \$75,000</b>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP)</li> <li>Solicitation may be an Open Solicitation or invitational</li> </ul>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP)</li> <li>Solicitation may be an Open Solicitation or invitational</li> </ul>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP, ITT)</li> <li>Solicitation may be an Open Solicitation or invitational</li> </ul>
<b>\$75,000 - \$200,000</b>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP)</li> <li>Solicitation must be an Open Solicitation</li> </ul>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP)</li> <li>Solicitation must be an Open Solicitation</li> </ul>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP, ITT)</li> <li>Solicitation may be an Open Solicitation or invitational</li> </ul>
<b>\$200,000 or more</b>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP)</li> <li>Solicitation must be an Open Solicitation</li> </ul>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP)</li> <li>Solicitation must be an Open Solicitation</li> </ul>	<ul style="list-style-type: none"> <li>Required to issue formal solicitation (e.g. RFQ, RFP, ITT)</li> <li>Solicitation must be Open Solicitation</li> </ul>

4.4 Purchasing through Open Solicitation: The following principles and procedures apply where the City purchases good or services by way of an Open Solicitation:

4.4.1 Procurement Value – Open Solicitation shall be utilized where required pursuant to the table above, or under any applicable trade agreement. This includes:

- (a) Procurement of Goods over \$75,000
- (b) Procurement of Services over \$75,000
- (c) Procurement of Construction over \$200,000

Open solicitation is also encouraged for purchases below these thresholds.

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- 4.4.2 Procurement Documents – Wherever possible, RFPs, RFQs, ITTs and other procurement documents should be created using the City's standard form procurement documents. Where procurements are conducted by consultants on behalf of the City, City employees should direct consultants to utilize the City's standard procurement templates where feasible.
- 4.4.3 Specifications – City departments are responsible for preparing and/or coordinating the specifications to be incorporated into RFPs, RFQs, ITTs and other procurement documents. Specifications should:
- (a) be clear, concise, and accurate, recognizing that incomplete, vague, or erroneous specifications may result in unsatisfactory outcomes, higher costs to the City, or disputes with vendors;
  - (b) be practical enough to assure sufficient competition and, in the case of RFPs where proponents are requested to propose solutions, sufficiently broad to allow for creative solutions by such proponents;
  - (c) give proper consideration to such factors as technical compatibility and safety; and
  - (d) incorporate technical standards, where appropriate (e.g. valves, hydrants).
- 4.4.4 Advertising –
- (a) All procurements with a value over the thresholds set out in paragraph 4.4.1 must be advertised on [www.sasktenders.ca](http://www.sasktenders.ca), or such other approved procurement website. Procurements should be advertised for such time periods which are sufficient to allow for proper exposure to the vendor community, and to allow for sufficient time for interested vendors to prepare and submit bids. The City shall post all addenda in the same manner as the original procurement notice.
  - (b) Where the City advertises a procurement online as set out in paragraph (a) above, the City shall also advertise the procurement on the City's website for a minimum of two (2) consecutive weeks.
  - (c) Where a procurement falls below the value thresholds in paragraph 4.4.1, and public advertising is not strictly required, City departments may nevertheless advertise procurements publically on the City's website as set out in paragraph (b) above, and shall do so in all cases where the City Manager or the relevant Department Director deems it beneficial.



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4.4.5 Evaluation –

- (a) Procurements documents must clearly state all criteria upon which proposals, quotations, or tenders will be evaluated. Selection shall, in each case, be based on best value, having regard to the evaluation criteria stated in the RFP, RFQ or ITT, as applicable. The proposal/bid evaluation process shall be conducted in the manner set out in the RFP, RFQ, or ITT document.
- (b) All vendors must be treated fairly in the evaluation processes, and evaluations must be conducted without any pre-existing preferences for any vendor, including preferences based on vendor location. The City must not give preference to vendors located in the City of Yorkton.
- (c) In the course of evaluating vendors, the City may exclude a vendor from further consideration for the reasons outlined in paragraph 4.9 of this Purchasing Policy.

4.4.6 Contract Award –

- (a) Following the evaluation process, the City shall notify the preferred vendor with a view to entering into a formal contract for the goods or services in question.
- (b) The City shall notify unsuccessful vendors promptly after the City enters into a contract with the successful vendor.
- (c) After awarding a contract, the City shall publish a notice of the contract award on [www.sasktenders.ca](http://www.sasktenders.ca) or such other approved website on which the solicitation was originally advertised for a minimum of two (2) consecutive weeks, or longer if required under any law or trade agreement which applies to the solicitation. The notice shall contain the name of the selected vendor and the contract's Acquisition Value.

4.5 Closed Solicitations and Sole Source Purchases: While Open Solicitations are encouraged even in instances where not strictly required, it is recognized that Open Solicitations are not practical or feasible in all circumstances. The following are guidelines as to when closed solicitations and Sole Source purchases may be used:

4.5.1 Value –

- (a) For purchases of goods or services under \$75,000, or construction services under \$200,000, the City may seek price quotes by way of an RFP or RFQ issued to a pre-determined list of vendors, or through an informal RFQ process. The process used for such purchases shall be in accordance with the table set out in paragraph 4.3 of this Policy.

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- (b) In addition, purchasing by way of informal RFQ or Sole Source is permitted for purchases under \$7,500.

4.5.2 Sole Source Exceptions – The followings list describes circumstances where the City may purchase goods or services by way of Sole Source, regardless of Acquisition Value:

- (a) if the goods or services can only be supplied by one vendor and no reasonable alternatives exist;
- (b) where an unforeseeable emergency situation exists, such that the goods or services cannot be obtained in time through an alternative process;
- (c) for additional deliveries by a vendor of goods or services which relate to a previous procurement, where a vendor change cannot be made for technical or economic reasons;
- (d) for goods purchased on a commodity market;
- (e) for the acquisition of any goods, equipment or services from another municipality, a school or library board, the Province of Saskatchewan, a provincial agency or crown corporation, or the Government of Canada or a federal agency or crown corporation;
- (f) for goods or services regarding matters of a confidential nature where an Open Solicitation could compromise confidentiality, or otherwise be contrary to the public interest;
- (g) where no compliant bids or proposals are received under an Open Solicitation; and
- (h) where the acquisition of goods or services falls within a sole source exception provided for in any applicable trade agreements.

4.6 Requests for Pre-Qualification:

- 4.6.1 City departments may choose to issue an RFPQ in connection with a planned purchase in order to pre-qualify vendors for the supply of the goods or services in question.
- 4.6.2 In a pre-qualification, the City solicits information from interested vendors in order to identify a list of vendors with the ability, expertise and resources to fulfill the City's requirements for the planned purchase. By assessing qualifications at an early stage, pre-qualification allows the City to focus on other factors in the bid/proposal evaluation phase, which allows for a more targeted evaluation.

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4.6.3 Pre-qualification should be used for purchases that involve an increased risk to the City or that involve complex, specialized expertise, equipment and materials.

4.6.4 An RFPQ be publically advertised in the manner described in paragraph 4.4.4 where the value of the proposed purchase exceeds the value thresholds described in paragraph 4.4.1.

4.6.5 Where a pre-qualification process is used, only those vendors or contractors selected through the process will be eligible to participate in further steps of the purchasing process.

4.6.6 After the City concludes a pre-qualification process, the City will notify participating vendors of a successful or unsuccessful result.

4.7 Requests for Information:

4.7.1 City departments may issue a request for information ("**RFI**") in order to gather information about potential vendor interest in a procurement. An RFI may also allow vendors to provide input to on details related to the proposed solution and/or procurement process. The City may also use an RFI to assist the City in estimating the cost involved in a potential purchase.

4.7.2 An RFI should include targeting questions about the proposed purchase in order to best take advantage of expertise within the vendor community.

4.8 Receiving and Opening Proposals/Bids:

4.8.1 The City shall receive proposals and bids at the location set out in the applicable competition documents. The City will record the date and time of bid and proposal submissions upon receipt in order to ensure compliance with any competition requirements.

4.8.2 Given that:

- (a) the City's policy is to select vendors on a best-value basis, which involves a consideration of factors other than price; and
- (b) a given procurement may require the City to perform a compliance review to determine whether certain bids are compliant or non-compliant with the requirements of the solicitation,

then unless otherwise stated in the applicable competition documents, the City will conduct all bid/proposal openings in private.

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4.9 Vendor Exclusion:

- 4.9.1 In the course of evaluating bids, quotes, or proposals in connection with a solicitation, the City may exclude a vendor from consideration for contract award or reject its submission if:
- (a) the Vendor fails to fulfill any requirements which are stated as mandatory requirements in the applicable solicitation document;
  - (b) the vendor is currently, or has previously engaged in a legal dispute with the City relating to a procurement process or a contract for the supply of goods or services. This includes, but is not limited to disputes involving litigation, and applies both to disputes initiated by the vendor and disputes initiated by the City;
  - (c) the City has determined that the vendor's performance under one or more prior contracts with the City was unsatisfactory, and the vendor has failed to rectify the City's concerns regarding the past performance; or
  - (d) the vendor is in a conflict of interest related to the procurement that the City considers unacceptable, or the vendor has failed to disclose any actual or potential conflict of interest where required by the applicable solicitation document.

**5. CONFIDENTIALITY AND DISCLOSURE OF INFORMATION**

5.1 Confidentiality

- 5.1.1 It is recognized that unauthorized disclosure of confidential information in connection with purchasing matters can be detrimental to the City's interests and relationships with the City's vendors.
- 5.1.2 For the purpose of this Policy, "**Confidential Information**" means any information concerning the operations and affairs of the City, including information related to purchasing matters, whether originated by the City or other parties on behalf of the City.
- 5.1.3 City employees shall keep strictly confidential all Confidential Information, and shall not disclose Confidential Information to any person. Employees shall not make any commercial use of any Confidential Information, and shall use Confidential Information solely for the fulfillment of their duties as City employees.
- 5.1.4 Employees' confidentiality obligations shall continue following the end of their employment.

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## 5.2 Bid/Proposal Information

- 5.2.1 The City shall keep confidential and shall not disclose to any person any information or details (including pricing information) regarding bids or proposals received by the City, except as set out in this Policy.
- 5.2.2 When a contract is awarded to a bidder/proponent, the City will disclose, upon request, the name of the successful bidder/proponent and the total contract price. Where the contract is based on unit rates or hourly rates, the City will disclose the total estimated expenditure by the City under the contract based on such rates, but will not disclose the bidder/proponent's unit rates or hourly rates.
- 5.2.3 The City will not disclose any detailed information contained in bids/proposals of unsuccessful bidders/proponents without their consent, unless required to do so pursuant to an order of a court.
- 5.2.4 The City is subject to *The Local Authority Freedom of Information and Protection of Privacy Act* (Saskatchewan), which provides for a right of access to information in records under the control of the City. The City shall disclose any information necessary to comply with lawful orders issued to the City under the authority of *The Local Authority Freedom of Information and Protection of Privacy Act* (Saskatchewan).

## 6. VENDOR DEBRIEFING AND DISPUTE RESOLUTION

### 6.1 Vendor Debriefing Process:

- 6.1.1 The City shall offer participating vendors the opportunity to participate in a debriefing process following the conclusion of an Open Solicitation. The primary purposes of a debriefing are:
- (a) to provide vendors with an explanation as to why their submission was not successful;
  - (b) to allow vendors to receive constructive criticism on their submission and suggestions for improvement for future competitions; and
  - (c) to give vendors an opportunity to provide feedback on the City's procurement process.
- 6.1.2 Vendors may request a debriefing up to 30 days after the City notifies participating vendors of its contract award decision under an open solicitation.
- 6.1.3 A debriefing is not a complaint or dispute resolution process, and is not intended to provide forum for vendors to challenge the City's purchasing decisions. The City will not discuss or disclose bid/proposal information from other vendors who participated in the Open Solicitation. Debriefings are intended to be informal and verbal, and no documents will be provided by the City during the debriefing.

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6.1.4 City departments are responsible for scheduling debriefings upon request from a vendor. Debriefings should occur within 30 days after a request from a vendor. City departments are responsible for assigning the appropriate personnel with knowledge of the procurement in question to participate in the debriefing.

## 6.2 Vendor Complaints

6.2.1 If, after an Open Solicitation is completed, a vendor is dissatisfied with the results of the Open Solicitation or the City's conduct in connection with the procurement, the vendor may initiate a complaint in writing directed to the City Manager. The written complaint should set out the specific details and concerns of the vendor and any specific action requested.

6.2.2 The City will review written complaints made in accordance with this Policy, and direct the complaints to the appropriate persons for response. The City will endeavor to respond to written complaints within 30 days after receipt.

6.2.3 If the Vendor is not satisfied with the City's response to the vendor's written complaint, the vendor may have recourse to any other remedies available to the vendor at law.

## 7. CONTRACTING WITH VENDORS

### 7.1 Contract Forms:

7.1.1 Whenever feasible, the City shall enter into contracts with vendors using the most current versions of the City's approved contract forms. Contract Forms will be under the control and direction of the City Manager.

7.1.2 City employees conducting Open Solicitations should ensure that solicitation documents include copies of all contract terms which will be incorporated into the final contract to be signed by the selected vendor and the City.

7.1.3 Approval by the City Manager is required:

- (a) for any deviations from the City's standard contract forms. This includes changes negotiated with a particular vendor as part of a procurement competition; or
- (b) for the City to enter into any written contract using a form provided by the vendor

### 7.2 Bid/Contract Security Requirements:

7.2.1 Contracts for construction services with a value greater than \$250,000 shall, unless otherwise approved by the City Manager, require that the contractor provide a performance bond and a labour and material payment bond in an amount of no less than 50% of the contract price, or such other contract financial security acceptable to the City, such as an irrevocable letter of credit, bank draft, or certified cheque. The City shall give consideration to requiring bonds or other financial security with greater coverage on high-value or complex projects.

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7.2.2 Bonds must be issued by a licensed surety in the Province of Saskatchewan.

7.2.3 Department Directors will determine whether bonds or other financial security should be required under contracts for the purchase of goods or for services other than construction.

7.3 Authorization of Payments:

7.3.1 Once a purchase contract is approved and signed, the applicable Department Director is responsible for ensuring that the contract is performed to the degree required for each progress payment, and for then authorizing the progress payments.

7.3.2 The Department Director will notify the Director of Finance when progress payments have been authorized, and then submit appropriate documentation to the Director of Finance in order to process the progress payments.

7.4 Change in Scope under an Existing Contract:

7.4.1 The City may agree on increases to the scope of work performed by a vendor under an existing contract in accordance with paragraph 7.3.

7.4.2 Changes in scope of work requiring payments by the City in excess of the original contract price must be approved in writing by the City. Contracts based on unit prices shall be assigned an initial value for initial authorization purposes, and written approval is required for expenditures beyond such value.

7.4.3 Department Directors shall have the authority to approve changes in scope only if the value of the change in scope falls within their purchasing authority provided by this Purchasing Policy.

7.4.4 Changes in scope which result in total expenditures by the City beyond the original budget established for the project shall be subject to the approval requirements set forth in this Purchasing Policy based on the value of the changes.

7.4.5 For any proposed changes in scope with a value greater than 25% of the initial contract value, consideration shall be given to whether the City may be able to obtain more advantageous pricing for the work in question through a competitive solicitation.

7.5 Contract Renewals:

7.5.1 The City may, in a contract for the purchase of goods or services over a defined term, include a renewal provision in one of the following forms:

- (a) Renewal Option: a provision stating that the contract may be renewed at the City's discretion providing there is a renewal option in the contract. The renewal option provision shall set out all applicable terms and conditions of the renewal; or

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- (b) Mutual Renewal Provision: a provision stating that the contract may be renewed by mutual agreement of both the City and the vendor as to the terms and conditions that will apply during the renewal term.

7.5.2 In deciding whether to renew a contract, the City shall consider the following factors:

- (a) whether the vendor has met all conditions of the contract to date
- (b) whether the vendor has performed the contract to the City's satisfaction, and can demonstrate that it will continue to perform the contract satisfactorily in the proposed renewal term
- (c) whether the vendor continues to have the financial ability to perform the contract
- (d) whether the requirements of the contract remain substantially the same as when the City originally entered into the contract
- (e) whether, in the City's judgment, renewal of the existing contract would outweigh any benefits that might be gained through a new competitive procurement process.

7.5.3 The City will have sole discretion in determining whether a particular contract meets the criteria for renewal.

7.5.4 The City shall ensure that renewals are finalized no later than sixty (60) days prior to the expiry of a contract, so that the City has sufficient time to engage an alternate vendor if the City and the current vendor are unable to agree on terms for a contract renewal.

7.6 Vendor Performance Management:

7.6.1 City Departments are responsible for monitoring the performance of vendors under contract with the City. The City must take appropriate action in instances where vendors do not fulfill their proper obligations under contracts with the City.

7.6.2 City departments should keep appropriate records as to the performance of vendors under contract with the City. In particular, City departments should record any instances of unsatisfactory performance, whether during or at the conclusion of a contract. Vendor performance information may be useful to the same or other City departments when evaluating vendors for future purchases.

**8. RESPONSIBILITIES**

8.1 The City Manager is responsible for interpretation of the Policy.

8.2 Any amendments to this Policy must be approved by resolution of City Council.