

**CITY OF SWIFT CURRENT
POLICY AND PROCEDURE MANUAL**

REVISION DATE: February 9, 2004 – Bylaw 4-2004 September 26, 2016 – Res No. 258-2016	ISSUED: Council January 28, 2003 Res. No. 69-2003	CHAPTER:
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PURCHASING POLICY		

1. PURPOSE & OBJECTIVE

1.1 The purpose of this policy is to establish guidelines for the City of Swift Current Administration in the procurement of goods and services for the City of Swift Current that are included in approved budgets or otherwise authorized by City Council.

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 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.

2.2 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.

2.3 New West Partnership Trade Agreement – a provincial agreement between the provinces of British Columbia, Alberta and Saskatchewan where the procurements at or above the following thresholds must be conducted openly and transparently and ensure equal opportunity for suppliers in all three provinces.

- (i) \$75,000 or greater for goods
- (ii) \$75,000 or greater for services or
- (iii) \$200,000 or greater for construction

2.4 Public Tender - a process requiring documents which contain the specifications and conditions on which the City will enter into a contract with the bidder to be publicly advertised and opened.

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2.5 Purchasing Manager - The individual or individuals designated by the General Manager of Corporate Services who are responsible for the implementation of and compliance to the City's Purchasing Policy and Purchasing Procedures.

2.6 Purchasing Procedures - The Manager of Purchasing 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.

2.7 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. Proposal submissions are evaluated based on a weighted average of relevant criteria as stated in the RFP document. Request for Proposal submissions will not be opened publicly.

2.8 Request for Quotation - a request by invitation to vendors to submit quotations on specific goods or services.

2.9 SaskTenders – Province of Saskatchewan electronic tendering site.

2.10 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 have not been received from more than one vendor.

3. COMPETITIVE BIDDING POLICY

3.1 The City will purchase goods and services through competitive buying practises as specified below. Whenever possible, a minimum of three quotes should be obtained that meet the specifications.

a) Public Advertisement – Whenever possible, the purchase of goods and services shall require public advertising via newspaper and/or SaskTenders electronic posting when:

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(i) the amount of the contract for goods and services is expected to exceed \$75,000 or contract for construction work is expected to exceed \$200,000; or

(ii) in all other cases, where the Chief Administrative Officer, Division General Manager or Manager of Purchasing deems it to be in the best interest of the City.

b) Invitational Solicitation – Notwithstanding a) above, invitational solicitation may be utilized if the Manager of Purchasing is satisfied that all known suppliers in the Swift Current region will be invited to bid.

c) Trade Agreements - Pursuant to the New West Partnership Trade Agreement, procurements at or above the thresholds of \$75,000 for goods & services and \$200,000 for Construction Work must be conducted openly and transparently and ensure equal opportunity for suppliers in the three provinces of Saskatchewan, Alberta and British Columbia.

d) Written Quotations – The purchase of goods and services shall be completed by obtaining written quotations from selected vendors when:

(i) the amount of the contract is between \$10,001 and \$75,000; or

(ii) the contract is expected to be less than \$10,000 but the CAO, Division General Manager or Manager of Purchasing deems it to be in the best interest of the City.

(iii) the construction work is under \$200,000 written quotations can be obtained.

e) Direct Awards - a direct award purchase may be awarded if the purchase is expected to be less than \$10,000 unless it is deemed to be in the best interest of the City to obtain written quotations.

3.2 Sole Source Contracts - The City retains the right to use a sole source contract when contract is less than \$50,000 and deemed to be in the best interest of the City or with the prior approval of Council regardless of the quantum of the contract.

3.3 Budget Control – Budget control is the responsibility of the operating Divisions. It is important that the commitments made by Purchasing do not exceed the current budget available. Authorization to exceed budget or to transfer funds is the responsibility of the Division

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General Manager or their designate for the area requesting the purchase.

4. ACCEPTANCE CRITERIA

4.1 TENDERS

(a) The City reserves the right to refuse any or all tenders if:

- i) the price exceeds the approved budget, or
- ii) the tender documents or specifications contain errors.

(b) Subject to the rights and reservations contained in the City's Purchasing Policy and Tender Documents, the City shall accept the lowest compliant tender meeting the City's terms and specifications.

4.2 REQUEST FOR PROPOSALS

(a) The city shall accept the proposal that is deemed to be in the best interest to the city based on the weighted average of relevant criteria as stated in the RFP Documents.

4.3 REQUEST FOR QUOTATIONS

(a) The city shall accept the lowest compliant quotation meeting the City's terms and specifications as stated in the RFQ Documents.

5. EMERGENCY PURCHASING

5.1 The General Manager of a Division or designated personnel of supervisory rank may procure materials and or services where lack of immediate action to supply would jeopardize operations, disrupt services to the public or involve the safety of personnel.

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5.2 Commitments made after hours, on weekends and holidays should be followed up by a requisition as soon as practical during the next business day with extended text explaining the emergency.

6. AWARDING OF CONTRACTS

6.1 The Manager of Purchasing or designate has the authority to award contracts for goods or services less than \$100,000 when certified that the City's Purchasing Policy has been uniformly applied.

6.2 All contract awards for goods or services greater than \$100,000 must be reported to City Council as they occur for the approval of Council. The report shall confirm that the City's Purchasing Policy has been uniformly applied for each award or inform Council of any deficiencies.

6.3 City Council shall award contracts when any one 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 \$50,000.
- d) the award of the contract is of a controversial nature; or
- e) the Chief Administrative Office or Division General Manager for any reason, refers the award of the contract to City Council.

6.4 If the purchase is expected to be in excess of \$100,000, the Manager of Purchasing or designate will ensure compliance to the City's Purchasing Policies and Procedures by:

- a) issuing or reviewing all Public Tender, RFP and RFQ documents; and
- b) reviewing submissions, 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.

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7. SURPLUS/SALVAGE DISPOSAL

7.1 The Manager of Purchasing is responsible for the inventory control and disposal of surplus equipment and salvage materials.

7.2 Each Division is responsible to declare and notify the Manager of Purchasing of any available valuable surplus equipment and salvage materials in its custody.

7.3 The Manager of Purchasing shall take custody of the items and arrange for disposal through the various means (trade-in allowance, auction sale, bids or public solicitation) available to him/her in order to obtain the highest proceeds possible for the City.

7.4 A report to the Finance Department shall be submitted showing surplus equipment available and proceeds from equipment disposed of by Purchasing.

8. CONFLICT OF INTEREST

8.1 No civic employee shall place himself/herself or another in a position of obligation through acceptance or requests for gifts, gratitude's or favors. A high degree of ethics must be maintained. Further clarification of this is contained in the Acceptance of Gifts by Employees Policy.

9. LOCAL SUPPLIER PREFERENCE

9.1 The purpose of this policy is to ensure that purchases are made locally whenever possible.

9.2 When obtaining competitive pricing or bids from local and non-local suppliers, the purchase or awarding of the bid will be to the local supplier if their price or bid is the lowest or within the following limits for purchases:

- Up to \$50,000 – within 10% of the lowest
- \$50,001 - \$75,000 – within 5% of the lowest

*Subject to the New West Partnership Trade Agreement, this Policy does not apply to publicly advertised tenders.

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Any local supplier preference must be stated in the Request for Proposal or Request for Quotation document to be considered as a criteria in the award.

9.3 A report showing costs or savings associated with this policy shall be made available by Purchasing.

9.4 If a supplier does not normally carry the good or service being acquired by the City, and the Manager of Purchasing can obtain that good or service directly from where a local vendor would obtain it, that the local preference policy does not apply to them for that particular purchase.

9.5 That the supply of industrial products for Light and Power be exempted from the local preference policy.

10. LEVELS OF APPROVAL

Dollar Value	Purchase Method	Approval Authority
< \$10,000	Direct Purchase	General Manager or their Designate
\$10,001 - \$25,000	RFP/RFQ	Directors or Managers
\$25,001 - \$50,000	RFQ/RFP/Tender	General Managers
\$50,001 – 100,000	RFQ/RFP/Tender	CAO or CFO
> \$100,000	RFQ/RFP/Tender	City Council

11. PURCHASE PROCEDURE AND AWARD

11.1 All purchases greater than \$10,000 and less than \$100,000 shall be initiated by an

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electronic purchase requisition that is processed by the Manager of Purchasing or designate and forwarded to the ordering department for approval authorization. Purchase award shall be via Purchase Order signed by the Manager of Purchasing certifying the purchase is compliant with policy. No purchase shall be made prior to appropriate approvals being obtained.

11.2 Purchases greater than \$100,000 shall be presented to City Council via report addressed to the CAO for approval. Award shall be by formal contract signed by City Clerk and Mayor or Purchase Order signed by the Manager of Purchasing.

11.3 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.

12. EXCEPTIONS

12.1 This Purchasing Policy applies to the purchase of all types of goods and services with the exception of the following:

- a) Investments
- b) Insurance Premiums
- c) WCB Premiums
- d) Benefits
- e) Permits and License Fees
- f) Land Sales and Land Purchase Contracts
- g) Freight Charges
- h) Joint Venture Payments
- i) Membership Registration
- j) Subscriptions and Publications
- k) Event/Performance Fees
- l) Corporate Agreement Items
- m) Utility Contracts (e.g. telephone, power, etc.)
- n) Contracts or Agreements relating to Employee Compensation, Reimbursements, Training, Education

12.2 As the above are exempt, those purchases do not require the issuance of a Purchase Order.