

Purchasing Procedures Manual

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Purchases of Goods, Equipment and Services

1. Introduction

The Regina Administration Bylaw 2003-69 defines the authority and requirements for the purchase of goods, equipment and services. The requirements reflect a balance between the need to get the appropriate supplies and services to support the City's operations, and the need for accountability to the citizens of Regina as well as the vendors we deal with. There are also certain legal requirements placed on municipalities as a result of Federal and Provincial legislation and trade agreements.

There are three primary requirements for purchases that must be met:

- The procurement process must comply with the requirements of the City's overall purchasing policies, including this document.
- The purchase must meet the definition of an eligible expenditure – in other words, it must be a legitimate City purchase that supports programs and activities approved by City Council, and it must be within the approved budget. For a more thorough description, please see Appendix B.
- The person carrying out the various steps associated with the purchase must have delegated authority, either directly through the bylaw or as provided through the City's delegation processes, as described in Appendix C.

The City's purchasing policies and procedures reflect special requirements for Non-Competitive Procurements and Limited Procurements. These requirements reflect sensitivities around these types of purchases.

2. Non-Standard Procurement Methods

City Council, through legislative requirements and trade agreements, is required to allow open competition among vendors for most purchases. In addition, City Council by policy also promotes objectivity and fairness in dealing with vendors. As a result, situations where the City conducts a Non-Standard Procurement are limited to relatively small dollar amounts or situations where it can be proven there are limited numbers of vendors able to provide the goods and services.

The trade agreements define the acceptable reasons for a Non-Standard Procurement as follows:

- An Open Competition was conducted for the required goods or services and did not result in the receipt of any valid bids.
- The procurement is being conducted on behalf of an entity that is not covered by the City's Purchasing Policy or any trade agreement.

- Unforeseeable events have resulted in a situation where extreme urgency exists and the goods or services could not be obtained in time through an Open Competition.
 - * The Department must clearly identify and explain the unforeseeable events that brought about the urgency. Failure to plan for and proceed with a procurement in a timely manner will not be considered a valid reason for a Non-Standard Procurement.
- The procurement is for additional deliveries by the original vendor of goods or services that were not included in the initial procurement if a change of vendor for such additional goods or services:
 - (a) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
 - (b) would cause significant inconvenience or substantial duplication of costs for the City.
- It can be demonstrated that the goods or services can be supplied only by a particular vendor and no alternative or substitute exists for the following reason(s):
 - (a) The requirement is for a work of art.
 - (b) The protection of patents, copyrights or other exclusive rights.
 - (c) There is an absence of competition for technical reasons.
- The City has adopted a standard pursuant to the Purchasing Policy and Procedures and only one vendor can provide deliverables that meet that standard.
- The procurement is for:
 - (a) Financial services
 - (b) Health services
 - (c) Social services
 - (d) Services provided by licensed lawyers or notaries
 - (e) Services of expert witnesses or factual witnesses used in court or legal proceedings
 - (f) Goods intended for resale to the public
 - (g) Goods purchased on a commodity market
 - (h) a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases or goods available under exceptionally advantageous circumstances that only arise in the very short term, such as liquidation, bankruptcy or receivership;
 - (i) a contract to be awarded to the winner of a design contest and the contest was organized in a fair and transparent manner and was advertised by publicly posted notice and participants were judged by an independent jury; or
 - (j) goods or consulting services regarding matters of a confidential or privileged nature and the disclosure of those matters through an Open Competition could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption or be contrary to the public interest.

- The goods and/or services are to be procured from:
 - (a) Government entity
 - (b) Philanthropic institution
 - (c) Prison labour
 - (d) Persons with disabilities
 - (e) Non-profit organization*
 - * This reason does not apply to procurements that are covered by CETA.
- The procurement is otherwise exempt from Open Competition requirements under all applicable trade agreements and it is in the best interests of the City to proceed with a Non-Standard Procurement.
 - * The Department must indicate the specific section(s) of the applicable trade agreements that provide for the exemption and clearly explain why it is in the City's best interest to proceed with a Non-Standard Procurement, rather than an Open Competition.
- The use of a Non-Standard Procurement method for the acquisition of the deliverables is authorized by resolution by City Council.
 - * Any request to City Council for this authority must be approved by the City Manager.

3. Purchasing and Payment Methods

Finance, primarily through Procurement and Accounts Payable, provides a number of different mechanisms for purchasing and payment processes. Each method has certain characteristics that are best suited to certain types of purchases. Complex tenders using standard form construction tender documents are best suited to major construction projects. Purchasing cards may be used for small dollar purchases.

4. Accountability

The City's procurement process handles approximately \$285 million dollars in volume each year, and accounts for a very high proportion of the City's expenditures. All employees involved in the process have a duty to the public to ensure that purchasing transactions are carried out ethically and in compliance with the City's legislation and policies.

There is a requirement for any employee, should they become aware of any potential or confirmed violation of the City's purchasing policies, to advise their Manager, Director, Executive Director, or the Executive Director, Financial and Corporate Services, or City Manager as soon as possible.

5. Scope of the Bylaw and Policy

The acquisition of all goods, equipment and services, subject to certain exceptions, must be in accordance with:

- **The Regina Administration Bylaw 2003-69** (including Schedule D, the Purchasing Policy); and,
- **The Purchasing Procedures Manual** (this document) which includes the following appendices:
 - Appendix A – Purchasing Methods
 - Appendix B – Eligible Expenditures
 - Appendix C – Delegation of Authority and Authorization Levels
 - Appendix D – Purchasing Card Program
 - Appendix E – Blanket Purchasing Agreement Program
 - Appendix F – Purchasing Protocols

Payments or purchases excluded in Bylaw 2003-69 are:

- The payment of wages, salaries and benefits;
- Payments to or on behalf of employees for tuition, use of personal vehicles and business travel including conferences and seminars;
- Payments to or on behalf of elected officials;
- The purchase or lease of real property;
- The payment of grants by the City of Regina;
- The payment of the principal and interest on long-term debt;
- The acquisition of goods, equipment and services by the Board of Police Commissioners (Regina Police Service).
- Payments to other municipalities, school or library boards, the Province of Saskatchewan, provincial agencies or crown corporations, the Government of Canada or federal agencies or crown corporations, where the payments are pursuant to legislation or agreement;
- The acquisition of goods, equipment or services specifically provided for Bylaw 2003-69 or any other bylaw; and
- Payments required by the Cities Act, any other Act, Bylaw 2003-69 or any other bylaw or agreement.

For most exceptions, the process and payment for the exceptions are addressed in other bylaws, policies, legislation or agreements.

6. Procurement process

The procurement process involves the following steps:

6.1 Initiate the acquisition of goods, equipment or services.

The authority to initiate a procurement process is in Section 6 of Schedule D of Bylaw 2003-69. The City Manager, and Executive Director, Financial and Corporate Services have the authority to initiate the procurement process to acquire goods, equipment or services, subject to the following conditions:

- The **acquisition is in accordance with the Purchasing Policy**, which includes the requirements in this document as detailed in Appendix A.
- The **proposed expenditure is an eligible expenditure**. An eligible expenditure is defined in Bylaw 2003-69. In addition, Appendix B of this document has additional information on an eligible expenditure.
- The **dollar limits** as provided for in Appendix C of this document.

The authority delegated in the Bylaw to the City Manager, and Executive Director, Financial and Corporate Services may be delegated to other employees as provided for in Appendix C of this document.

6.2 Award the contract for the acquisition of goods, equipment or services.

The authority to award the contract (which includes a purchase order or formal contract) is in Section 7 of Schedule D of Bylaw 2003-69. The City Manager, and Executive Director, Financial and Corporate Services have the authority to award a contract for the acquisition of goods, equipment or services, subject to the following conditions:

- The **acquisition is in accordance with the Purchasing Policy**, which includes the requirements in this document as detailed in Appendix A.
- The **proposed expenditure is an eligible expenditure**. An eligible expenditure is defined in Bylaw 2003-69. In addition, Appendix B of this document has additional information on an eligible expenditure.
- The **dollar limits** as provided for in Appendix C of this document.

Where the proposed award does not meet these conditions, the award must be approved by City Council through a report to Committee or City Council.

The authority delegated in the Bylaw to the City Manager and Executive Director, Financial and Corporate Services may be delegated to other employees as provided for in Appendix C of this document.

6.3 Receipt of the goods, equipment or services.

The City Manager, and Executive Director, Financial and Corporate Services must verify that the goods, equipment or services being billed to the City have been received and are in accordance with the terms and conditions of the contract (either the purchase order or formal contract).

The documentation for the receipt of the goods, equipment or services must be in a form approved by the Procurement Branch.

The authority delegated in the Bylaw to the City Manager and Executive Director, Financial and Corporate Services may be delegated to other employees as provided for in Appendix C of this document.

6.4 Payment for the goods, equipment or services received.

The Executive Director, Financial and Corporate Services is authorized to pay for the goods, equipment or services where:

- The payment is with respect to a purchase order or contract that has been issued in accordance with the bylaw and this document.
- The Department has verified receipt of the goods, equipment or services.
- The proposed payment combined with previous payments for the purchase order or contract does not exceed the total value of the contract, as initially approved or subsequently amended.

Where an amendment to the purchase order or contract is required, the amendment requires approval as defined in Appendix A.

7. City Council Approval

Where an acquisition cannot be approved by the Administration in accordance with Bylaw 2003-69 and this document, the acquisition is subject to the approval of City Council.

Approval of City Council may be required due the procurement process used, the expenditure failing to meet the definition of an eligible expenditure, or the acquisition exceeding delegated dollar limits. **Where a report is required to Committee or Council, the Department must consult with the City Manager or Executive Director, Financial and Corporate Services prior to submitting a report.** The report is subject to the review and approval of the City Manager prior to being submitted to Committee or Council.

Procurement Methods and Protocols

1. Introduction

A requirement for the authority to initiate and award a contract pursuant to the Regina Administration Bylaw 2003 69 is that the procurement process is in accordance with the Purchasing Policy. The requirements are those defined in Bylaw 2003-69, **and** the requirements of this document.

This Appendix outlines the requirements that apply to all procurement processes, other than:

- Acquisitions pursuant to the Purchasing Card Program (see Appendix D); and
- Acquisitions pursuant to a Blanket Purchasing Agreement and Qualified Vendor Rosters (see Appendix E).

2. Definitions

Throughout this Appendix and the protocols (see Appendix F), the following terminology will be used:

“procurement method” means the process by which goods, equipment or services are procured.

“bid” means a submission in response to a solicitation document, and includes proposals, quotations, or responses.

“bidder” means a vendor that submits a bid and includes proponents and respondents.

“Blanket Purchasing Agreement” means a form of standing offer from a pre-approved vendor to supply deliverables to the City, upon request, through the use of an ordering process in accordance with the City’s Blanket Purchasing Agreement Program.

“City” means the City of Regina.

“competitive process” means the solicitation of bids from multiple vendors.

“consultant” means an individual or firm that provides consulting and professional services.

“consulting and professional services” includes the services provided by architects, engineers, designers, planners, accountants, auditors, appraisers, lawyers, management, software and financial consultants, and any other similar services but does not include professional services provided by employees of the City.

“contract” means a formal legal agreement between two or more parties, or a purchase order with binding legal implications, exchanging goods, equipment or services for money or other consideration.

“Council” means the Council of the City of Regina.

“deliverables” means any goods, equipment or services, or combination thereof.

“Department” means the Department of the City that is requisitioning the purchase of the deliverables.

“Department Head” means an individual officer or employee who is responsible for a specific Department.

“emergency” means:

- (a) a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health or welfare of the general public, or the property of the residents of the City, or to prevent serious damage, disruption of work or to restore or to maintain essential services to a minimum level; and
- (b) shall be determined by the City Manager or Executive Director, Financial and Corporate Services (or their respective delegate in accordance with the policies or procedures established pursuant to this Bylaw)

“Invitational Competition” means a competitive process in which an invitation to submit bids is issued to at least three vendors.

“Legal Services” means the City’s legal advisors.

“Manager of Procurement” means the individual officer or employee who is responsible for the Procurement Branch.

“Master Framework Agreement” means a master agreement entered into between the City and the prequalified vendors that have been included on a Qualified Vendor Roster.

“Multiple Year Contract” means a contract with a defined term which, including all possible renewal rights, extends for a period longer than one year.

“Non-Standard Procurement” means the acquisition of deliverables through a method other than the standard procurement method normally required for the type and value of the deliverables. Non-standard procurement processes include:

- (a) A **“Non-Competitive Procurement”**, where the deliverables are acquired directly from a particular vendor without conducting a competitive process when an Invitational Competition or an Open Competition would normally be required; or
- (b) A **“Limited Competition,”** where bids are solicited from a limited number of vendors when an Open Competition would normally be required.

“Open Competition” means the solicitation of bids through a publicly posted solicitation document.

“Open Framework Competition” means the competitive process used to establish a Qualified Vendor Roster and provide for an ongoing application process during the term of the Qualified Vendor Roster, as further described in the Qualified Vendor Rosters Protocol (see Appendix F).

“Performance Evaluation Report” means a report evaluating a vendor’s performance in accordance with the Vendor Performance Evaluation Protocol (see Appendix F), and includes both Interim and Final Performance Evaluation Reports.

“Procurement Branch” means the Procurement Branch of the Finance Department.

“procurement value” means the total value of the deliverables to be procured over the entire duration of the contract, including any extension options, taking into account all costs and forms of remuneration.

“purchase order” means a document in a form authorized by the Executive Director, Financial and Corporate Services that authorizes a supplier or contractor to proceed with the supply of goods, equipment or services.

“purchasing card” means a credit card provided by the City to authorized officers and employees for use as a payment method in accordance with the City’s Purchasing Card Program.

“Qualified Vendor Roster” means a list of vendors that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ) and have therefore been pre-qualified to perform discrete work assignments involving the delivery of a particular type of deliverable.

“Roster Competition” means an expedited, invitational competition between vendors that have been included on a Qualified Vendor Roster for the selection of a vendor to perform a discrete work assignment during the term of the roster.

“solicitation document” means the document issued by the City to solicit bids from bidders.

“vendor” means a person carrying on the business of providing deliverables, and includes consultants, suppliers and contractors.

3. General Requirements

3.1 Role of the Procurement Branch

The acquisition of all goods, equipment and services must occur through the Procurement Branch unless the Executive Director, Financial and Corporate Services authorizes an alternative process. Departments are expected to advise the Procurement Branch on a timely basis of impending acquisition requirements.

3.2 Applicable Protocols

All applicable protocols specified in this Appendix must be followed by the Procurement Branch and the Departments. The roles and responsibilities of those involved in the various stages of a procurement process are described in the applicable protocols. The Purchasing Protocols can be found in Appendix F of this document.

3.3 Procurement Planning

Effective procurement planning is essential to ensuring an effective result and to limiting risk to the City. Departments must ensure that they leave sufficient time to plan for a procurement and allocate sufficient time and resources to fulfilling their responsibilities in the procurement process, including:

- (a) developing proper specifications and business requirements;
- (b) obtaining internal reviews;
- (c) conducting a competitive process;
- (d) participating in fair and transparent evaluation processes; and
- (e) obtaining necessary approvals.

Departments must follow the Procurement Planning Protocol (see Appendix F) to plan for and initiate the procurement process.

3.4 Procurement Value

It is important to accurately estimate the value of the procurement to ensure compliance with the Purchasing Policy and applicable protocols and procedures. Departments must refer to the Procurement Planning Protocol (see Appendix F) for guidance on determining the procurement value. Dividing procurements or using valuation methods with the intention of reducing the procurement value is strictly prohibited.

3.5 Restrictions and Requirements for Certain Deliverables

For the following goods, equipment or services, additional requirements or restrictions apply:

- (a) The acquisition of any computer hardware or software, including any software-as-a-service or cloud-based IT system or solution, must be either through the Information Technology Services Department or be subject to the review and approval of the Information Technology Services Department.
- (b) The acquisition of any vehicle or equipment that is within the scope of the Fleet Services Department must be either through the Fleet Services Department or be subject to the review and approval of the Fleet Services Department.
- (c) The acquisition of any communication or marketing goods or services must be either through Communications Branch or be subject to the review and approval of Communications Branch.
- (d) The acquisition of any printing or copying services must be either through the Information Technology Services Department or be subject to the review and approval of the Information Technology Services Department.
- (e) The acquisition of any furniture that is within the scope of the Facilities Management Services Department must be either through the Facilities Management Services Department or be subject to the review and approval of the Facilities Management Services Department.

- (f) The acquisition of any goods or services for a contract term of greater than one year must be approved as per the following:
- Up to 2 years – Director of the Department
 - 3 – 5 years – Executive Director, Executive Director Financial and Corporate Services, City Manager
 - Over 5 years – City Council (unless exempted in Appendix A – Section 5.3 Multiple Year Contracts of this document)
- (g) The acquisition of any goods or services purchased using a cooperative purchasing program with other municipalities, school or library boards, the Province of Saskatchewan, provincial agencies or crown corporations, the Government of Canada or federal agencies or crown corporations must be approved by City Manager, Executive Director, Financial and Corporate Services, or Executive Director.
- (h) Revenue generating agreements, including sale of surplus assets, must be approved by City Manager, or Executive Director, Financial and Corporate Services.

Where approval is required from one of these areas, the approval shall be from the Director of the specified Department or Manager of the specified Branch or their designate.

The above restrictions and requirement apply to all acquisitions of the specified deliverables, irrespective of the procurement value.

3.6 Adoption of a Standard

A Department proposing the adoption of a standard for a particular good, equipment or service shall provide rationale as to the need for a standard, an analysis of the alternatives considered for the standard, and a reason for the proposed standard. The process to select a standard will involve an Open Competition to evaluate alternatives for the standard. The documentation proposing and supporting the adoption of a standard shall be submitted to the City Manager, Executive Director or Director for approval, with a copy to the Procurement Branch and the Executive Director, Financial and Corporate Services. If approved, the Department and Procurement Branch will follow all applicable protocols to conduct the Open Competition process.

4. Procurement Methods

Different types of procurement processes may be used depending on the nature, value and circumstances of the procurement. An overview of the different methods is provided below. The Procurement Planning Protocol (see Appendix F) must be followed to identify the required method for a particular acquisition.

4.1 Standard Procurement Methods

(a) Low Value Purchases

Where the procurement value is \$7,500 or less, and the deliverables are not available under an existing supply arrangement, the deliverables may be acquired using a Non-Standard Procurement method. Non-Standard Procurement methods include a Non-Competitive Procurement or a Limited Competition in accordance with the Non-Standard Procurements Protocol (see Appendix F). Where possible, a Purchasing Card should be used in accordance with the Purchasing Card Program under Appendix D.

(b) Roster Competition

If the deliverables are available under an existing Qualified Vendor Roster, the deliverables will be acquired through a Roster Competition in accordance with the terms of the Master Framework Agreement and the Qualified Vendor Rosters Protocol (see Appendix F).

(c) Invitational Competition

Where the procurement value is below the threshold for Open Competition (\$7,501 to \$75,000), the Procurement Branch may conduct an Invitational Competition by inviting a limited number of vendors to submit bids in accordance with the Invitational Competition Protocol (see Appendix F). An Open Competition may be conducted in lieu of an Invitational Competition, where the Manager of Procurement, in consultation with the Department, determines that it would be in the City's best interest.

The Executive Director, Financial and Corporate Services may delegate the authority to conduct an Invitational Competition to a Department, on either a standing basis or a case-by-case basis. Where a Department been authorized to conduct an Invitational Competition, the Department Head is responsible and accountable for ensuring that the process is conducted in accordance with the Invitational Competition Protocol (see Appendix F).

(d) Open Competition

An Open Competition, in which bids are solicited from all interested vendors through a publicly posted solicitation document, is the standard method of procurement when the procurement value exceeds the threshold for Open Competition (over \$75,000).

Open Competitions may also be used to establish Blanket Purchasing Agreements for deliverables required on a regular or repetitive basis by one or more Department(s). Blanket Purchasing Agreements may be established by the Procurement Branch where the requirements for deliverables are recurring and predictable over an extended period

of time, the requirements are standard and clearly defined and it is possible to fix pricing for the deliverables for the duration of the Blanket Purchasing Agreement.

Open Competitions may involve a two-stage process in which an open pre-qualification process is conducted in order to establish a short-list of pre-qualified vendors that will be eligible to submit a bid in response to a second-stage solicitation document. A pre-qualification process may be used whenever determined appropriate by the Department, in consultation with the Manager of Procurement.

Open Competitions must be conducted in accordance with the Open Competition Protocol (see Appendix F).

(e) Open Framework Competition

In the case of goods or services that are required on a regular or repetitive basis by one or more Department(s), an Open Framework Competition should be used to establish a Qualified Vendor Roster in accordance with the Qualified Vendor Roster Protocol (see Appendix F).

Qualified Vendor Rosters may be established by the Procurement Branch to pre-qualify vendors that will enter into a Master Framework Agreement and will be eligible to compete for discrete work assignments, as and when required, involving the delivery of a particular type of deliverables.

4.2 Non-Standard Procurement Methods

Non-Standard Procurement methods involve the acquisition of deliverables through a method or other than the standard procurement method normally required for the type and value of the deliverables. Non-Standard Procurement methods include:

- (a) **Non-Competitive Procurement**, where the deliverables are acquired directly from a particular vendor without conducting a competitive process when an Invitational Competition or an Open Competition would normally be required; or
- (b) **Limited Competition**, where bids are solicited from a limited number of vendors without conducting an open prequalification process when an Open Competition would normally be required.

Except in the case of an emergency, the use of a Non-Standard Procurement method is only permitted under the specific circumstances set out in the Non-Standard Procurement Protocol (see Appendix F) and must be approved in accordance with the Non-Standard Procurement Protocol (see Appendix F).

A Non-Standard Procurement method may be used for the procurement of any good, equipment or service required due to an emergency. An emergency is defined in Schedule D of Bylaw 2003-69. Executive Directors are authorized to determine whether an emergency exists. As soon as practical, Executive Directors are required to document the details of the emergency situation and provide a copy of the documentation to the City Manager, City Solicitor and the Procurement Branch. The documentation must include a list of the goods, equipment or services acquired to address the emergency.

Under no circumstances will a Non-Standard Procurement method be used for the purpose of avoiding competition among vendors or in a manner that discriminates against or advantages vendors based on geographic location.

5. Contracting Matters

5.1 Award Process

In order to authorize an award of an acquisition, the Department shall notify the Procurement Branch. The following information shall be provided:

- (a) The results of the vendor a pre-qualification and/or request for information process (if applicable);
- (b) The documentation supporting the rejection of a bid (if applicable); and,
- (c) The documentation resulting from the evaluation process, including a summary of the valid bids received.

The documentation (memo, electronic mail message, or such other method of communication deemed acceptable by the Procurement Branch) shall be signed and/or sent by the Executive Director of the division or an employee to whom the necessary authority has been delegated.

The documentation shall include a statement that the procurement process and recommended award is in accordance with the Purchasing Policy, and that the acquisition is an eligible expenditure.

All acquisitions shall result in either a Purchase Order issued by the Procurement Branch, or a formal contract. Where a formal contract is deemed to be required, the Department is responsible for working with the Procurement Branch and the City Solicitor's Office, if necessary, to have the contract completed and executed.

5.2 Bid, Performance and Payment Securities

Section 21 of Schedule D of Bylaw 2003-69 states:

“Subject to the approval of the City Manager and the City Solicitor, the Executive Director, Financial and Corporate Services is authorized to establish policies with respect to the form, amount and purpose of security that may be required from vendors.”

Pursuant to the authority outlined in Section 21, the purpose, policy and requirements for the use of bid securities and performance securities are outlined in the following sections.

(a) Bid Security

The purpose of a bid security is to protect the City from a bidder not honouring a tender or proposal provided to the City. A bid security obligates a bidder to compensate the City financially if the bidder fails to accept a contract.

The use of a bid security will be at the discretion of the Manager of Procurement.

A bid security can take the form of a certified cheque or a bid bond issued by a certified bonding institution, in an amount deemed sufficient to secure a bid. The value of the bid security should be 10% of the estimated value of the contract, unless otherwise approved by the Manager of Procurement.

The right of the City to withhold the bid security in the event a bidder fails to accept a contract must be clearly stated in the solicitation document.

(b) Performance Security

A performance security guarantees that the work or services will be done according to the specifications and time specified. If a vendor fails to complete a contract or provide a service, the City can seek compensation to have another vendor complete the work. The use of a performance security will be at the discretion of the Manager of Procurement. Performance securities will normally be required when contracting for:

1. Construction services valued greater than \$75,000, or,
2. Major or multiple year service and supply requirements.

Performance securities can take the form of a certified cheque, an irrevocable letter of credit or a performance bond issued by a certified bonding institution.

The value of the performance security can vary and should be determined through an assessment of the potential cost or loss to the owner if the vendor fails to complete the work and the potential for the request of the security to limit competition in the tendering process.

The right of the City to seek compensation from a performance security must be clearly stated in the solicitation document and the contract with the vendor.

(c) Payment Security

A payment security protects the City against liens that might be granted to suppliers and sub-contractors, when the suppliers and sub-contractors are not paid for goods and services supplied to the vendor hired by the City.

The use of a payment security will be at the discretion of the Manager of Procurement. Payment securities will normally be required for major contracts where a significant portion of the contract value will be provided by a vendor other than the vendor contracted by the City.

Payment securities will take the form of a Labour and Materials Payment Bond issued by a certified bonding institution. Normally the value of a payment security will be 50% of the value of the contract.

The right of the City to seek compensation from a payment security must be clearly stated in the solicitation document and the contract with the vendor.

5.3 Multiple Year Contracts

Section 22 and 24.1 of Schedule D of Bylaw 2003-69 provide the authority for multiple year contracts. The key provisions or requirement of the Bylaw 2003-69 are:

- (a) The City Manager and the Executive Director of the Department has the authority to approve multiple year contracts. As provided for in Bylaw 2003-69 the City Manager can delegate the authority provided in the bylaw subject to any terms and conditions set by the City Manager.
- (b) The term of a multiple year contract cannot exceed five years in total.
- (c) The contract must include a clause enabling the cancellation of the contract in the event that funding is not provided in subsequent years.
- (d) The contract must include a clause that the acquisition is the second and subsequent years is subject to continued acceptable performance by the vendor and the goods, equipment or services acquired under the contract.
- (e) The City Manager or Executive Director, Financial and Corporate Services is authorized to initiate, award and amend multiple year contracts that extend beyond five years without requiring the consent of City Council if:
 - The contract relates to the maintenance or service of an existing or coincidentally acquired City asset that otherwise meets the requirements of Section 50 of the Bylaw 2003-69 dealing with Non-Standard Procurement methods; or
 - The contract is a software license agreement where an annual fee is not required to maintain the license; or
 - The contract is for a subscription-based technology system service and any automatically renewing terms are subject to termination at the City's discretion on at least an annual basis; and
 - The contract contains a clause allowing for termination on no more than 90 days notice.

The City Manager authorizes Directors to approve multiple year contracts covering a period of up to two years (including the current year), subject to:

- (a) The requirements of Section 22 (c) and (d) of Schedule D of Bylaw 2003-69; and,
- (b) The approval of the Manager of Procurement.

5.4 Contract Execution

Bylaw 2003-69 provides for execution of formal contracts by the City Clerk. The Executive Director, Financial and Corporate Services may also execute a contract, excluding purchase orders, with a second signatory by the City Manager, or other City employee to whom signing authority has been delegated in accordance with established policies and procedures. For further information contact the Procurement Branch.

5.5 Contract Amendments

Contract extensions and amendments must not be used to expand a contract beyond what was contemplated under the terms of the contract and the original procurement process, or to circumvent the need to procure additional deliverables through a competitive process in accordance with this Policy.

A City employee is authorized to approve an amendment to any contract for the acquisition of goods, equipment or services (including contracts related to the engagement of consulting and professional services) which was originally approved by City Council, the City Manager, or a Executive Director, including but not limited to change orders, renewals and extensions, provided that:

- (a) The amendment does not increase the total purchase price of the contract by an amount which exceeds the dollar value that is within the employee's delegated authorization level; and
- (b) In the case of contracts related to the engagement of consulting and professional services, the employee is authorized to approve such engagements; and
- (c) The contract is being amended due to unforeseen work consistent with the original scope and technical specification of the contract.

During the course of a contract, additional work may arise that could not be anticipated during the project planning process. Contract amendments to expand the scope of the contract for additional work may be approved if the work is considered integral to the project and where the City would be faced with added costs if the additional work was to be handled through a separate contract. Amendments that expand the scope of work beyond what was contemplated under the terms of the contract and the original procurement process are considered a Non-Competitive Procurement and approval must be obtained in accordance with the Non-Standard Procurement Protocol (see Appendix F).

For amendments to engagements for consulting and professional services that amend the total purchase price in excess of \$750,000 and where initially approved by the Administration, the Executive Director of the Department must report to the appropriate committee of Council, and Council the circumstances for the amendment. The report is for information only and can be submitted post amendment of the engagement and further reports will not be required if the same engagement is amended again.

6. Vendor Relations and Contract Management

6.1 Procurement Protests

Vendors may formally protest the outcome of a procurement process. Procurement protests must be managed and responded to in accordance with the Procurement Protest Protocol (see Appendix F).

6.2 Contract Management

All contracts for deliverables must be managed by the Department in accordance with the Contract Management Protocol (see Appendix F). Master Framework Agreements will be

managed by Procurement Branch in accordance with the Qualified Vendor Rosters Protocol (see Appendix F).

6.3 Vendor Performance

The performance of a vendor under contract must be monitored and tracked in accordance with the Vendor Performance Evaluation Protocol (see Appendix F).

6.4 Vendor Suspension

Vendors can be suspended from participating in future procurement processes in accordance with the Vendor Suspension Protocol (see Appendix F).

7. Procurement Recordkeeping

7.1 Vendor Information

The City must ensure that vendor information submitted in confidence in connection with a procurement process or contract is adequately protected. The Procurement Branch and the Departments must ensure that all bids and contracts are kept in a secure location and only accessible by those individuals directly involved with the procurement or management of the contract.

7.2 Procurement Records

The maintenance, release and management of all procurement records must be in accordance with the City's internal policies and procedures on document management and access to information.

The Procurement Branch is responsible for ensuring that all documentation relating to a procurement is properly filed and maintained in a procurement project file. Documentation and reports regarding procurement processes and contract awards (including Non-Standard Procurements) and data necessary to trace the process conducted electronically must be maintained for at least three (3) years from the contract award date, or such longer period may be required under the City's document management policies.

Eligible Expenses

1. Introduction

Part I, Section 3 of Bylaw 2003-69 includes the definition of **eligible expenditure**. Eligible expenditure means:

- (a) an expenditure where the benefit is received by the City;
- (b) an expenditure for a purpose consistent with a service policy adopted by City Council or a program, service or activity as described in a capital or operating budget approved by City Council; and,
- (c) an expenditure that:
 - (i) is specifically approved by bylaw or resolution;
 - (ii) is specifically provided for in a capital or operating budget approved by City Council;
 - (iii) where not specifically approved or provided for in a budget, can be funded within a capital or operating budget approved by City Council; or,
 - (iv) is an expenditure authorized by the City Manager pursuant to The City Manager's Bylaw or this bylaw.

Each component of the criteria for an eligible expenditure is addressed further in this Appendix.

2. Benefit Criteria

In order to be an eligible expenditure, the expenditure must be for a good, equipment or service where “the benefit is received by the City”. As such, the following expenditures would **not** meet the definition of an eligible expenditure:

1. Expenditures for goods, equipment or services that are for the personal use of the employee or another person.
2. Expenditures for gifts or other forms of recognition, whether the gift or recognition is for an employee or an external individual or organization. Other policies may apply to these types of expenditures, but they would not be an authorized expenditure within the parameters of Bylaw 2003-69 or this policy.
3. Expenditures for goods, equipment or services on behalf of other individuals or organizations unless the acquisition is pursuant to a co-operative purchasing initiative as provided for in Sections 25 through 28 of Schedule D of Bylaw 2003-69.

3. Service Criteria

The good, equipment or service being acquired must be for the purpose of meeting a service delivery requirement of the City of Regina. The acquisition must be for a service provided by the City of Regina that is consistent with:

1. A service policy adopted by City Council; or
2. A service policy approved by the City Manager; or
3. A service policy approved by the Executive Director, Financial and Corporate Services acquiring the good, equipment or service; or
4. The program, service or activity described in an approved capital or operating budget.

If a Department seeks to add a service or expand an existing service, a service level decision, approved by the City Manager and, if necessary, Committee and City Council must occur **prior** to the acquisition of any good, equipment or service required for the new or expanded service.

The quantity of goods, equipment or services being acquired must be consistent with the requirements of the service level.

For capital expenditures, the following requirements apply:

1. Where City Council approves funding for a specific capital project the acquisition must be consistent with capital needs related to the specific project.
2. Where City Council has approved a capital allocation the acquisition must be consistent with the capital needs of the capital projects contemplated through the approved capital allocation.

It is difficult to precisely define service levels and as such, if there is doubt with respect to an expenditure meeting this “Service Criteria”, an employee should seek guidance from within the Department and/or from appropriate staff within the Finance Department before proceeding with the acquisition.

4. Budget Criteria

As noted in the definition, there are four possible circumstances that could exist in order for the “Budget Criteria” to be met. These include:

1. The acquisition of a good, equipment or service where the expenditure is specifically approved by bylaw or resolution of City Council.

In this instance, provided the amount of the approved expenditure that remains unexpended or uncommitted is sufficient to pay for the good, equipment or service, the acquisition can occur within the authority of Bylaw 2003-69 and this document.

2. An acquisition of a good, equipment or service where the expenditure is specifically provided for in a capital or operating budget approved by City Council.

In this instance, provided the amount of the approved expenditure that remains unexpended or uncommitted is sufficient to pay for the good, equipment or service, the acquisition can occur within the authority of Bylaw 2003-69 and this document.

3. An acquisition of a good, equipment or service where the amount of the expenditure can be funded within a capital or operating budget approved by City Council.

This category applies to most expenditures. In this instance, City Council has approved a budget (operating and capital), without approving specific details of what is included in the budget. Provided the amount of the approved budget that remains unexpended or uncommitted is sufficient to pay for the good, equipment or service, the acquisition can occur within the authority of Bylaw 2003-69 and this document.

For these criteria the approved budget could be at the activity, program, department, or Division level, subject to certain limitations. The next section of this Appendix provides additional explanation.

4. If the acquisition of a good, equipment or service cannot be acquired pursuant to the first three factors related to these criteria, the final consideration is whether an increase in the budget is required. Subject to the provisions of Bylaw 2003-69 and the City Manager's Bylaw 2003-70, the City Manager may have the authority to amend the operating or capital budget.

If City Manager approval is required, either for the expenditure, or for the budget necessary to fund the expenditure, the approval must be obtained, prior to the acquisition being completed. The request and the approval must be documented by memo or electronic mail, with copies provided to the Executive Director, Financial and Corporate Services or designate.

5. Approved Budgets

The City establishes operating (General, Utility and Other) and capital (General and Utility) budgets that are approved annually by City Council. Typically, the budgets are approved after the start of the fiscal year. For the purpose of the budget criteria for the acquisition of goods, equipment or services, the following points are noted:

1. For expenditures funded through an operating budget, where the budgets are not approved by City Council by January 1, the start of the fiscal year, Section 27 of Bylaw 2003-69 provides the following authority:

“Pursuant to section 131(1) of the Act, the City Manager is authorized to make expenditures for a current year, prior to the adoption by City Council of the operating budget, provided the expenditures are consistent with service levels in the operating budgets approved by City Council in the previous year.”

The authority in Section 27 **does not** apply to capital budgets. If expenditures are required to be made prior to adoption of the General or Utility Capital Budget, the Division must either:

- a. Obtain prior approval of the budget through a report to Committee and City Council; or,

- b. Have the acquisition of the specific expenditure approved through a report to Committee and City Council, and if the acquisition is approved, the related budget is also approved.

The authority in Section 27 exists only for service levels that are consistent with the prior year's operating budget. If new or expanded service levels are contemplated, and expenditures are required prior to the approval of the operating budgets for that year, either:

- a. Obtain prior approval of the budget for the service addition or enhancement through a report to Committee and City Council; or,
 - b. Have the acquisition of the specific expenditure approved through a report to Committee and City Council, and if the acquisition is approved, the related budget is also approved.
2. For the operating budgets, budgets are typically included in the budget documents at the program level. Budgets may be summarized by division and are summarized by Fund (General Operating Fund, Utility Operating Fund and Other Budgets Fund).

Divisions are expected to manage within the approved operating expenditure budget for the Division in each fund. For the purpose of the authority pursuant to Bylaw 2003-69 and this policy, subject to the limitations in point #3 below, the approved budget is the total approved expenditure budget for the Division within the appropriate fund.

Additional points to note include:

- When considering the approved budget limit, the division must take into consideration actual and committed expenditures to determine if there are sufficient unexpended funds to proceed with a specific acquisition.
 - Executive Directors and Directors may choose to require budget control at the program or activity level for the budget, and if so, the division is responsible for monitoring that level of budget control.
3. There are certain operating expenditure budgets that must be excluded from the consideration of the total approved budget for the division referenced in the previous point. The restricted budgets to be excluded from the calculation include:
 - a. The approved budgets for current contributions to capital, debt costs, insurance, provincial payments, other financial charges, and animal care and control.
 - b. The budget included in the annual operating budget for special projects.
 - c. The budget for expenditures where the expenditure is part of the calculation of a transfer to or from reserve at the end of the year. This includes transfers to or from the Landfill Reserve, Winter Road Maintenance Reserve, Cemetery Reserve, Golf Course Reserve, Grants Reserve, Technology Reserve and General Fund Reserve (for the Real Estate Operations).

- d. The budget for expenditures funded by revenue that would be deferred revenue if the revenue generated in the year was not fully expended in that year. This includes the alley maintenance expenditures funded through a special tax.
4. For the capital, budgets are presented in the budget documents with up to four levels of detail:
- Division level
 - Department level
 - Main Category (denoted by numbered points);
 - Specific details (used in some cases).

See example on the next page.

Once the Capital Budget is approved by Council, divisions are required to manage at the Main Category Level, specifically: **expenditures in excess of the total amount approved for a Main Category cannot be made without receiving City Manager approval, in writing or by e-mail, prior to the commitment to the expenditure.**

Executive Directors and Directors may choose to manage capital budgets at a more detailed level, and, if so the division is responsible for monitoring that level of budget control.

Note: There may be instances where detail provided in the budget document, or details provided in a report to Committee and Council regarding capital allocations, result in a commitment to specific initiatives that could result in community concern if the initiatives did not occur. In these circumstances, if changes are contemplated, the City Manager should be notified and a further report to Committee and Council may be required.

Example:

This example is part of the Community Services 2004-2008 Capital Program submission. ‘Open Space’ is considered a segment level. The numbered points for ‘Multi-Use Pathway System’, ‘Open Space Development & Restoration’, ‘Playground Equipment Upgrades’, etc. are considered a Main Category Level. In this example, additional detail on specific projects has also been provided.

Capital Summary (\$000's)		Year 1	Year 2	Year 3	Year 4	Year 5
Capital Expenditures						
1. Multi-Use Pathway System						
- North Storm Channel - 7th Avenue N to Doiron Road	280	140	30	-	-	-
- North West Link - A.E. Wilson Park to Westhill	-	33	110	285	-	-
- South Storm Channel Pathway	-	-	30	200	-	-
- Pathway Linkages	-	-	20	100	-	-
2. Open Space Development & Restoration:						
- Open space restoration	240	255	320	325	325	325
- Restoration of water component features	-	-	-	-	-	25
- Neighbourhood upgrades	-	180	135	545	415	415
- CPTED improvements	-	20	20	-	-	20
- Pedestrian bridge upgrades	-	10	-	10	-	-
- Develop Prairie Island interpretive station	-	-	75	-	-	-
3. Playground Equipment Upgrades						
4. Irrigation System Improvements:						
- Restoration/replacement of components	75	75	75	75	75	75
- Water Service restoration/decommission	155	155	155	155	135	135
- Pump equipment upgrades	50	50	50	50	50	50
- Irrigation system upgrades	40	40	40	40	60	60
5. Wascana Creek Riverside Reach Rehabilitation						
-	-	-	-	-	-	150
Total Expenditures	950	1,088	1,190	1,915	1,445	1,445
Capital Funding						
Current Contributions to Capital	950	995	1,080	1,630	1,445	1,445
Parks & Recreation Development Charges	-	93	110	285	-	-
Total Funding	950	1,088	1,190	1,915	1,445	1,445

In the example above, the division would be expected to manage the capital allocation at the level of ‘Multi-Use Pathway System’. If it is necessary to shift funding between ‘Multi-Use Pathway System’ and ‘Open Space Development’, City Manager approval is required in advance.

Divisions may shift funding from detailed projects within the Main Category Level; for example, between ‘Pump Equipment Upgrades’ and ‘Irrigation System Upgrades’ in the Main Category Level for Irrigation System Improvements.

Delegation of Authority and Authorization Levels

1. Delegation of Authority

Bylaw 2003-69 delegates authority directly to the City Manager, or Executive Director, Financial and Corporate Services acquiring the goods, equipment or services to initiate the procurement process and approve an award.

Part II, Sections 6 through 12 of Bylaw 2003-69, detail the authority and requirements for the delegation of authority. Points to note include:

1. The authority provided to the City Manager, or Executive Director, Financial and Corporate Services can be delegated to another City employee. The delegation of authority must be to a person within the same reporting structure.
2. Executive Director, Director, and Manager positions are delegated authority automatically by this document as detailed below in Authorization Levels.
3. Executive Directors and Directors are authorized by this document to sub-delegate authority to a person within their department.
4. Further sub-delegation is not permitted. If for example, a Director delegates authority, with or without limits to a Manager, that employee cannot further delegate the authority.
5. The delegation is subject to any conditions or limits established by the City Manager and by the individual that sub-delegated the authority.
6. The delegation of authority with respect to the acquisition of goods, equipment and services is subject to the following conditions and authorization levels established by the City Manager.

2. General Conditions and Requirements

1. The procurement process must be in accordance with the Purchasing Policy as defined by Bylaw 2003-69 and this document.
2. The proposed expenditure for goods, equipment or services must be an eligible expenditure as defined in Bylaw 2003-69 and this document.
3. Employees that are delegated authority may only authorize acquisitions pertaining to their specific Department or work for which they are responsible.
4. Authorization levels and transaction limits are in Canadian currency and include applicable taxes.
5. Delegated authority automatically applies to a person acting in a position with authority, unless limits or restrictions are placed by the City Manager, or Executive Director, Financial and Corporate Services. Notification of all acting appointments for positions

with authority, including any limits and restrictions must be provided to the Procurement Branch.

6. The Department delegating authority to an employee, is responsible for the administration, monitoring and control of the use of delegated authority to complete purchases by that employee.
7. Where any employee with delegated authority is aware of any potentially sensitive issue arising out of any procurement process, the employee shall immediately advise the Executive Director, Financial and Corporate Services, and they shall as soon as possible advise the City Manager. The requirement to advise the City Manager is not intended to delay or defer any decisions made in accordance with the Bylaws and this policy, unless in the judgement consultation with the City Manager is warranted.
8. If any employee is aware of any potential or confirmed violation, impropriety, irregularity or other transgression of Bylaw 2003-69, Bylaw 2003-70, or this document, they are required to advise the Executive Director, Financial and Corporate Services by memo or electronic mail immediately. The Executive Director, Financial and Corporate Services is required to advise the City Manager, by memo or electronic mail of any potential or confirmed violation, impropriety, irregularity or other transgression of Bylaw 2003-69, Bylaw 2003-70, or this document.

3. Authorization Levels

The following authorization levels delegate authority to:

- Initiate an acquisition of goods, services and consulting and professional services
- Award a contract to acquire goods, services and consulting and professional services
- Acknowledge receipt and authorize payment for goods, services and consulting and professional services
- Amend a contract as long as the amendment does not increase the total contract value which exceeds the employee’s delegated authorization level

Authorization Levels			
Title	Goods and Services	Consulting and Professional Services	Length of Contract
City Council	Unlimited	Unlimited	Unlimited
City Manager/CAO	Unlimited ¹	\$750,000 ¹	3 to 5 years
Executive Director, Financial & Corp. Services.	Unlimited ¹	\$750,000 ¹	3 to 5 years
Executive Directors ²	\$3,000,000 ¹	\$750,000 ¹	3 to 5 years
Directors ²	\$200,000 ¹	\$100,000 ¹	Up to 2 years
Managers ²	\$100,000 ¹	-	Up to 1 year
Others ³	Up to \$10,000 ¹	-	-

¹ In compliance with the Purchasing Policy approved by Council and this document.

2. Based on operational necessity, the City Manager and Executive Director, Financial and Corporate Services can increase the authorization levels for these positions. These positions will also automatically be delegated authority to authorize blanket purchasing agreement releases and acknowledge receipt and payment.
3. As delegated by a Director for any employee. Delegation requires completion and submission of a Delegation of Authority Form.

Note: This table must be used in conjunction with the following lists labelled Exceptions List and Restrictions List.

3.1 Exceptions List

The Exceptions List table describes exceptions to the authorization levels discussed in this document. The positions listed in the table may authorize the described transactions. If delegation is required, a Delegation of Authority Form is required.

Type of Transaction	Position that must authorize the transaction
Blanket Purchasing Agreement Release	Executive Directors, Directors, and Managers automatically and as delegated by the Director of the Department with agreement assignments and transaction limits set in consultation with Procurement Branch
Purchasing Card	As delegated by the City Manager, Executive Director, Financial and Corporate Services, Executive Director and Director with a transaction limit of \$500, \$1,000, \$2,500, \$5000, and \$7,500 – subject to review by the Procurement Branch
Acknowledge receipt and authorize payment for goods, services and consulting and professional services	Executive Directors, Directors and Managers automatically and as delegated by Director of the Department, not to exceed the value of the contract
Amend a contract for consulting or professional services in excess of \$750,000	City Manager, Executive Director, Financial and Corporate Services and Executive Directors– If the amendment increases the value of the contract in excess of \$750,000, an informational report must be taken to Council to describe the circumstances for the increase

Note: Special exceptions to meet operational needs can be considered and approved. For more information contact the Procurement Branch.

3.2 Restrictions List

The Restrictions List table identifies and describes restrictions to the authorization levels discussed in this document.

Type of Transaction	Position that must authorize the transaction
Computer hardware and software purchases	Authorization must be provided by the Director of Information Technology Services Department or designate
Printing services	Authorization must be provided by the Director of Information Technology Services Department or designate
Fleet equipment purchases and services	Authorization must be provided by the Director of Fleet Services Department or designate
Communication and marketing services	Authorization must be provided by the Manager of Communications Branch or designate
Office Furniture Purchases	Authorization must be provided by the Director of Facilities Department or designate
Define a product standard	City Manager, Financial and Corporate Services, Executive Director, or Director of the Department
Multi-year contract	<p>Council for a term greater than 5-years unless exempted (see Multi-year contract section)</p> <p>City Manager, Executive Director, Financial and Corporate Services, Executive Director, for a term of 3-years to 5-years</p> <p>Director of the Department for a term up to 2-years</p>
Cooperative purchase	City Manager, Executive Director, Financial and Corporate Services, Executive Director,
Revenue generating agreements	City Manager, or Executive Director, Financial and Corporate Services
Sale of surplus assets	City Manager, Executive Director, Financial and Corporate Services, or Executive Director

3.3 Delegation of Authority Form



Delegation of Authority Form

CHECK ONE:

- New Position
- Change to Existing Position

POSITION DETAILS

Position Name _____ Position Number _____

Job Name _____ Job Number _____

Is this a pooled position? Yes No

All categories must be indicated as Yes or No:

Goods and Contractual Services Authority Yes No

Employee is authorized to initiate, award and progress payment for goods and contractual service up to the stated transaction limit.

Indicate the required dollar limit (*Maximum \$10,000*) \$ _____

Authorize Payment in excess of Delegated Authority Yes No

Employee is authorized to progress payments for goods, contractual services and consulting/professional services for contracts exceeding their delegated authority.

Purchasing Card Authority Yes No

Employee is authorized to purchase goods and services using assigned credit card up to stated transaction limit.

If Yes, indicate:

Required transaction limit: \$500 \$1000 \$2,500 \$5,000

Default account code combination:

--	--	--	--	--	--

Fund Organization Activity Account Project Location

Blanket Purchasing Agreement Authority: Yes No

Employee is authorized to purchase off blanket orders and progress payments within the blanket orders determined transaction limits.

Online Ordering Authorization Yes No

Employee is authorized to purchase off assigned blanket orders and requires Online Ordering access to be setup.

MANAGER

Name _____ Position _____

Signature _____ Date _____

Delegation of Authority Authorized by the City Manager, COO, CFO, Executive Director or Director

By authorizing the authority delegated, I acknowledge the obligation of the Department to ensure that the transactions authorized by the employee to whom authority has been delegated will be reviewed to ensure they comply with the authority level delegated to the employee's position.

Name _____ Position _____

Signature _____ Date _____

Purchasing Branch use only:

Reviewed By:

Name _____ Date _____

Distribute copies as follows:

Original: Purchasing Branch - 5th Floor - City Hall
Copy: Originating Department & Employee

Purchasing Card Policy

1. Purpose

Purchasing Cards (P-Cards) are a convenient purchasing method for employees to acquire certain types of goods and services with small dollar value (less than \$7,500). The P-Card also provides a consolidated credit card statement for the City of Regina, rather than various invoices from numerous suppliers.

The Purchasing Card Policy provides direction on the use of purchasing cards (P-Cards).

2. Scope

This policy applies to all Cardholders, Authorizers and to all City of Regina employees who have responsibilities under the P-Card program.

3. Definitions

Authorizer – an employee with authority to approve P-Card purchases and who is accountable for ensuring that the purchases are legitimate.

Cardholder – the individual whose name and signature appear on the P-Card.

Delegation of Authority – To obtain a P-Card, a Delegation of Authority Form must be completed indicating that the employee is being delegated authority to use a P-Card. The transaction limit should be selected and will be reviewed by the Procurement Branch. See Appendix C in the Purchasing Procedures Manual for a detailed description of the Delegation of Authority conditions, requirements, authorization levels, restrictions and a sample form.

Eligible Expenditures – See definition included in the Appendix B of this Purchasing Procedures Manual.

Purchase Card (P-Card) – the primary instrument for making low-dollar value purchases.

Purchase Card Bank – the financial institution contracted to provide the purchase cards for the City's purchase card program.

Supporting Documentation – acceptable documentation is a detailed receipt indicating the vendor/supplier, detailed charges, GST and PST breakdown, business/GST number of the vendor, date and total amount paid. A P-Card transaction log in itself does not constitute supporting documentation.

4. Policy

The objective is to establish a policy to maximize purchasing and payment efficiencies through the use of P-Cards by excluding these purchases from the regular purchasing and payment process. The P-Card is the primary instrument for making small dollar value purchases of goods and services.

4.1 Acceptable Use

1. The P-Card program allows the use of P-Cards for acquiring goods and services of less than \$7,500, while conducting official business on behalf of the City, subject to the City's Purchasing Policy and Purchasing Procedures Manual.
2. P-Cards are provided based upon the need to purchase business related goods and services. The P-Card may be revoked at any time based on a change of assignment or location. The P-Card is not an entitlement, nor is it reflective of an employee's title or position
3. All purchasing card transactions must be supported by appropriate receipts and/or documentation.
4. P-Cards may be used to acquire goods or services that are in foreign currencies, subject to all other limits and restrictions still applying. The information supporting the transaction should be clearly marked as being paid in the foreign currency.
5. Internet/fax/telephone purchases are acceptable as long as a receipt is provided as supporting documentation, along with the GST number of the supplier where applicable. Employees should keep in mind the following guidelines for internet purchases:
 - Use known vendors
 - Ensure the internet site is secure and the browser is secure
 - Never send a P-Card number via e-mail
 - Read the delivery and return policies as well as privacy statements
 - Confirm that purchasing profiles and other data will not be sold
 - Keep a record of the transaction
 - Do not provide a P-Card number to a web site for any other purpose
6. P-Cards may be used when travelling on City business in accordance with the Travel Policy and other applicable guidance.
 - When traveling and using a P-Card, it is recommended that the Cardholder contacts the Purchase Card Bank, in advance to notify them of the travel plans.
7. Certain transactions are only allowable after consultation with the authorizing department such transactions currently include:
 - a. Fleet repairs
 - b. Equipment repairs
 - c. IT hardware and software
 - d. Print services
 - e. Communication equipment
 - f. Items stocked by Central Stores
 - g. Advertising and marketing services
 - h. Uniforms and protective clothing
 - i. Goods or services covered by blanket purchasing agreements unless authorized by the Procurement Branch.
8. Use of P-Card for office furniture and equipment is not allowed.
9. P-Card purchases must reflect both the spirit and intent of the P-Card Policy. All transactions must be in a form that allows the user to always comply with the P-Card's single-use or monthly spending controls.
10. P-Cards may only be used for authorized City of Regina goods and services purchases.

11. Transactions for the return of goods that are purchased with a P-Card are to be completed with the same P-Card used to acquire the goods.
12. Unauthorized usage of the P-Card is considered an improper use of the City's funds and will be subject to disciplinary action.
13. Use of P-Card for alcohol purchase is not allowed except for employees at the Director level or higher in the organization when hosting a business meeting, subject to the requirements of the City's Alcohol Policy and other applicable bylaws or policies.

4.2 Dispute Resolution

1. Cardholders will advise the Procurement Branch and their Authorizers of any charges on their P-card transaction logs that are incorrect and determine the course of action to be taken.
2. Cardholders will resolve supplier related issues directly with the supplier.
3. Disagreements with vendors such as damaged goods or late delivery are not considered as disputed items and must be settled directly with the vendor.
4. The Purchase Card Bank, on being advised of disputed charges, would immediately credit the disputed charge to the account until the dispute is resolved. Interest will not be charged on disputed transactions.
5. If the charge is proved to be legitimate, the Purchase Card Bank will reverse the credit posted to the account.

4.3 Cancellation

A P-Card must be cancelled if the Cardholder becomes ineligible for continued usage or may be cancelled at any time at the request of the Cardholder, Authorizer or the Purchase Card Bank. The City Manager, Executive Director, Financial and Corporate Services, Executive Directors, and Directors can also request cancellation of P-Cards for their area of accountability.

1. Cardholders may be asked to return their P-Card if the card is no longer required or where inappropriate or willful misuse is suspected.
2. The Procurement Branch is responsible for destroying the card and cancelling the card with the Purchase Card Bank.
3. When a cardholder is on an extended vacation or leave of absence, the Procurement Branch must be notified and the Department is responsible to ensure the safeguard of the P-Card until the cardholder returns.

4.4 Restrictions

1. P-Cards are not to be used by anyone other than the Cardholder and must not be used for personal use, irrespective of the employee intending to reimburse the City for the cost of the acquisition of the goods or services. The employee may have their card privileges withdrawn if the P-Card is used for personal use and may be subject to disciplinary actions.
2. P-Cards will be used to make City purchases of up to the maximum transaction limit and monthly limit, subject to the Delegation of Authority (DOA) Database located on InSite-Workplace-Working with Purchasing-Delegation of Signing Authority Search.

3. If a total purchase price (including tax and delivery) exceeds a cardholder transaction limit it is NOT acceptable to split a purchase into multiple transactions. Splitting of purchases constitutes inappropriate use of the P-Card and will subject the user to disciplinary actions.
4. Employees are not permitted to use the purchase for the benefit of a personal rewards or points programs.
5. P-Cards are not to be loaned to other employees for their use.
6. There are standard City exclusions built into the P-Card and its use has been blocked with certain merchants.
7. Double claiming of an expense or a per diem along with actual expense is a misappropriation of funds from the City and subject to disciplinary actions.
8. Purchases shall not be made with suppliers known to be legally encumbered (garnishing orders etc.).
9. Purchases not allowed include the following (not a comprehensive listing):
 - Cash advances
 - Consulting services or professional fees
 - Tuition covered by the tuition subsidy program
 - Office furniture and equipment

If a P-Card is used to purchase the above not allowed items, or any other inappropriate items, the employee will face corrective action including discipline and possible termination.

4.5 Monitoring

Approval of a P-Card transaction log does not constitute final acceptance. All payments are subject to subsequent review by the Procurement Branch, with reports of discrepancies provided to the Controller. Upon finding a potentially inappropriate transaction according to the policy, Procurement Branch staff will provide documentation of such transactions to the Controller and to the direct supervisor/manager of the cardholder. In event that the Controller deems appropriate corrective action has not been taken, he/she will attempt to work with the manager of the cardholder to encourage the appropriate corrective action to be taken. Failing this, the Controller will periodically report to the Executive Director, Financial and Corporate Services who in turn may choose, as deemed necessary, to report to the Director of the cardholder's department or the City Manager.

Procurement Branch may conduct periodic reviews of P-Card usage to assess P-Card program performance, provide assistance to Cardholders, Authorizers and Departments, and ensure that appropriate authorization and payment processes are followed.

Violations of the policy that are determined to be a willful attempt to defraud the City will result in sanctions, up to and including termination of employment and/or criminal charges.

4.6 Transaction Logs

On a monthly basis (approximately the 10th of each month), the Cardholder will receive the P-Card transaction log. The Cardholder will be responsible for reconciling transactions on their P-Card log to purchase receipts.

4.7 Documentation

1. Cardholders must retain all documentation pertaining to their purchases, including receipts, invoices, fax follow-up letters, printouts of internet order confirmations, and emails or other forms on which expense authorities initiate expenditures.
2. The cardholder must record the date of purchase, item and quantity, supplier name, account coding and dollar amount.

4.8 P-Card Issuance

Procurement Branch shall issue P-Cards to new cardholders following receipt of authorized documentation and provide training to all Cardholders and Authorizers.

1. The Department must complete the Delegation of Authority Form, indicating that the employee has P-Card authority, and the transaction limit assigned to the card.
2. Employee must sign the Delegation of Authority Form, accepting the authority and acknowledges that they have read, understood, and agree to abide by the requirements and limits of:
 - The Regina Administration Bylaw 2003-69;
 - The Regina Code of Conduct and Disclosure bylaw 2002-57;
 - Purchasing Procedures Manual; and
 - This document.
3. The City Manager, Executive Director, Financial and Corporate Services, Executive Director, or Director of the Department delegating the authority must sign the Delegation of Authority Form authorizing the delegation of authority to the employee.
4. The Department and the employee should retain copies of their Delegation of Authority Form.
5. Procurement will contact the bank to have a P-Card issued in the name of the employee.
6. The P-Card will be provided to the employee at the completion of a training session on the P-Card program given by Procurement Branch. The employee will be required to sign for receipt of the P-Card.

4.9 Lost or Stolen Cards

Cardholders will immediately report lost or stolen cards to the Procurement Branch who will in turn notify the Purchase Card Bank.

1. Cardholders will report lost or stolen cards to the Purchase Card Bank by phone immediately and to the Procurement Branch and supervisor by the next business day.
2. Failure to advise the bank within 24 hours of a card being lost or stolen will result in any fraudulent misuse of the card being charged to the Department's account.

5. Roles & Responsibilities

5.1 City Manager/Executive Director, Financial and Corporate Services/Executive Directors/Directors:

1. Identify position to be granted P-Cards and delegate authority to these positions by signing the delegation of Authority Form.
2. Monitor use of P-Cards to ensure compliance with policies and procedures.
3. Read, understand and agree to abide by the requirements and limits of The Regina Administration Bylaw 2003-69, The Regina Code of Conduct and Disclosure Bylaw 2002-57, Purchasing Procedures Manual; and this policy.
4. Ensure adequate controls are in place to prevent duplicate payments.
5. Report (in accordance with the applicable policies) any apparent misuse of a P-Card issued to an employee.
6. If advised by the cardholder that their card has been lost or stolen, the Department must ensure that the cardholder has contacted the Purchase Card Bank emergency customer service and the Procurement Branch.
7. Perform an annual review of P-Card limits to ensure they are still appropriate.
8. Upon termination or transfer of an employee, responsible for obtaining the P-Card from the cardholder, informing the Procurement Branch and destroying the card.

5.2 Authorizer:

1. Understand and comply with Purchasing Card Policy and related bylaws and procedures.
2. Review P-Card transaction log for eligibility of expenses and approve Cardholder expenditures.
3. The Authorizer is accountable for approving employee expenditures by ensuring:
 - All expenses are business related;
 - For all related travel expenses, the employees attending are indicated on the receipt and the purpose is explained;
 - Coding is appropriate for all expenditures;
 - Sufficient budgeted funds are in place to cover the payment of P-Card expenditures; and
 - Supporting documentation is in place and in order prior to signing.
4. Performs the monitoring of P-Card usage for appropriateness and to ensure compliance with restrictions and limits of policies and procedures.
5. Ensures the cardholder is completing and submitting the reconciled P-Card transaction log on a monthly basis.
6. Ensures the notification required by this policy has occurred when there is an apparent misuse of a P-Card.

5.3 Cardholder:

1. Understand and comply with the Purchasing Card Policy and related bylaws and procedures and agree to abide by the requirements and limits of The Regina Administration Bylaw 2003-69, The Regina Code of Conduct and Disclosure Bylaw 2002-57, Purchasing Procedures Manual; and this policy.
2. Reconcile and submit monthly transaction logs, including appropriate supporting documentation to their Authorizers for verification.
3. Use the P-Card for purchases of small dollar value goods and services that are business related. The Cardholder must not exceed their swipe limit when purchasing goods and services.
4. Safe-keeping of the P-Card issued in their name and report lost/stolen cards immediately in accordance with this policy.
5. Ensure personal purchases are not made with the P-Card.
6. Responsible for reimbursement to the City of the cost of unauthorized purchases resulting from inadvertence, carelessness or intentional misuse.
7. Retain documentation of purchases and receipt of goods, as applicable.
8. Follow the prescribed processes and deadlines to ensure all information is submitted for entry into P-Card database.
9. Declare compliance with City policies and procedures annually on request.
10. Upon ceasing to be an employee or no longer requiring the P-Card, immediately returning the P-Card to the immediate supervisor.

5.4 Procurement Branch:

1. Administer the P-Card program by acting as a link between the Purchase Card Bank, the City and Cardholders.
2. Establish P-Card control procedures and provide P-Card training to Cardholder and Authorizers to ensure that appropriate authorization and payment processes are followed.
3. Review the Merchant Category Codes (MCC) and other restrictions on P-Card for appropriateness on an annual basis.
4. Perform periodic review on P-Card transactions to ensure compliance with policy and procedures.
5. Maintain the database for Delegation of Authority, including changes in card limits based on the Delegation of Authority Form.
6. Provide training to all employees with a P-Card and the authorizers of P-Card expenditures and provide training updates as required.
7. Distribute P-Cards to new cardholders, safeguard cards that are not in use and ensure cancelled cards are destroyed.
8. Reconcile, at least monthly, the cardholder register with personnel records and annually request confirmation of card assignment and transaction limits.
9. Ensure P-Card logs are provided monthly to cardholders for reconciliation.

10. Prepare reports to monitor accounts in dispute, accounts over the limit or significantly below or close to the limit, accounts with zero balances and length of time they have been inactive, purchases in restricted categories, cash advances, large or unusual transactions, approval of cardholder transaction logs.
11. Provide analysis of above reports and P-Card activity with comparison to other purchasing methods and provide recommendations for changes to the P-Card policies and procedures.
12. Perform audits of the P-Card statements to ensure compliance with the policy and providing a report to the Controller of their findings.

5.5 Accounts Payable:

1. Pay the monthly Purchase Card statement within the required payment deadline, subject to approval by the Manager of Procurement Branch.

6. Related Forms

- Delegation of Authority Form
- Purchasing Card Agreement Form
- Purchasing Card Reimbursement Form

7. Reference Material

- Delegation of Authority Database
- The Regina Administration Bylaw 2003-69
- The Regina Code of Conduct and Disclosure Bylaw 2002-57
- Purchasing Cards Procedure

Purchasing Card Agreement



Purchasing Card (PCard) Agreement

CARDHOLDER

By completing the fields and signing below, I hereby acknowledge that I am applying for a City of Regina Purchasing Card. I have read, understood and agree to adhere to all requirements established in this Cardholder Agreement and the Purchasing Card Policy, as updated from time to time. All fields are mandatory; complete both pages.

Name (printed)	<input type="text"/>	Employee ID #	<input type="text"/>
Position #	<input type="text"/>	Job #	<input type="text"/>
Dept / Branch	<input type="text"/>	Building	<input type="text"/>
E-mail	<input type="text"/>	Telephone	<input type="text"/>

RECONCILER

You will be required to have access to the Oracle Financial system to reconcile your PCard transactions directly in the Oracle financial system.

The option of assigning another employee, within your department, to act as your PCard administrator is available to those who do not have access to a computer and to Directors, Executive Directors, Chief Financial Officer and City Manager.

Name (printed)	<input type="text"/>	Employee ID #	<input type="text"/>
E-mail	<input type="text"/>	Telephone	<input type="text"/>
Reconciler Signature	<input type="text"/>		

I am an employee of the City of Regina and my current position grants me authority to use a PCard.

The Purchasing Card (PCard) is for City of Regina (herein referred to as City) approved business purchases only, and will not be utilized to charge personal purchases.

I will comply with all Cardholder responsibilities and timelines as described in the Purchasing Card Policy. My PCard shall be suspended or cancelled if I fail to meet these Terms & Conditions and Purchasing Card Policy.

If the PCard is lost or stolen, I will immediately notify the PCard provider and the Purchasing Branch to advise of the situation.

The PCard is issued in my name. I am responsible for any and all charges against this card.

I will surrender the PCard and unreconciled receipts immediately upon vacating my current position of employment, whether transferring to another position or for termination, retirement, extended leave, or any other voluntary or involuntary reasons. At that point, no further use of the PCard is permitted by myself or others.

As the PCard is City property, all charges will be billed directly to, and paid directly by, the City. As such, the bank cannot accept any monies from me directly and any personal charges billed to my PCard could be considered misappropriation of City funds.

I will obtain a receipt/invoice for each purchase, and will reconcile the transactions and submit the paperwork in a timely manner as per the Purchasing Card Policy.

Continued...

Print Form

06/JUL/2016

(Continued)

I will review each monthly PCard transaction, which reports all activity during the transaction log period. I am responsible for all charges on the PCard, and will resolve any discrepancies by either contacting the vendor or PCard provider immediately.

The charges made against my PCard are automatically assigned to the default account code provided on my Cardholder Agreement. I may re-allocate the code, if required, during reconciliation.

I will protect the security of my PCard account by only transmitting the PCard information through secure websites, in person, or by telephone with trusted vendors. Email or fax transmission of my PCard information is strictly prohibited by the City for the security of the PCard and the protection of the City's financial assets.

The PCard is for business purchases only. Identified as low risk, low dollar purchases for goods and services as per the Purchasing Card Policy.

I will purchase only allowable items within the limits set on my PCard and will not circumvent these by way of splitting purchases.

I will review the City's Purchasing Card Policy and Procedures.

If I assign another individual to reconcile on my behalf, I remain responsible for the PCard usage and deadlines. I will provide the reconciler with adequate information in order to complete reconciliation in a timely manner, including the monthly statement and all applicable invoices and receipts for the charges.

Cardholder Name (printed)	<input type="text"/>	Date	<input type="text"/>
Signature	<input type="text"/>		

APPROVER

- I hereby authorize the above-noted employee the use of the City's Purchasing Card as granted through the Delegation of Authority for the hired position.
- I acknowledge that appropriate business controls and processes are in place to ensure compliance with the City's Purchasing Card program and assume overall responsibility for all purchases incurred within my department.
- I agree that transactions will be charged to my department's default account if the Cardholder does not reconcile or purchase in accordance with the Cardholder's responsibilities.
- I agree I will review the Cardholder's monthly transactions and receipts to ensure compliance with the PCard Policy and are charged to the appropriate VALID account.
- I agree I will obtain the PCard and all receipts upon the Cardholder's transfer, termination, retirement or extended leave and will turn it into the Purchasing Branch for cancellation.

Provide the Default Account Code:

Fund Org Activity Account Project Location

NOTE: Authorized Approver must be in one of the following positions and senior to the Cardholder: Manager, Director, Executive Director or higher. Cardholders cannot approve their own Agreement or PCard Transaction Logs.

Approver Name (printed)	<input type="text"/>	Position	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>

Distribute copies as follows:
 Original: Purchasing Branch - 5th Floor - City Hall
 Copy: Originating Department & Employee

Purchasing Card Reimbursement Form



Purchasing Card (PCard) Reimbursement Form

IMPORTANT

1. In accordance with the Purchasing Card policy, personal purchases are not allowed on the City of Regina (City) PCard.
2. This form is for the purpose of declaring a purchase made in error on the City PCard, for personal reasons.
3. In the event a personal purchase is made with the City PCard, the cardholder is required to complete this form & submit it with the monthly PCard Transaction Log to the Purchasing Branch.

I, _____, hereby certify that the following purchase(s) made in error with my City PCard was a transaction of a personal nature.
(Please Print)

Transaction Amount	_____	Transaction Date	_____
Vendor Name	_____		
<div style="text-align: center;"> </div>			
CARD NUMBER			

Attached is my reimbursement payable to the City of Regina by: (select one)

Cash Cheque

For your convenience a Cash Receipt can be found online on [InSite/Workplace/Online Forms](#), and **must** be completed and submitted with this Purchasing Card Reimbursement form.

Cash Receipt completed and attached.

Cardholder's Signature _____ Date _____

Manager Approval

Name (printed) _____ Position / Title _____

Signature _____ Date _____

Distribute copies as follows:
 Original: Purchasing Branch - 5th Floor - City Hall
 Copy: Originating Department & Employee

25/APR/2016

Blanket Purchasing Agreement Program

1. Blanket Purchasing Agreement Program

1.1 Description

The Procurement Branch establishes blanket purchasing agreements with various vendors to supply certain goods and services where a department or multiple departments require the same type of good or service on a regular or recurring basis, where it may not be efficient or cost-effective to initiate a new open procurement process each time.

Blanket purchasing agreements include:

- Agreements issued for the purpose of taking advantage of repetitive purchases of the same or similar goods and services, where the Procurement Branch solicits firm pricing or volume discounts.
- Agreements with vendors who provide value added services related to the ordering and delivery of particular goods or services. The value-added services could include Internet ordering, activity reporting and consolidated billing. Examples of goods and services currently covered by this type of agreement are stationery and office supplies, in-town courier services and linens and floor mat rentals.
- Agreements issued to pre-authorize the purchase of goods and services from approved vendors.

Employees authorized by the Director of their Department will be able to directly initiate orders for the supply of goods and services against established Blanket Purchasing Agreements.

1.2 Scope

This policy applies to City of Regina employees authorized to requisition goods or services through an established Blanket Purchasing Agreement.

1.3 Authority

The Blanket Purchasing Agreement Program is established pursuant to The Regina Administration Bylaw 2003-69.

1.4 Contact

For further information, contact the Procurement Branch.

1.5 Authority for Blanket Purchasing Agreement Transactions

In order for an employee to have the authority to process Blanket Purchase Agreement transactions, the following must occur:

1. The Department must complete the Delegation of Authority form indicating that the employee is being delegated authority to use Blanket Purchase Agreements. Dollar limits and limits as to the Blanket Purchasing Agreements that apply to an employee will be established and communicated by the Procurement Branch.
2. The employee must sign the Delegation of Authority form, accepting the delegated authority. The employee when accepting the delegated authority acknowledges that they have read, understood, and agree to abide by the requirements and limits of:
 - The Regina Administration Bylaw 2003-69;
 - The Regina Code of Conduct and Disclosure bylaw 2002-57; and,
 - This document.
3. The Director of the Department delegating the authority must sign the Delegation of Authority form, authorizing the delegation of authority to the employee. The Director, when authorizing the delegation of authority, accepts responsibility for the Department to:
 - Monitor the transactions processed by the employee to ensure compliance with the Blanket Purchasing Agreement Program;
 - Report in accordance with applicable policies any apparent misuse of Blanket Purchasing Agreements by an employee; and,
 - Fulfill the obligations of the Division pursuant to The Regina Administration Bylaw 2003-69; and,
 - This document.
4. Copies of the completed Delegation of Authority form must be distributed as outlined on the form.
5. The Procurement Branch will provide the employee with written guidelines and limits with respect to the use of Blanket Purchasing Agreements. This will include limits on the Blanket Purchasing Agreements against which the employee can process transactions, and financial limits.

The authority limit per transaction will be determined by the Procurement Branch. The Department will be advised of the limits assigned to each authorized employee, both with respect to the Blanket Purchasing Agreements that they can authorize transactions against, and the dollar limit per transaction. The authority limit per transaction is set by the Procurement Branch.

1.6 Blanket Purchasing Agreement Use, Limits and Restrictions

Authorized employees may acquire goods and services, subject to the limits established for each employee, through established Blanket Purchasing Agreements. The Procurement Branch will maintain a list of valid Blanket Purchasing Agreements, along with a description of the goods and services to be acquired through those agreements. Where there is a current valid Blanket Purchasing Agreement for certain types of goods

or services, employees can not acquire similar goods or services through other vendors except as authorized by the Procurement Branch.

Restrictions include:

1. The authority provided for Blanket Purchasing Agreements is limited to the authority to requisition goods or services pursuant to the Blanket Purchasing Agreement and to verify receipt of the goods. **There is no authority to award a Blanket Purchasing Agreement.**
2. Consistent with the requirements for all purchases, acquisitions made through a Blanket Purchasing Agreement must be an eligible expenditure and the acquisition must be in accordance with purchasing policies.
3. **Blanket Purchasing Agreements must not be used for personal use.** This restriction applies irrespective of whether an employee intended to reimburse the City for the cost of the acquisition. **In addition, for purchases made, employees are not permitted to use the purchase for the benefit of a personal rewards or point programs.**
4. Blanket Purchasing Agreement transactions must not exceed the assigned transaction limit for the employee. The cost of the good or service includes all applicable taxes. Purchases are not to be split to stay within the assigned transaction dollar limit.
5. Blanket Purchasing Agreement transactions are limited to specific goods or services provided by the vendor. **Blanket Purchase Agreements must not be used to acquire goods or services from a vendor, other than those goods or services intended to be acquired from the vendor pursuant to the Blanket Purchasing Agreement.**

1.7 Blanket Purchasing Agreement Procedures

1. An authorized employee can initiate transactions against Blanket Purchasing Agreements using established methods. These methods can vary for specific agreements and will be communicated to each authorized employee.

Examples:

- Create a Blanket Release using the corporate financial system; or,
- Through a vendor ordering system.

1.8 Responsibilities

1.8.1 Authorized Employee Responsibilities:

1. Employees authorized to initiate and approve transactions pursuant to a Blanket Purchasing Agreement must comply with the requirements and limits of:
 - The Regina Administration Bylaw 2003-69;
 - The Regina Code of Conduct and Disclosure Bylaw 2002-57;
 - This document; and,
 - The program details established by the Procurement Branch.
2. If the employee terminates from the City, or moves to a position in another Department, the authority to initiate and authorize transactions pursuant to a Blanket Purchasing Agreement is terminated.
3. The employee must ensure that adequate supporting documentation is obtained from the vendor to support the purchase.
4. The employee must ensure that the requisition for the good or service is completed in accordance with the instructions provided and that the required forms and/or documents including any required supporting documentation is forwarded on a timely basis as directed by the Procurement Branch.

1.8.2 Division Responsibilities:

1. The Director must delegate authority to the employee, in accordance with the required process, for the employee to become authorized to use Blanket Purchasing Agreements.
2. When an employee authorized to issue Blanket Purchasing Agreements terminates or moves to another Department, the Department is responsible for immediately advising the Procurement Branch.
3. The Executive Director must ensure that the Division and the employee fulfill the obligations and abide by the requirements and limits of:
 - The Regina Administration Bylaw 2003-69;
 - The Regina Code of Conduct and Disclosure Bylaw 2002-57;
 - The document; and,
 - The program details established by the Procurement Branch.
4. The Director (or designate) must ensure that the employee is properly completing and submitting the required documents and supporting documentation as directed by the Procurement Branch.

1.8.3 Procurement Branch Responsibilities:

1. Periodically review the Blanket Purchase Agreement Program document and update as required the policy or related procedures.
2. Advise Departments and authorized employees of the Blanket Purchase Agreements they can access, the goods and services to be acquired through the Blanket Purchasing Agreements, and (if applicable) the per transaction limit assigned to the employee.
3. Ensure that the appropriate documents and supporting documentation are correctly completed and received on a timely basis.
4. Maintain a filing system for the Blanket Purchasing Agreement documents and the supporting documentation.
5. Monitor the use of Blanket Purchasing Agreements to ensure compliance with the restrictions and limits of the applicable policies and procedures. Ensure the notification required by this document has occurred when there is an apparent misuse of a Blanket Purchasing Agreement.
6. Assist Departments and employees with the interpretation of policy and procedural requirements.

Purchasing Protocols

1. Procurement Planning Protocol

1.1 Purpose and Interpretation

The purpose of this protocol is to assist Departments in planning for their procurement process. This protocol should be read in conjunction with the Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

1.2 Identification of Requirement

The Department must clearly identify what deliverables they need to acquire. A concise initial mapping statement describing the required deliverables will be used to develop clear business requirements and detailed specifications.

Where the Department is uncertain about the deliverables required or where there is insufficient internal knowledge about the market, the Department must consult with the Procurement Branch about conducting a Request for Information (RFI) process. An RFI process must be openly posted in order to gather market research from prospective bidders. It must not be used as a prequalification tool.

Specifications, requirements and contract terms to be used in a procurement process are the responsibility of the Department subject to the following:

- (a) The specifications and/or contract terms are subject to the review and approval of the Procurement Branch;
- (b) The specifications and/or contract terms may be subject to the review and approval of the Legal Department; and,
- (c) The specifications and/or contract terms must not unnecessarily limit competition by eliminating specific vendors or the products or services of specific vendors capable of meeting the needs of the City.

1.3 Supply Arrangements for Recurring Requirements

Before initiating a procurement, Departments must consider the availability of existing supply arrangements, such as Blanket Purchasing Agreements or Qualified Vendor Rosters.

If the deliverables will be required on a frequent or regularly recurring basis, and there is no existing supply arrangement, the Department must consult with the Procurement Branch about the possibility of establishing a Blanket Purchasing Agreement or Qualified Vendor Roster.

1.4 Valuation

In order to ensure that the correct procurement method is used, and the required level of approval is obtained, it is important to accurately estimate the value of the procurement. Dividing procurements or using valuation methods with the intention of reducing the procurement value is strictly prohibited.

The procurement value means the maximum total value of the procurement over the entire duration of the contract, whether awarded to one or more vendors, including the total value of all possible options, including any options for renewal or extension of the term of the contract (e.g. a two-year contract with an option to renew for an additional one-year period) and any options to purchase additional deliverables (e.g. the contract is for the initial purchase of two pieces of equipment with an option to purchase up to an additional four pieces of equipment during the term of the contract) or any potential additions or upgrades that may be provided under the contract.

The total value must take into account all costs to the City for all deliverables to be supplied under the contract(s), including, if applicable, all forms of remuneration (including premiums, fees, commissions and interest), delivery, installation, training, operation, maintenance, replacement and disposal, and all applicable taxes.

If multiple contracts are entered into for the same deliverables, the procurement value is the total value of all of the contracts for the same deliverables entered into on an annual basis.

In estimating the procurement value, Departments are strongly encouraged to err on the side of caution and ensure that the most appropriate procurement method is used. For example, if it is foreseeable that all bids may come in over the threshold for Open Competition, an Open Competition should be used.

If the Department is unsure how to determine the value of a particular procurement, it must consult with the Procurement Branch.

1.5 Procurement Method and Process for Initiation

Different types of procurement processes may be used depending on the nature, value and circumstances of the procurement. The table set out below must be used to identify the appropriate procurement method and the process for initiating the procurement.

Circumstances	Procurement method	Initiation of Procurement
Deliverables are available under an existing Blanket Purchasing Agreement	Blanket Purchasing Agreement Program	Refer to the Blanket Purchasing Agreement Program in Appendix E of the Purchasing Procedures Manual
Procurement value is \$7,500 or less	Purchasing Card Program or Verbal quotations obtained from one or more selected vendors	Refer to the Purchasing Card Program in Appendix D of the Purchasing Procedures Manual, where applicable, or submit a request for a standard purchase order to be issued to the selected vendor.
Deliverables are available under an existing Qualified Vendor Roster	Roster Competition	Complete the Procurement Initiation Form in Schedule A of this protocol and submit to the Procurement Branch
Procurement of with a procurement value above \$7,500 and below \$75,000	Invitational Competition	Complete the Procurement Initiation Form in Schedule A of this protocol and submit to the Procurement Branch
Procurement value is \$75,000 or more and deliverables are not available under Blanket Purchase Agreement or Qualified Vendor Roster	Open Competition	Complete the Procurement Initiation Form in Schedule A of this protocol and submit to the Procurement Branch
Deliverables are required on a regular or ongoing basis by one or more Department(s)	Open Competition to establish Blanket Purchasing Agreement or Open Framework Competition to establish Qualified Vendor Roster	Complete the Procurement Initiation Form in Schedule A of this protocol and submit to the Procurement Branch
A Non-Standard Procurement is justified in accordance with the Non-Standard Procurement Protocol	Limited Competition or Non-Competitive Procurement	Follow the Non-Standard Procurement Protocol and complete the Non-Standard Procurement Approval Form in Schedule A of the Non-Standard Procurement Protocol to obtain approval to initiate the procurement.

1.6 Additional Restrictions for Certain Deliverables

For the following goods, equipment or services, additional requirements or restrictions apply:

- (a) The acquisition of any computer hardware or software, including any software-as-a-service or cloud-based IT system or solution, must be either through the Information Technology Services Department or be subject to the review and approval of the Information Technology Services Department.
- (b) The acquisition of any vehicle or equipment that is within the scope of the Fleet Services Department must be either through the Fleet Services Department or be subject to the review and approval of the Fleet Services Department.
- (c) The acquisition of any communication or marketing goods or services must be either through Communications Branch or be subject to the review and approval of Communications Branch.
- (d) The acquisition of any printing or copying services must be either through the Information Technology Services Department or be subject to the review and approval of the Information Technology Services Department.
- (e) The acquisition of any furniture that is within the scope of the Facilities Management Services Department must be either through the Facilities Management Services Department or be subject to the review and approval of the Facilities Management Services Department.
- (f) The acquisition of any goods or services for a contract term of greater than one year must be approved as per the following:
 - Up to 2 years – Director of the Department;
 - 3 – 5 years – Executive Director, Executive Director Financial and Corporate Services, City Manager; and
 - Over 5 years – City Council (unless exempted in Appendix A – Section 5.3 Multiple Year Contracts of this document).
- (g) The acquisition of any goods or services purchased using a cooperative purchasing program with other municipalities, school or library boards, the Province of Saskatchewan, provincial agencies or crown corporations, the Government of Canada or federal agencies or crown corporations must be approved by City Manager, Executive Director, Financial and Corporate Services, or Executive Director.
- (h) Revenue generating agreements, including sale of surplus assets, must be approved by City Manager, or Executive Director, Financial and Corporate Services

Where approval is required from one of these areas, the approval shall be from the Director of the specified Department or Manager of the specified Branch or their designate.

The above restrictions and requirements apply to all acquisitions of the specified deliverables, irrespective of the procurement value.

1.7 Detailed Procurement Plan for Invitational and Open Competitions

For all Invitational Competitions and Open Competitions, the Department is responsible for developing a detailed Procurement Plan and must complete Schedule B of this protocol for Invitational Competitions or Schedule C of this protocol for Open Competitions.

The Procurement Plan must be reviewed and approved by the Procurement Branch before the solicitation document can be assembled. Departments are strongly encouraged to consult with and involve the Procurement Branch during the development of the Procurement Plan to avoid unnecessary delay in the review and approval process. The following information is required in the Procurement Plan:

(a) Requirements and Specifications

The Department is responsible for drafting clear, detailed specifications and business requirements. Specifications cannot be written in a way that unduly restricts vendors from bidding, and should encourage open, fair and transparent competition. Departments should consult the Document Drafting Protocol for additional guidance in developing appropriate requirements and specifications.

(b) Pricing Structure

The Department is responsible for developing a clear pricing structure. Departments should consult the Document Drafting Protocol for a description of various pricing structures and the factors to consider in developing the appropriate pricing structure for the procurement.

(c) Evaluation Plan

The Department is responsible for developing an evaluation plan. Departments should consult the Document Drafting Protocol for a description of various evaluation methodologies and the factors to consider in developing the appropriate evaluation plan for the procurement.

(d) Solicitation Document Format Selection

The Department, in conjunction with the Procurement Branch, is responsible for selecting the most appropriate solicitation document format. Departments should review the descriptions of the different formats that are set out in the Format Selection Protocol and use the questionnaire and checklist included there to identify the appropriate solicitation document format for the procurement.

Schedule A: Competitive Procurement Initiation Form

Department

Identify the Department responsible for the procurement.

Department Lead

Identify the individual in the Department that is primarily responsible for the procurement.

Initial Mapping Statement

Describe the procurement. What is being purchased? Are the Additional Restrictions for Certain Deliverables (in Section 1.6 above) applicable to any of the requirements or deliverables?

Background

Describe any relevant background information, e.g. What gave rise to the need for the procurement? Is the procurement part of a larger project? What is the history of the project? What stage is the project at?

Market Research

Is further market research necessary to appropriately define the required deliverables?

- No
- Yes

If yes, consult with the Procurement Branch about the issuance of a Request for Information (RFI) prior to proceeding with the Procurement Plan.

Existing Blanket Purchasing Agreement or Qualified Vendor Roster

Is there an existing Blanket Purchasing Agreement or Qualified Vendor Roster for the required deliverables?

- No
- Yes

The Department is responsible for checking with the Procurement Branch to determine if there is a Blanket Purchasing Agreement or Qualified Vendor Roster already established for the deliverables it requires.

If there is an existing Blanket Purchasing Agreement the Department does not need to complete this form and must follow the City’s ordering process to purchase the deliverables.

If there is an existing Qualified Vendor Rosters Protocol, the Department must complete this form to initiate a Roster Competition.

Repetitive Procurement

Are the deliverables required on a frequent or regularly recurring basis?

For example, do you require the same deliverables more than once a year or at regular intervals (e.g. monthly or annually) or are you aware of other Departments that may require the same deliverables?

- No
- Yes

Procurement Value

State the estimated value of the procurement.

Funding Source

Is the proposed expenditure an eligible expenditure, as defined in Bylaw 2003-69 and further described in Appendix B of the Purchasing Procedures Manual?

Yes

No

Procurement Method and Next Steps

<p>Roster Competition: Deliverables are available under an existing Qualified Vendor Roster</p>	<p>The Department Lead should contact the Procurement Branch to discuss the Department's requirements and confirm the appropriate process in accordance with the Qualified Vendor Roster Protocol.</p>
<p>Invitational Competition: Procurement value is within the Invitational Competition Threshold set out in Schedule B of the Procurement Policy</p>	<p>The Department Lead should contact the Procurement Branch to discuss and confirm the appropriate process and, if necessary, schedule a planning meeting. Department should complete the Procurement Plan for Invitational Competition in Appendix B and consult with Procurement Branch, as required.</p>
<p>Open Competition: Procurement value is equal to or exceeds the Open Competition Threshold set out in Schedule B of the Procurement Policy</p>	<p>The Department Lead should contact the Procurement Branch to schedule a planning meeting. The Department should begin preparing the information needed to complete the Procurement Plan for Open Competition in Appendix C. The Department must work with Procurement Branch to complete the Procurement Plan.</p>
<p>Open Competition to establish Standing Offer or Open Framework Competition to establish Qualified Vendor Roster: Deliverables are required on a frequent or regularly recurring basis by one or more Department(s)</p>	<p>The Department Lead should contact the Procurement Branch to discuss the Department's requirements and confirm the appropriate process in accordance with the Qualified Vendor Roster Protocol.</p>

Schedule B: Procurement Plan for Invitational Competition

Solicitation Document Format

Indicate the format of solicitation document to be used.

The Invitational RFQ format is typically used for Invitational Competitions. If the Department wishes to use a different format, please consult with the Procurement Branch.

- Invitational Request for Quotations (RFQ)
- Other format: _____

Number of Vendors

Indicate the number of vendors that will be invited to submit bids.

A minimum of three (3) vendors must be invited to submit bids. If fewer than three (3) vendors will be invited, it is a Non-Standard Procurement and the Non-Standard Procurement Protocol must be followed.

- Three (3)
- Other number: _____

Selection of Vendors to Participate

Explain how/why the particular vendors will be chosen to participate.

Preliminary Schedule

Fill in estimated dates or time periods for the events below.

Issue solicitation document	
Bid submission deadline	
Evaluation period	
Contract award	
Contract start date	

Method of Submitting Bids

Indicate the method by which vendors will be instructed to submit their bids.

- Email
- Electronic bid submission platform
- Mail / Courier delivery

Evaluation Plan

Select the method of evaluation that will be used to select the successful vendor. *Refer to the Document Drafting Protocol for guidance.*

- Price only: selection of lowest compliant bidder
- Evaluated criteria: selection of highest scoring compliant bidder
- Other: _____

Pricing Structure

Select the appropriate pricing structure. *Refer to the Document Drafting Protocol for guidance.*

- Lump sum
 - With adjustments
 - Without adjustments
- Unit prices
 - With adjustments
 - Without adjustments
- Time and materials
 - With upset limit
 - Without upset limit
- Budget-based set price
- License fees
- Life-cycle costing
- Other: _____

Requirements and Specifications

Attach the detailed requirements and specifications for the required deliverables. *Refer to the Document Drafting Protocol for guidance.*

Schedule C: Procurement Plan for Open Competition

Solicitation Document Format

Indicate the solicitation document format to be used. *Select the appropriate format using the Format Selection Protocol.*

- ITT
- RFQ (Low Bid)
- RFQ (High Score)
- No-Negotiation (Contract A) RFP
- Consecutive Negotiation (Rank and Run) RFP
- Concurrent Negotiation (Dialogue/BAFO) RFP
- RFSQ (Prequalification) followed by ITT
- RFSQ (Prequalification) followed by RFQ
- RFSQ (Prequalification) followed by No-Negotiation (Contract A) RFP
- RFSQ (Prequalification) followed by Negotiated RFP
- RFSQ (Roster Framework) to establish a Qualified Vendor Roster for recurring purchases

Major Project

Is this considered a major project?

Consider whether the procurement is of a value, complexity, risk level or profile that requires a significant allocation of attention and time from the Procurement Branch and the Department(s), as well as potential involvement of other stakeholders.

- Yes
 - High Value
 - Complex – multi-stage project or multiple stakeholders
 - High Risk
 - High level of public interest and/or scrutiny
- No

If yes, respond to the following:

In addition to the Procurement Branch and the Department, is input or assistance required from internal stakeholders or external resources?

Consider whether sufficient internal resources are available to provide the time and expertise needed to support the procurement process, including developing

specifications and requirements for the solicitation document and participating in the evaluation of bids and any applicable negotiation process.

Yes

No

If yes, please identify the type of internal stakeholders and/or external advisors needed:

Will a fairness consultant be retained to oversee the procurement?

Consider whether the major project is high-profile, controversial or involves a complex bidder selection process.

No

Yes

Preliminary Schedule

Fill in estimated dates or time periods for the events below.

Rows shaded in **blue** are only completed if conducting a two-stage process (e.g. RFSQ followed by ITT, RFQ or RFP).

Rows shaded in **green** are only completed if conducting a Concurrent Negotiation (Dialogue/BAFO) RFP process.

Initial planning meeting with the Procurement Branch	
Development of solicitation document	
Posting of solicitation document	
Bid submission deadline	
Evaluation period	
Selection of prequalified bidders	
Issuance of second-stage solicitation document	
Second-stage evaluation period	
Selection of short-listed proponents	
Concurrent negotiations and submission of BAFOs	
Evaluation of BAFOs	
Contract negotiation (for Negotiated RFP only)	
Contract award	
Contract start date	

Evaluation Plan

Select the method of evaluation that will be used to select the successful vendor. *Refer to the Document Drafting Protocol for guidance.*

- Price only – selection of lowest compliant bidder
- Evaluated criteria – selection of highest scoring compliant bidder
- Other: _____

Pricing Structure

Select the appropriate pricing structure. *Refer to the Document Drafting Protocol for guidance.*

- Lump sum
 - With adjustments
 - Without adjustments
- Unit prices
 - With adjustments
 - Without adjustments
- Time and materials
 - With upset limit
 - Without upset limit
- Budget-based set price
- License fees
- Life cycle costing
- Other: _____

Requirements and Specifications

Attach the detailed requirements and specifications for the required deliverables. *Refer to the Document Drafting Protocol for guidance.*

2. Format Selection Protocol

2.1 Purpose and Interpretation

The purpose of this protocol is to assist Departments in selecting the appropriate solicitation document format for their procurement. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

2.2 Forms of Template Solicitation Documents

The Procurement Branch maintains a series of solicitation document templates. Forms of solicitation documents include the following:

- **Invitational Request for Quotation (RFQ)** – This format is for use in an Invitational Competition for the procurement of goods, services or construction where bids will be solicited from a limited number of vendors, and the evaluation and ranking of bidders will be based on either lowest price or the scoring of simple evaluation criteria.
- **Request for Quotation (RFQ) – Low-Bid Version** – This format is for use in a simplified Open Competition for the procurement of standard goods, services or construction on the basis of lowest price and standardized contract terms that will not require negotiation.
- **Request for Quotation (RFQ) – High-Score Version** – This format is for use in an Open Competition for the procurement of standard goods, services or construction on the basis of straightforward high-score evaluation criteria and standardized contract terms that will not require negotiation.
- **Invitation to Tender (ITT)** – This format is for use in an Open Competition for the procurement of goods or construction where there is a need for legally binding, irrevocable bids, typically supported by bid security, and price is the primary consideration. This format must include well-defined specifications, requirements and contract terms and conditions, as post-bid negotiations are typically not permitted.
- **No-Negotiation (Contract A) Request for Proposal (RFP)** – This format is for use in an Open Competition for the procurement of goods, services or construction where there is a need for legally binding, irrevocable bids and where factors other than price will be evaluated. This format must include well-defined specifications, requirements and contract terms and conditions, as post-bid negotiations are typically not permitted.
- **Consecutive Negotiation (Rank and Run) RFP** – This format is for use in an Open Competition for the procurement of goods, services or complex construction projects where proposals will be ranked on price and non-price factors and the top-ranked proponent will be invited to negotiate the final contract. The rules of the process provide that if the negotiations with the top-ranked proponent fail, the City can proceed to negotiate with the next-ranked proponent. This format allows for a more flexible process to encourage innovative and creative proposals that may help inform

the development of final specifications or performance terms through the negotiation of the final contract with the selected proponent.

- **Concurrent Negotiation (Dialogue/BAFO) RFP** – This format is for use in an Open Competition for the procurement of goods, services or complex construction projects where proposals will be ranked on price and non-price factors to create a short-list of proponents that will be invited to engage in negotiation or discussions with the City prior to submitting a best and final offer (BAFO) for further evaluation and final ranking. This format allows for a more flexible process to encourage innovative and creative proposals, and is particularly useful where the nature of the project may allow for a variety of potential approaches and solutions that the City could consider and use to refine the requirements prior to the submission of BAFOs and final ranking and selection of bidders.
- **Request for Supplier Qualifications (RFSQ) – Prequalification Version** – This format is used to prequalify vendors in the first stage of a two-stage Open Competition. Bidders who meet the requirements of the RFSQ are eligible to participate in the second stage procurement process and are invited to respond to a subsequent solicitation document.
- **Request for Supplier Qualifications (RFSQ) – Roster Framework Version** – This format is for use in an Open Framework Competition to prequalify vendors that will be invited to compete in multiple second stage procurement processes for the same type of deliverables. Those vendors that qualify in the first stage of the process will be invited to enter into Master Framework Agreements that will govern any future work assignments awarded to them.

2.3 Selection Factors

Key factors to consider in choosing the appropriate solicitation document format include:

- (a) value and complexity of the purchase;
- (b) whether bid security is required – irrevocable bids and bid security should only be required where there are legitimate business reasons for doing so; and
- (c) whether bidder responses may inform the final specifications or performance terms, and whether the final contract will need to be negotiated with the top-ranked bidder.

The ITT and the No-Negotiation RFP formats require bidders to submit irrevocable bids and give rise to a legally binding procurement contract called “Contract A.” Bids are considered irrevocable where the solicitation document requires that bidders be bound to their bid prices or that bids remain open for acceptance for a fixed period of time. All terms of the purchase contract (i.e. “Contract B”) must be included in the ITT and the No-Negotiation RFP and cannot be negotiated or amended after the closing deadline. Where a procurement project is operating within Contract A, the risk to the City is greatly increased and all employees involved in the procurement project should ensure that they fully understand the City’s legal obligations when utilizing these formats.

2.4 Selection Tools

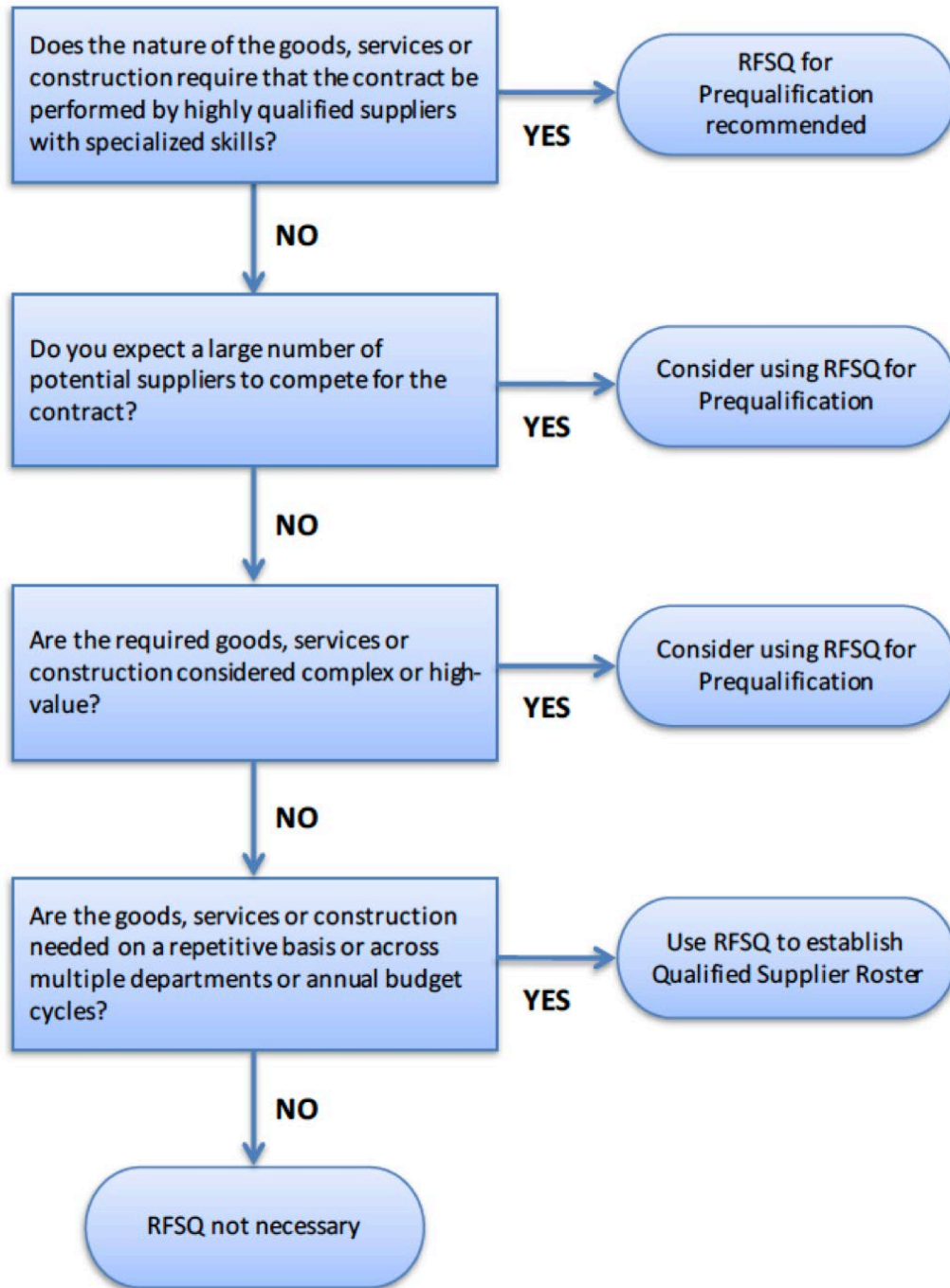
Use the Format Selection Questionnaire in Schedule A to assist with the selection of the appropriate format for the procurement project. Use the Procurement Format Checklist in Schedule B to confirm that all requirements for the selected format apply to your procurement project. If you cannot check off all items listed below the selected format, consult with the Procurement Branch for additional guidance and assistance in selecting the appropriate format.

2.5 Market Research Tool

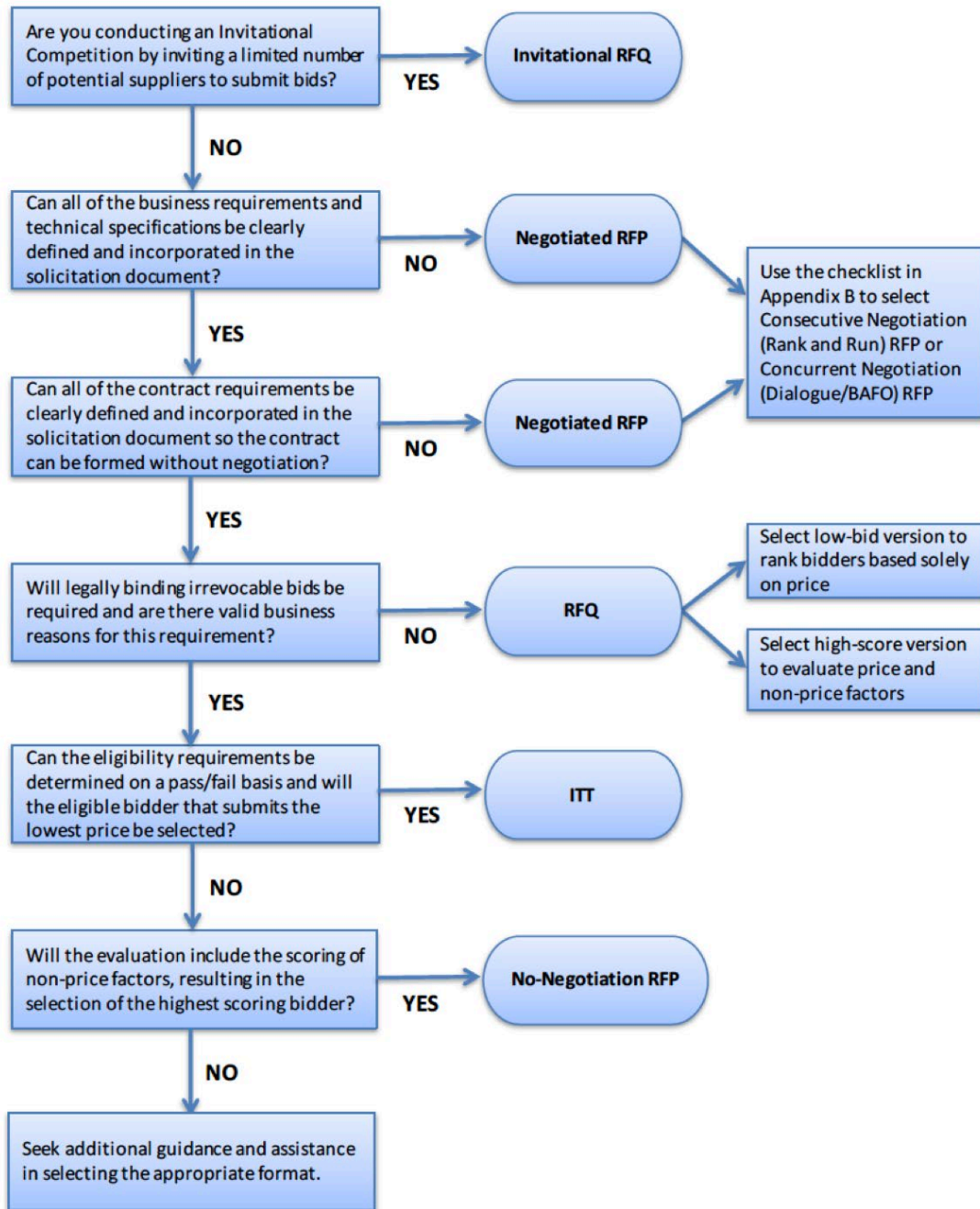
In addition to the various forms of solicitation documents used to conduct a procurement process, the Procurement Branch maintains a Request for Information (RFI) template for the purpose of soliciting information about deliverables and/or expressions of interest from vendors. This format is used to conduct a structured and transparent market research and information gathering process to obtain information from potential vendors regarding the types of goods and services available to meet the Department's needs and to assess the interest in the marketplace in providing the deliverables to the Department. This format is not intended to result directly in the procurement of deliverables, but rather to inform a future procurement, and must not be used to pre-qualify bidders or restrict participation in a future competitive procurement process.

Schedule A: Format Selection Questionnaire

Prequalification Process



Single-Stage or Second-Stage Process



Schedule B – Procurement Format Checklist

Invitational RFQ

- You are buying simple goods, services or construction with a value below the open competition thresholds.
- You will be conducting an Invitational Competition by inviting a limited number of potential vendors to submit bids.
- Irrevocable bids are not required.
- The business requirements and technical specifications can be clearly defined in advance and incorporated into the solicitation document.
- The contract requirements and performance terms and conditions are relatively straightforward and can be incorporated into the solicitation document to permit the finalization of the contract with the successful bidder without, or with only minor, negotiations.
- You will select either the lowest bidder meeting mandatory requirements or the highest scoring bidder based on a relatively simple evaluation of price and non-price factors.

Open RFQ

- You are buying simple goods, services or construction through an Open Competition.
- Irrevocable bids are not required.
- The business requirements and technical specifications can be clearly defined in advance and incorporated into the solicitation document.
- The contract requirements and performance terms and conditions are relatively straightforward and can be incorporated into the solicitation document to permit the finalization of the contract with the successful bidder without, or with only minor, negotiations.
- You will select either the lowest bidder meeting mandatory requirements (select the Low-Bid Version of the RFQ) or the highest scoring bidder based on a relatively simple evaluation of price and non-price factors (select the High-Score Version of the RFQ).

ITT

- You are buying goods or construction through an Open Competition.
- There are valid business reasons for requiring legally binding, irrevocable bids, with or without bid security.

- You have straightforward eligibility requirements that can be determined on a pass/fail basis and will select the bidder that meets the requirements and submits the lowest price.
- All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the solicitation document.
- All of the contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the solicitation document to permit the finalization of the contract with the successful bidder without negotiations.

No-Negotiation RFP

- You are buying deliverables through an Open Competition.
- There are valid business reasons for requiring legally binding, irrevocable bids, with or without bid security.
- You will evaluate both price and non-price factors and will select the highest scoring bidder.
- All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the solicitation document.
- All of the contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the solicitation document to permit the finalization of the contract with the successful bidder without negotiations.

Consecutive Negotiation (Rank and Run) RFP

- You are buying goods, services or complex construction projects through an Open Competition.
- Irrevocable bids are not required.
- Detailed, innovative or creative proposals are desired.
- You will evaluate both price and non-price factors and will rank proposals based on highest score.
- You may need to adapt the final specifications and/or performance terms based on the successful proposal.
- There may be a need to negotiate some terms of the final contract to ensure that they are appropriately tailored to the proponent's proposed solution.
- You are able to include sufficiently detailed business requirements and technical specifications in the solicitation document to allow proponents to propose fully developed solutions and complete pricing proposals at the submission deadline.
- You prefer to engage in negotiation with only the top-ranked proponent.

- You will only engage in negotiation with the next-ranked proponent if negotiations with the top-ranked proponent are unsuccessful.

Concurrent Negotiation (Dialogue/BAFO) RFP

- You are buying goods, services or complex construction projects through an Open Competition.
- Irrevocable bids are not required.
- Detailed, innovative or creative proposals are desired.
- You will evaluate both price and non-price factors and will rank proposals based on highest score.
- You may need to adapt the final specifications and/or performance terms based on the successful proposal.
- There may be a need to negotiate some terms of the final contract to ensure that they are appropriately tailored to the proponent's proposed solution.
- A variety of different approaches and solutions could meet the project requirements, and the detailed scope of work and specifications may vary depending on the proposed solution.
- You would like to have an opportunity to engage in discussions with a short-list of high-scoring proponents to consider and better understand the various approaches and solutions that they have proposed and to ensure that the proponents fully understand your needs and requirements.
- You want to allow the short-listed proponents to develop and refine their proposed solutions and pricing proposals after those discussions through the submission of a best and final offer (BAFO).
- Based on the evaluation of the BAFOs, you will invite the top-ranked proponent to negotiate and finalize the contract.

Request for Supplier Qualifications (RFSQ) – Prequalification Version

- You are buying goods, services or construction through a two-stage Open Competition.
- You want to ensure that potential bidders are sufficiently competent, qualified and experienced to undertake and successfully complete the project prior to inviting them to bid on the detailed requirements and specifications of the project.
- You expect that a large number of potential vendors may want to compete for the contract and you want to narrow the field prior to soliciting bids.

- You will set a limit on the number of eligible bidders or a minimum threshold score that must be achieved before a potential vendor will be considered eligible to participate in the second-stage competition.

Request for Supplier Qualifications (RFSQ) – Roster Framework Version

- You require the same type of goods, services or construction on a regular and recurring basis over a period of time.
- You want to be able to quickly and efficiently obtain quotes from qualified vendors that are able to provide the required goods, services or construction in accordance with established and agreed upon general contract terms and conditions.

3. Document Drafting Protocol

3.1 Purpose and Interpretation

The purpose of this protocol is to provide assistance, direction and suggestions for preparing procurement plans and solicitation documents, including guidelines for developing specifications and selecting the appropriate evaluation methodology and pricing structure. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

3.2 General Drafting Principles

These general principles should be considered in drafting the Procurement Plan and the solicitation document:

- (a) Plain and clear language should be used and technical jargon and vague terms should be avoided.
- (b) Where technical terms or specifications are required, they should be set out in a separate section or schedule to the document.
- (c) Avoid creating too many defined terms. Defined terms should only be used where (i) the meaning is not clear from a plain reading; and (ii) the term is used throughout the document. Use defined terms consistently throughout the document. Do not capitalize terms that are not defined.
- (d) Avoid repeating the same information in different sections of the document. If it is necessary to repeat information, ensure that it is repeated using the same language and terminology to avoid any inconsistencies or contradictions.
- (e) Avoid using acronyms that may not be understood by everyone. If the use of acronyms is necessary, spell them out in full the first time they are used in the document.
- (f) Ensure that contract performance and other contractual terms are not buried in the specifications or evaluation sections, but are appropriately included in the term sheet or form of agreement.
- (g) Ensure that the document is carefully proofread, preferably by someone other than the drafter. Inconsistent terminology, vague wording, typographical errors, grammatical errors and incorrect spelling can all create uncertainty in the meaning and interpretation of the terms and conditions in the document.

3.3 Initial Mapping Statement

Before beginning to draft any of the procurement project details, the Department employee in charge of the project should draft an initial mapping statement that clearly describes what is being purchased. The initial mapping statement is essential in major projects with many stakeholders, and it is also very important in smaller, routine purchases in order to ensure a smooth and efficient drafting process.

3.4 Describing the Requirements and Specifications

The subject-matter experts from the relevant Department(s) are responsible for preparing the technical specifications and business requirements for inclusion in the solicitation document. In the preparation of any technical specification for a specific procurement, advice must not be sought or accepted from a potential vendor or any person that may have a commercial interest in the procurement.

The format of the solicitation document will dictate the level of specificity that is required for requirements and specifications:

- If price is the only factor being evaluated, then the specifications and all requirements that inform price must be fully disclosed in detail in order to solicit responsive pricing.
- If the requirements cannot be clearly defined before the solicitation document is issued (i.e. proponents will be proposing creative solutions or proponent specifications will be evaluated during the competitive process), and the selected format contemplates negotiation of the final contract, then the specifications can be drafted with less specificity.

The requirements should describe the tasks that the successful bidder will be expected to complete during the term of the contract. There are different approaches to describing the tasks and effort required, for example:

- A “performance-based” statement of work will describe the requirements in terms of the required results rather than the methods for performing the work. In this case, bidders will be invited to propose their own approach and methodology and make their own determination of what resources, roles and activities will be required to provide the deliverables and achieve the required results.
- A “level of effort” statement of work will identify all the tasks that must be performed and the hours to be spent on each task. The statement of work must identify if specific resources or categories of resources will be required to perform the identified tasks.
- A detailed or “prescriptive” statement of work will describe how the work must be accomplished, including precise measurements, tolerances, materials, quality control requirements, etc.

Irrespective of the approach, it is important that:

- the deliverables are clearly identified, including the timelines and location for delivery;
- reporting and communication requirements are identified, including any requirements for progress or status reports; and
- expectations with respect to the outcome of the project are clearly described, including performance standards or quality assurance requirements.

Departments should review the need for contract performance security, if any, with the Procurement Branch.

Specifications for goods may include any or all of the following:

- physical characteristics;
- functional, performance or expected results characteristics;
- quality characteristics defined by recognized, third-party standards bodies; and/or
- intended use descriptors, such as consumer-grade, industrial-grade, medical- or laboratory-grade, or suitable for use under extreme conditions.

Specifications and requirements must be designed to encourage open, fair and transparent competition and must not be written in a way that unduly restricts vendors from bidding.

Technical specifications must be generic, functional and non-biased specifications that do not have the purpose or effect of creating unnecessary obstacles to international trade. Where appropriate, they must be set out in terms of performance and functional requirements, rather than design or descriptive characteristics, and must be based on international standards, if they exist, or otherwise on recognized national standards.

Technical specifications must not require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer or vendor, unless there is no other sufficiently precise or intelligible way of describing the requirements and, in such cases, the words such as "or equivalent" must be included.

3.5 Material Disclosures

In order to solicit competitive and responsive pricing during a competitive process, it is essential that bidders know all material information relating to the procurement.

Only the Department's subject-matter experts will be in a position to know what information should be disclosed in the material disclosures section of the solicitation document. The material disclosures section should be reviewed by the subject-matter experts for every procurement since failure to do so could expose the City to legal, financial and reputational risk.

Material disclosures include, but are not limited to, information, such as:

- reports relating to the procurement, including engineering, consulting, environmental or site reports;
- unusual conditions that may affect price (e.g. soil conditions, delivery restrictions, timing requirements or restrictions);
- contractual performance terms;
- indemnity, performance security and insurance requirements; and
- specific processes or procedures expected of the successful bidder that are outside standard industry practice.

3.6 Pricing Structure Selection

(a) General Principles

With the exception of an RFSQ process in which pricing information is not requested, it is essential that the solicitation document include a clear pricing structure. The pricing structure must be clearly set out in the solicitation document so that bidders know exactly how to submit pricing and so that pricing can be evaluated fairly and defensibly.

Choosing an appropriate pricing structure will depend on what is being purchased; where applicable, ensure that the pricing structure aligns with industry standards.

Regardless of the pricing structure employed, the solicitation document must clearly state what is included or not included with respect to pricing (e.g. is the submitted pricing all-inclusive or are certain expenses allowed to be charged in addition, such as delivery charges). The pricing structure must also clearly indicate that taxes should be separately stated.

In addition to setting out the selected pricing structure, the solicitation document must also include the payment structure. For example, will the entire amount owed be paid at the end of the contract or will the vendor be able to bill at regular intervals, upon completion of phases or at specific payment milestones? The payment terms that will apply to the payment of invoices should also be set out in the solicitation document.

(b) Choice of Pricing Structures

Below is a list of some of the most common pricing structures and the factors that should be considered when you are deciding which one is appropriate for your procurement.

- **Lump Sum** (also referred to as “flat fee,” “firm price,” “total price”) – The bidder submits a total price to provide the deliverables, which is not subject to adjustment after the contract is awarded. This model is only appropriate where all specifications are known in advance, all conditions affecting price are known, the terms of the contract are clear and all of that information is disclosed in the solicitation document.
- **Unit Prices** – The bidder submits a per-unit price for the deliverables and that unit price is then multiplied by the required quantity. Similar to the lump sum pricing structure, this pricing structure requires exact specifications for the deliverables required. In order to get the most competitive pricing and meet disclosure obligations, it is important to ensure that historical or accurately estimated volumes of the required deliverables are disclosed in the solicitation document. All unit prices must be set out with clear metrics in the solicitation document (e.g. hourly rates, price per unit or per kilogram, etc.).
- **Lump Sum or Unit Prices with Price Adjustments** – Where an industry is subject to potential increases in pricing for products or labour, but a firm estimate on pricing is required, the lump sum or unit price model can be used in conjunction with a pre-determined price adjustment. In order to be defensible, the

price adjustment should be tied to objective criteria in the marketplace or subject to an objective, predetermined formula.

- **Time and Materials** – This pricing structure is used to solicit competitive pricing when it cannot be estimated in advance how much time or materials will be required to complete the project. This pricing structure allows some flexibility in pricing; however, in order to avoid costly budget overruns, this pricing model must include clearly described deliverables and requires careful project management to ensure efficient use of resources. The time and materials pricing components should each have clear metrics (e.g. hourly or per diem rates, set pricing for required materials). This pricing model can also be used for longer-term service contracts where a service or good is required on an as-needed basis. When a time and materials pricing structure is used for these types of contracts, the term of the contract must be set out in the solicitation document. If options to extend the contract are included, any price increase for the extension terms must either be set out clearly in the solicitation document or be subject to an agreed-upon formula (e.g. indexed to inflation).
- **Time and Materials with Upset Limit** – A time and materials pricing structure, as described above, can be used in combination with a requirement that bidders set an “upset limit” that represents a total cost that will not be exceeded for the specified scope of work. For example, the pricing could be based on an hourly rate that will be charged for actual time spent with a total dollar value that will not be exceeded for the completion of the project.
- **License Fees** – Common in the software industry, this pricing structure involves a set license fee tied to specific rights of use (e.g. number of users, number of computers on which software can be installed).
- **Budget-Based Bidding** – A less common form of pricing structure for use when there is a set amount of money budgeted for a project and the Department wishes to get the most value for that budget amount. The total budget is disclosed in the solicitation document and bidders propose solutions that provide the most deliverables they can within the set budget amount. The disclosure of budget may result in less competitive bids, but it can be a useful method where there is concern that the scope of the project may otherwise result in bids that exceed the available budget.
- **Life-Cycle Cost (LCC)** – This pricing structure is an analysis that considers the initial purchase price, warranty and duration of useful life, shipping, conversion and installation, and all reasonable operating costs such as fuel/energy use, water use, routine maintenance, consumable supplies, parts and repairs, etc. The solicitation document must describe the method that will be used to calculate the LCC and specify the information that must be submitted by the bidder for the purposes of the LCC analysis. Typical elements of a LCC analysis include:
 - purchase price;
 - life span of products;
 - transportation and handling;
 - installation and associated costs;
 - staff training;

- operation and supplies (including any costs associated with disposal of waste/spent supplies);
- energy and fuel costs;
- maintenance and repairs; and
- end-of-life disposal costs.

The details of a particular procurement may require another type of pricing structure. When the appropriate selection of pricing structure is not clear, employees should consult the Procurement Branch for guidance and other possible options.

3.7 Evaluation Methodology

In order to run a defensible competitive process, the evaluation methodology that will be used to determine the successful bidder(s) must be fully disclosed in the solicitation document. Failure to fully disclose the evaluation methodology, including all factors to be considered in determining the successful bidder(s), may constitute hidden criteria that could expose the City to legal, financial and reputational risk.

All eligibility or threshold criteria (also referred to as “mandatory requirements”) must be fully disclosed and be capable of review upon submission of a bid. Mandatory requirements should be kept to a minimum and must only be used for those eligibility requirements that are absolutely essential.

There are two basic evaluation methodologies:

- lowest price; and
- evaluated criteria where price and specified qualitative factors are allocated a certain weighting.

When using an RFSQ as part of a two-stage competitive process, the RFSQ must disclose the basis on which bidders will be considered eligible to proceed to the subsequent stage of the procurement process. Eligibility could be determined by obtaining a threshold score (e.g. bidders with a score of 65% or greater will be prequalified) or by being ranked within the specified number of top-scoring bidders (e.g. the top three bidders will be prequalified).

(a) Low-Price Evaluation

When the bids are being evaluated only on price, this must be clearly set out in the solicitation document and no other factors can be used to determine the successful bidder. If a Department wants to select the preferred bidder based on lowest price, but also consider other qualitative factors, such as previous experience, then they should consult with the Procurement Branch about using a different format or issuing an RFSQ to prequalify bidders.

The method for determining the low price must be disclosed. Where the pricing structure is lump sum, the lowest price may be obvious, but if multiple unit prices are being solicited, then the formula for determining the low price for the purposes of evaluation must be set out in the solicitation document.

(b) Evaluated Criteria

When multiple criteria will be considered in the evaluation of bids, the criteria and the relative weighting for each of the criteria must be disclosed in the solicitation document. When several different factors will be considered in the evaluation of a particular criterion, the sub-criteria and sub-weightings should also be disclosed.

When interviews or presentations are requested, the weight, value and impact on the evaluation and selection process must be set out in the solicitation document. Interviews and presentations can either be given a pre-determined weight or can be used to confirm or adjust the scores assigned in the evaluation of the paper-based proposal.

When price and non-price factors are both being evaluated, the method for evaluating price must be disclosed. Generally, price is scored by dividing the lowest overall price submitted during the competitive process by the price submitted by each bidder, and then multiplying that value by the weighting allocated to price (lowest proposed price / bidder's proposed price x weighting). The scores for qualitative factors and the score for price are combined and bidders are ranked based on highest total score. Other methods for evaluating price may be recommended by the Procurement Branch in certain circumstances.

3.8 Integration of Components

All of the components of the solicitation document need to work together properly. This requires integration throughout the document. The evaluation criteria and the pricing structure must align with the requirements, and the legal agreement must be properly tailored to the requirements and align with the pricing structure.

3.9 Version Control – Reviewing and Revising

When a solicitation document needs to be reviewed and edited by multiple stakeholders, the editing process must be well-coordinated in order to maintain proper version control. Unless revisions are carefully tracked and integrated through an organized process, the final document is likely to include gaps and inconsistencies that can undermine the certainty of terms and create legal risk. The following steps should be taken to ensure version control:

- (a) Determine who is responsible for incorporating all comments and revisions into the draft document and preparing the final version.
- (b) Ensure stakeholders are clear on what sections of the document they are responsible for reviewing.
- (c) Only the person responsible for the final document should assign new version names to the document (e.g. "RFP v. 2.0").
- (d) Others making electronic changes to the document should save the revised document under a new file name that retains the assigned version name and also includes their name and the date of the changes (e.g. "RFP v. 2.0 – changes by AB Jan 14").
- (e) Copies of all stakeholder comments/mark-ups should be retained in the procurement file.

4. Invitational Competition Protocol

4.1 Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for conducting a competitive procurement process. This protocol should be read in conjunction with the Bylaw 2003-69 and City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

4.2 Responsibility for Conducting Invitational Competitions

Unless the authority to conduct an Invitational Competition has been delegated to the Department, the process will be conducted by the Procurement Branch with the assistance and cooperation of the Department.

The City Manager or Executive Director, Financial and Corporate Services may delegate the authority to conduct an Invitational Competition to a Department, on either a standing basis or a case-by-case basis. Where a Department has delegated authority to conduct an Invitational Competition, the Department Head is responsible and accountable for ensuring the process is conducted in accordance with this Protocol.

4.3 Preparing the Solicitation Document

The appropriate solicitation document format must be determined in consultation with the Procurement Branch using the Format Selection Protocol. The information contained in the Procurement Plan and the template for the selected format will be used to assemble the solicitation document.

The principles and guidelines in the Document Drafting Protocol should be followed and the following must be confirmed before the solicitation document is finalized:

- (a) the most up-to-date template is used;
- (b) all material information relevant to the procurement has been disclosed;
- (c) all evaluation criteria that will be considered in the evaluation of bids are disclosed;
- (d) the terms and conditions of the procurement contract are included in the solicitation document; and
- (e) there is alignment between the technical requirements and specifications, the pricing structure, and the contract terms and conditions.

4.4 Approval of the Solicitation Document

Unless otherwise determined by the City Manager or Executive Director, Financial and Corporate Services, both the Department and the Procurement Branch must review and approve the final solicitation document prior to issuance.

4.5 Issuance of the Solicitation Document

Email may be used for the issuance of the solicitation document. Invited vendors must be given a reasonable period of time to submit their quotes. Bids may not be solicited or obtained by telephone.

4.6 Communication with Bidders and Addenda Process

All communications with invited bidders must be made in writing, by email, through a single contact person designated in the solicitation document. Any other individual who receives inquiries from invited bidders must direct those bidders to the designated contact person.

If questions are received from any invited bidder during the procurement process, the questions and their corresponding answers should be consolidated into a “Q&A” document that is issued by email to all of the invited bidders. The Q&A document should not identify which bidder asked which question.

Any changes to the solicitation document must be communicated to all invited bidders through a written addendum issued in the same manner as the solicitation document. If an addendum containing significant new information is released close to the submission deadline, the submission deadline should be extended to allow the bidders a reasonable period of time to review and respond to the addendum.

4.7 Receipt of Bids

Bids may be submitted by electronic mail or other electronic submission method specified in the solicitation document. Bids must be received in the manner set out in the solicitation document. Bids received prior to the submission deadline must be kept confidential until the submission deadline has passed. After the submission deadline has passed bids must be reviewed to determine if all mandatory submission requirements have been met in accordance with the process set out in the solicitation document.

4.8 Evaluation of Bids

The Department is responsible for establishing the evaluation team and conducting the evaluation process in accordance with the evaluation methodology disclosed in the solicitation document. Where the evaluation is based only on price, the bids must be reviewed by at least one representative from the Department and one representative from the Procurement Branch. Where the solicitation document includes evaluation criteria in addition to price, the quotations should be evaluated by a minimum of three evaluators.

4.9 Selection of Preferred Bidder(s)

The Department is responsible for recommending the selection of the preferred bidder(s) based on the results of the evaluation process in accordance with the solicitation document. The Department’s recommendation to award a contract to the preferred bidder(s) must be approved by the Procurement Branch. All individual evaluator score sheets, the summary score sheet and any applicable notes in support of the scores must accompany the selection recommendation.

The Procurement Branch will send the selected bidder a notice of selection asking the bidder to satisfy any conditions of award set out in the solicitation.

4.10 Contract Finalization

Once all required approvals are obtained and any conditions of award are satisfied, a purchase order attaching or referencing the contract terms and conditions set out in the solicitation document will be issued by the Procurement Branch.

4.11 Notification of Unsuccessful Vendors

After the contract with the selected vendor has been finalized, the Procurement Branch will promptly notify the unsuccessful vendors of the outcome.

4.12 Communication with Vendors Regarding Outcome

Any requests for debriefing or any questions or complaints about the outcome of the process must be directed to the contact person in the Procurement Branch. If a debriefing is held, it should be conducted in accordance with the Bidder Debriefing Protocol.

4.13 Documentation

The Procurement Branch is responsible for creating and maintaining a procurement file containing copies of the following documents:

- (a) the approved Competitive Procurement Initiation Form or other form of approval memo;
- (b) the final version of the Invitational RFQ document that was issued to vendors;
- (c) records of any communications with invited vendors;
- (d) copies of all addenda that were issued to vendors;
- (e) all quotes received from vendors;
- (f) any notes with respect to the review and evaluation of quotes;
- (g) documented approval for the contract award; and
- (h) the purchase order and any other contract documents.

5. Open Competition Protocol

5.1 Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for conducting an Open Competition. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

5.2 Responsibility for Conducting Open Competitions

Open Competitions will be conducted by the Procurement Branch with the assistance and cooperation of the Department.

5.3 Preparing the Solicitation Document

The appropriate solicitation document format must be determined in consultation with the Procurement Branch using the Format Selection Protocol. The information contained in the Procurement Plan and the template for the selected format will be used to assemble the solicitation document.

When preparing a solicitation document for an Open Framework Competition to establish a Qualified Vendor Roster, refer to the Qualified Vendor Roster Protocol.

The principles and guidelines in the Document Drafting Protocol should be followed. All items in the Solicitation Document Checklist in Schedule A of the Open Competition Protocol must be confirmed before the solicitation document is finalized.

5.4 Approval of Solicitation Document

Both the Department and the Procurement Branch must review the assembled solicitation document to ensure that all of the requirements in the Solicitation Document Checklist in Schedule A of this protocol are met and must approve the final solicitation document prior to issuance.

5.5 Procurement Notice

The Procurement Branch is responsible for posting notice of the procurement on SaskTenders. Vendors must be able to access the notice free of charge. The Procurement Notice Checklist in Schedule B of this protocol must be used to ensure all required information is included in the notice.

5.6 Posting Solicitation Document

The Procurement Branch is responsible for posting the solicitation document on SaskTenders. The solicitation document should be posted at the same time as the notice.

5.7 Time Period for Bid Submission

Vendors must be provided sufficient time to prepare and submit responses to the solicitation document.

The City has obligations to ensure the open competition is posted in the market place for a minimum amount of time. Below is a chart of the trade agreements and their corresponding dollar values and time requirements in the market place.

Trade Agreement	Goods	Services	Construction	Time in Market
CETA	\$340,000	340,000	8,500,000	30 Days
CFTA	\$100,000	\$100,000	\$250,000	N/A
NWPTA	\$75,000	\$75,000	\$200,000	N/A

If responses are accepted by electronic means, vendors must be given a minimum of 25 calendar days to respond to the solicitation document, or 30 days if the solicitation document is posted electronically, but hard copy bids are required for response. A longer response time may be considered reasonable based on the nature and complexity of the procurement.

If electronic posting and submission of responses is not permitted, a minimum time period of 40 calendar days must be provided.

A shorter time period is not advisable and may only be considered under the following circumstances:

- (a) There is a state of urgency that does not allow for the regularly required time period, whereby a valid reason for the urgency must be substantiated and documented. Lack of advance planning will not be considered a valid reason.
- (b) The procurement is solely for commercial goods or services and bids are accepted by electronic means. Commercial goods or services means goods or services of a type generally sold or offered for sale in the commercial marketplace to, and customarily purchased by, non-governmental buyers for non-governmental purposes.
- (c) A limited number of prequalified vendors are being invited to respond to a second-stage competitive procurement.

In any of the above cases, the minimum time period must not be less than ten calendar days.

5.8 Communication with Potential Bidders and Addenda Process

Any reasonable request for relevant information by any interested or participating vendor must be replied to, provided that such information does not give that vendor an advantage over other vendors.

- (a) All communications with potential bidders after the posting of the solicitation document must be made in writing through a single contact person designated in the

solicitation document. The designated contact person must be a representative of the Procurement Branch.

- (b) Any Department employee or any other individual who receives inquiries from potential bidders must direct those bidders to the designated contact person in the Procurement Branch and must not discuss the procurement with any potential bidder or vendor.
- (c) It is recognized that there may be instances where Department employees have ongoing relationships with vendors with respect to existing contracts and that those vendors may be potential bidders in other procurements. In such instances, Department employees are not prevented from speaking to such vendors with respect to ongoing projects and contracts, but should refrain from discussing upcoming or active procurements.
- (d) All bidder questions must be submitted in writing to the designated contact person. The designated contact person will forward all questions of a technical nature to the Department. The Department will provide the responses to the Procurement Branch and the Procurement Branch will consolidate all bidders' questions and the responses and post the consolidated "Q&A" document as an addendum. The Q&A document should not identify which bidder asked which question. Questions that are duplications may be consolidated, so long as all legitimate bidder questions and concerns are addressed.
- (e) All changes to the solicitation document must be communicated to all bidders through a written addendum issued by the Procurement Branch. If the Department needs to make changes to a solicitation document after it has been posted, all such changes (including changes to the scope, evaluation criteria or schedule) must be provided to the Procurement Branch. The Procurement Branch will prepare the addendum and provide it to the Department for review and approval. Once approved, the addendum will be issued by the Procurement Branch in the manner set out in the solicitation document.
- (f) If an addendum containing significant new information or modifications is released close to the submission deadline, the Procurement Branch must extend the submission deadline to allow bidders a reasonable period of time to review and respond to the addendum.

5.9 Receipt of Bids

Procedures for the receipt, opening and treatment of bids must guarantee the fairness and impartiality of the procurement process and the confidentiality of bids.

If bids are received electronically, the system must establish time of receipt and bids must not be accessed until the submission deadline has passed.

Vendors must not be penalized for the late submission of a bid if the delay in receiving the bid is due solely to mishandling on the part of the City.

5.10 Review of Mandatory Submission Requirements

To be considered for an award, a bid must be submitted in writing, be compliant with the essential requirements set out in the notices and solicitation document and be from a vendor that satisfies any conditions for participation.

Once the bids have been opened, the Procurement Branch must review all bids to ensure compliance with the mandatory submission requirements set out in the solicitation document. Where no rectification period has been allowed for in the solicitation document, those bids that do not meet the mandatory submission requirements are disqualified and must not be evaluated further.

If the solicitation document provides for a rectification period, the Procurement Branch will send any bidder that did not meet a mandatory submission requirement a rectification notification informing them that it will have the opportunity to meet the mandatory submission requirement within the specified rectification period. After the expiration of the rectification period, any bidders that have failed to meet all mandatory submission requirements are disqualified and must not be evaluated further. The bids that have satisfied the mandatory submission requirements will be provided to the Department for evaluation. Note that a “rectification period” is only applicable if explicitly provided for in the solicitation document and must never be included in a legally binding “Contract A” solicitation document.

5.11 Evaluation of Bids

The evaluation process must be fair, defensible and transparent and must comply with the evaluation methodology disclosed in the solicitation document.

(a) Assessment of Mandatory technical requirements

- The Department will assess whether the bids satisfy any mandatory technical requirements set out in the solicitation document. Bids that do not satisfy the mandatory technical requirements will be disqualified and must not be evaluated further.
- Where there is any uncertainty with respect to whether or not a bid satisfies a mandatory requirement, the Department must consult with the Procurement Branch to determine the appropriate course of action.
- Where it is clear that a bid fails to satisfy any mandatory requirement, the Department must notify the Procurement Branch.
- The Procurement Branch is responsible for notifying a bidder that their bid has been disqualified. Under no circumstances is the Department to communicate directly with bidders regarding the evaluation process.

(b) Low-Bid Evaluation

- In a low bid evaluation process, the contract is awarded to the bidder that submitted the compliant bid with the lowest price.

- Once the mandatory technical requirements have been reviewed, the Department and the Procurement Branch will review the compliant bids and determine the lowest submitted price. The bids must be reviewed by at least one representative from the Department and at least one representative from the Procurement Branch.

(c) Evaluated Criteria (High-Score) Evaluation

- Where the procurement process involves the evaluation of multiple criteria, the contract is awarded to the highest scoring bidder.
- Departments are responsible for establishing the evaluation team and conducting the evaluation process. A minimum of three evaluators must participate in the evaluation process and a representative of the Procurement Branch will serve as a facilitator and advisor to the evaluation team. The evaluation team must ensure that the evaluation plan as indicated in the solicitation document is followed and that the scoring of the bids is defensible.
- All evaluation team members must sign a declaration stating that they have no conflicts of interest in respect of the procurement process and agreeing to keep the content of bids and the evaluation confidential.
- Each individual evaluator should review each bid individually. Each bid should be evaluated on its own merits. Evaluators must evaluate using the pre-established evaluation criteria and weightings as set out in the solicitation document and must only evaluate the materials included in the bidder's bid.
- Individual evaluators should make notes, including their scores and any comments supporting their scores based on the established evaluation criteria. Evaluators must remember that all evaluation notes are potentially subject to public release under access to information legislation and therefore all written comments must be fair, defensible and transparent.
- If an evaluator believes clarification is needed in respect of information contained in a bid, they should make a note of it for discussion with the evaluation team. Under no circumstances should an evaluator attempt to contact or communicate directly with a bidder.
- Once all evaluators have conducted their individual evaluations, the entire evaluation team should meet to finalize their scores in accordance with the Enhanced Consensus Scoring Protocol.
- If the evaluation team wishes to seek clarification from a bidder in respect of information contained in its bid, the evaluation team must consult with the Procurement Branch. The evaluation team should prepare a draft of the clarification questions it proposes to ask the bidder for review by the Procurement Branch. If determined to be appropriate, the Procurement Branch will send the clarification request to the bidder. The bidder's response will be provided to the Procurement Branch. The Procurement Branch will review the response from the bidder and, if it is determined to be appropriate, will provide it to the evaluation team.

- Once the evaluation of non-price factors has been completed and the scores for the non-price factors have been totaled, the evaluation team should factor in the evaluation of price in accordance with the method set out in the solicitation document.

(d) Interviews and Presentations

Where expressly set out in the solicitation document, interviews and presentations may be utilized during an evaluation process. Interviews and presentations should be scheduled in advance to allow bidders the opportunity to prepare. All bidders should be provided with the same amount of time for the interview and presentation and be provided with the same level of review. The evaluation of interviews and presentations must be consistent with the process set out in the solicitation document.

(e) Concurrent Negotiations and Best and Final Offer (BAFO) Process

Where expressly set out in the solicitation document, the evaluation process may include a process for engaging in negotiations or discussions with a short-list of bidders followed by the submission of best and final offers (BAFOs).

In such cases, the evaluation team will evaluate the original bid submissions and will create a short-list based on the results of those evaluations and the process set out in the solicitation document. The bidders that are included on the short-list will be invited to engage in discussions and negotiation of their bids before submitting a BAFO. Those involved in conducting the concurrent negotiations should refer to the Negotiation Protocol for guidance.

The deadline for the submission of BAFOs must be the same for all participating bidders. BAFOs must then be evaluated in accordance with this procedure and the process set out in the solicitation document.

5.12 Selection of Preferred Bidder(s)

The preferred bidder(s) will be determined based on the results of the evaluation process in accordance with the solicitation document.

Where the competition is intended to result in the award of a contract to the selected bidder, the Department is responsible for submitting a recommendation for selection of the preferred bidder to the Procurement Branch for approval, and must obtain such approval prior to proceeding with the finalization of the contract. All individual evaluator score sheets, the summary score sheet and any applicable notes in support of the scores must accompany the selection recommendation.

Where the competition is intended to result in the prequalification of bidders that will be eligible to participate in a second-stage competitive process, the Department is responsible for submitting a recommendation to prequalify the preferred bidders to the Procurement Branch for approval, and must obtain such approval prior to notifying the bidders of the outcome of the pre-qualification process and proceeding with the second-stage competitive process.

Where the competition is intended to result in a Qualified Vendor Roster, the Procurement Branch is responsible for establishing the Qualified Vendor Roster.

5.13 Contract Finalization

Where the solicitation document provides for contract negotiations with the preferred bidder, the Procurement Branch will send the selected bidder a notice of selection inviting the bidder to enter into contract negotiations. Those involved in contract negotiations should refer to the Negotiation Protocol for guidance.

Where the solicitation document does not provide for negotiation of the contract with the selected bidder(s), the selected bidder must enter into the form of contract included in the solicitation document and contract negotiations are not generally permitted. The Procurement Branch will send the selected bidder a notice of selection asking the bidder to satisfy any conditions of award set out in the solicitation document and enter into the contract.

5.14 Contract Award

The contract is awarded once negotiations are successfully completed, if applicable, and all conditions of award set out in the solicitation document have been satisfied. If a legal agreement is to be signed, the contract is awarded when both the vendor and the City have signed the agreement. In the absence of a signed legal agreement, the contract is awarded at the time a purchase order is issued to the vendor.

5.15 Cancellation of Competitive Process

Where the deadline for submission of bids has passed and bids have been received, the procurement process must not be cancelled without the approval of the Procurement Branch, in consultation with Legal Services where necessary.

5.16 Notification

Unsuccessful bidders must be promptly informed of contract award decisions.

5.17 Debriefings

Unsuccessful bidders may request a debriefing. When requested, debriefings must be scheduled and conducted by the Procurement Branch and the appropriate Department representative in accordance with the Bidder Debriefing Protocol.

5.18 Notice of Award

Within 72 days of awarding a contract, a notice of award must be published on SaskTenders and must remain readily accessible for a reasonable period of time. The Procurement Notice Checklist in Schedule B of this protocol must be used to ensure all required information is included in the notice.

5.19 Procurement Recordkeeping

The City must ensure that bidders' information submitted in confidence is adequately protected. The Procurement Branch and the Departments must ensure that all bids and

contracts are kept in a secure location and only accessible by those individuals directly involved with the procurement.

The maintenance, release and management of all procurement records must be in accordance with the City's policies and procedures on document management and access to information.

The Procurement Branch is responsible for ensuring that all documentation relating to the procurement is properly filed and maintained in the procurement file. The following are the minimum requirements of what should be kept in each procurement file:

- (a) the approved Competitive Procurement Initiation Form or other form of approval memo;
- (b) the Procurement Plan;
- (c) the final solicitation document(s);
- (d) records of any communications with bidders or potential bidders;
- (e) copies of all addenda;
- (f) copies of all bids received from bidders;
- (g) all records of evaluation processes, including evaluator notes and final scores;
- (h) the final recommendation memo together with all required approvals;
- (i) records of any debriefing requests and outcomes; and
- (j) records of any vendor complaints and related correspondence.

Schedule A: Solicitation Document Checklist

The following must be confirmed before the solicitation document is finalized:

- The most up-to-date template is used.
- All material information relevant to the procurement has been disclosed, including:
 - a complete description of the procurement, including the nature and the quantity of the goods or services to be procured; or if the quantity is not known, the estimated quantity and any requirements to be fulfilled, including any technical specifications, requirements for servicing or warranty; transition costs, if applicable; and applicable conformity assessment certification, plans, drawings or instructional materials;
 - any conditions for participation of vendors, including a list of information and documents that vendors are required to submit in connection with the conditions for participation;
 - a clear description of the method that will be used to evaluate bids and select the successful bidder(s);
 - all evaluation criteria, and, unless price is the sole criterion, the weighting of the criteria;
 - submission instructions, including any authentication and encryption requirements or other requirements related to the submission of information by electronic means;
 - any dates for the delivery of goods or the supply of services, which must take into account such factors as the complexity of the procurement, the extent of subcontracting anticipated and the realistic time required for production, de-stocking and transporting of goods from the point of supply or for supply of services; and
 - other material terms and conditions, including terms of payment.
- The solicitation document does not include:
 - conditions for participation that are not essential to ensuring that a vendor has the legal and financial capacities and the commercial and technical abilities to provide the goods or services;
 - biased or branded technical specifications;
 - local content or other economic benefits criteria that are designed to favour vendors from a particular geographic location (region, territory, province or nation) or goods or services of a particular geographic location; or
 - requirements that bidders have previously been awarded contracts by the City or have prior experience in a particular geographic location.

- The terms and conditions of the contract are appropriately contained in the term sheet or form of agreement.
- There is alignment between the technical requirements and specifications, the pricing structure (where applicable) and the contract terms and conditions.
- In the case of a solicitation document to establish a Blanket Purchasing Agreement, the solicitation document indicates how subsequent purchases will be made from under the Blanket Purchasing Agreement.

Schedule B: Procurement Notice Checklist

For each Open Competition, a summary notice, a detailed notice of intended procurement and a notice of contract award must be published and must be accessible by electronic means free of charge. Use the checklist below to ensure that all required information is included in the notices.

Summary Notice

A summary notice must also be posted at the same time as the detailed notice and must contain at least the following information:

- the subject-matter of the procurement;
- information on how to obtain all relevant documents relating to the procurement process; and
- the date and time of the submission deadline.

Notice of Intended Procurement

This detailed notice must include all of the following information:

- procuring entity's name and address;
- contact information (phone and/or email) of contact person;
- information on how to obtain all relevant documents relating to the procurement;
- the cost and terms of payment, if any for the procurement documents;
- a description of the procurement;
- the nature and the quantity of the goods or services to be procured or, if the quantity is not known, the estimated quantity;
- the time-frame for delivery of goods or services or the duration of the contract;
- a description of any options;
- the procurement method that will be used and whether it will involve negotiation or electronic auction;
- the language(s) in which submissions will be accepted;
- the date and time of the bid submission deadline;
- the location for submission;
- if there will be a public opening, the date and time of the public opening; and
- an indication that the procurement is covered by Chapter 19 of the CETA, Chapter 5 of the CFTA and/or Article 14 of the New West Partnership Trade Agreement.

In the case of two-stage competition, where the City intends to select a limited number of qualified vendors to be invited to participated in the second-stage competition, the notice must include all of the above, and:

- the criteria that will be used to select them and, if applicable, any limitation on the number of vendors that will be permitted to participate in the second-stage competition.

Notice of Contract Award

Within 72 days of awarding a contract, a notice of award must be published on SaskTenders and must remain readily accessible for a reasonable period of time.

The notice must include at least the following information:

- the name and address of the procuring entity;
- the name and address of the successful vendor;
- a description of the goods or services procured;
- the value of the successful bid or the highest and lowest offers taken into account in the award of the contract;
- the date of award; and
- the type of procurement method used.

6. Enhanced Consensus Scoring Protocol

6.1 Purpose and Interpretation

The purpose of this protocol is to provide direction to evaluation teams in the use of an enhanced consensus scoring method for the evaluation of bids in a competitive procurement. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

6.2 Objectives

An evaluation team can use a variety of approaches to arrive at the bidders' final scores in a competitive procurement. These approaches range from the straight mechanical averaging of the scores assigned by individual evaluators to a full point-by-point group discussion intended to arrive at an agreed-upon score for each of the evaluation criteria.

There are risks associated with the scoring practices at each end of the spectrum. Straight mechanical averaging without any peer review or group discussion can allow evaluator errors or oversights to go unchecked. On the other hand, collective group scoring tends to lead to protracted evaluation sessions and raises concerns about imbalances in influence among evaluation team members, with potential for the bias or preferences of one or more evaluators to affect the overall scores.

The enhanced consensus scoring method described in this protocol is intended to strike a balance between the two extremes by mitigating the risks associated with collective group scoring while providing for a measure of peer review, allowing evaluation teams to operate efficiently within the bounds of their due diligence duties.

6.3 Overview of the Enhanced Consensus Scoring Method

Enhanced consensus scoring involves identifying and discussing those evaluation criteria where the scores assigned by individual evaluators fall outside of an acceptable range based on a pre-set variation tolerance.

After evaluation team members have been provided sufficient time to conduct individual evaluations and to record their initial evaluation results, the evaluation team will attend one or more enhanced consensus scoring sessions ("ECS sessions") to discuss and finalize the evaluation results.

During the ECS session(s), only the evaluation criteria with scores falling outside the pre-set variation tolerance are discussed. This approach ensures that the evaluation team's discussion is focused on the scoring of the evaluation criteria with the largest divergence in initial scoring, as those are the most likely to have been affected by errors that could distort the ultimate ranking of bidders and undermine the fairness of the evaluation process.

Evaluators will have the opportunity to revisit their individual scores and to make any adjustments they determine to be appropriate with the benefit of the group discussions in the ECS session(s). Once the evaluators have been given the opportunity to record any changes they wish to make to their scores, the individual scores for each evaluation criteria are averaged to arrive at the final overall scores.

6.4 Setting the Variation Tolerance

The variation tolerance should be set before the ECS sessions begin. There is no single formula for determining the variation tolerance, as different scoring systems or rating scales may be used between, and even within, specific solicitation documents.

To set the variation tolerance, evaluation teams should define what is an acceptable range of scores based on the rating scale that was used to score a particular evaluation category. For example, if a category was scored on a scale of 1 to 10, the variation tolerance could be set at three points, so that a range of three points or less in the scores is acceptable. Or, if a category was scored on a scale of 1 to 5, the variation tolerance could be set at two points. See the example scenario in Schedule A of the Enhanced Consensus Protocol for further guidance on setting the variation tolerance.

6.5 Scheduling and Preparing for the ECS Sessions

Evaluators must be allowed sufficient time to conduct their individual evaluations and to record their initial evaluation results prior to the commencement of the ECS sessions.

ECS sessions are facilitated by one or more moderators; typically, the moderator is a procurement advisor, or another individual who is not a member of the evaluation team. Prior to the scheduled ECS session, any evaluation criteria with scores outside of the variation tolerance should be identified by the moderator. Manual spreadsheets may be used when the evaluation process is relatively simple; automated bid-evaluation tools are recommended for more complex processes.

The moderator should establish an agenda for the ECS session(s) based on the time available for group discussion:

- (a) If there is a limited amount of time for ECS sessions, and extending the session or reconvening the evaluation team for additional sessions is not feasible, moderators must prioritize the evaluation criteria for discussion, by scheduling the discussion of the criteria with the most significant divergence in scores first, with the remaining criteria to be discussed in descending order of score divergence. This prioritization will occur with the understanding that the scores for any criteria that have not been discussed by the time the scheduled ECS session concludes will be averaged without discussion in the same manner as the scores that fell within the acceptable range.
- (b) If there is time available to extend the ECS session or reconvene for additional ECS sessions, as needed, a prioritization of the evaluation criteria is not necessary, on the basis that all of the identified evaluation criteria will be discussed before the ECS session(s) conclude.

Additional guidance on the identification and prioritization of the evaluation criteria for discussion at the ECS session is provided in Schedule A.

The moderator should determine before the ECS session whether evaluators will be required to finalize any adjustments they want to make to their individual scores during the meeting, or if they will be given additional time to submit adjusted scores after the meeting has ended.

6.6 Conducting the ECS Sessions

The moderator should preside over the group discussion and follow the agenda that was established on the basis of the previously agreed variation tolerance and any decisions regarding prioritization of the discussion of the evaluation criteria.

ECS sessions should be conducted in accordance with the following rules of order, which the moderator should review with the evaluation team at the beginning of the session:

- (a) While it is intended that only evaluation criteria with scores outside the variation tolerance will be tabled for discussion during the session, if the discussion raises issues in relation to other criteria the group is free to discuss those other criteria as well.
- (b) The evaluator(s) who assigned the lowest score for a criterion will be asked to speak first, followed by the evaluator(s) who assigned the highest score for the same criterion.
- (c) The process will continue with the evaluator with the next lowest score, then next highest, and so on, until each evaluator is given the opportunity to address the criterion.
- (d) While all evaluators will be given the opportunity to speak, evaluators will not be required to speak to any criteria under discussion.
- (e) After each evaluator is given the opportunity to speak, the moderator will open the floor for any additional evaluator comments on that criterion.
- (f) Once there are no more speakers, the moderator will declare the item closed.
- (g) Scores can be adjusted during the course of the meeting or after the meeting, as pre-established by the moderator. Evaluators will not be required to change their initial scores, and must not be pressured to do so.
- (h) Evaluators must record the reasons for any changes to their initial scores.

6.7 Finalizing the Scores

Once the evaluators have been given the opportunity to record any changes to their scores resulting from the ECS session(s), the moderator will compile and average all of the final individual scores for each of the evaluation criteria, including those criteria that were discussed at the ECS session(s) and those that were not, in order to calculate the final overall scores.

6.8 Recordkeeping

It is critical that a record of every step of the enhanced consensus scoring process be kept for audit purposes. Evaluation team members must maintain records of any notes made during the individual scoring process. Moderators must keep records of the initial individual scoring and the evaluation criteria that were identified as having scores outside the accepted variation tolerance. Clear and concise minutes of every ECS session must be kept, and must include the date, time, persons who were present, identification of the moderator, and evaluation criteria and related topics discussed. In addition to the minutes, every evaluator present during the ECS sessions must maintain any notes they made during the group discussion, including notes of any reasons why individual scores were adjusted as a result of the discussions.

Schedule A: Example Scenario

This example assumes that the evaluation criteria were scored on a scale of 1 to 10 and the variation tolerance has been set at three points, so that a variation in the scores of more than three points will be considered outside of the acceptable range.

Based on this example, the shaded criteria in the table below have been assigned scores that are more than three points apart and, therefore, fall outside of the variation tolerance. The variation in the scores assigned to the unshaded criteria falls within the variation tolerance.

Evaluators	PROPONENT X Scoring of Evaluation Criteria					
	Criterion A	Criterion B	Criterion C	Criterion D	Criterion E	Criterion F
Evaluator 1	5	5	3	7	4	6
Evaluator 2	9	5	6	9	7	6
Evaluator 3	8	7	6	8	1	6
Evaluator 4	7	6	3	9	3	6
Evaluator 5	10	6	3	7	4	8

Evaluators	PROPONENT Y Scoring of Evaluation Criteria					
	Criterion A	Criterion B	Criterion C	Criterion D	Criterion E	Criterion F
Evaluator 1	8	5	4	7	4	3
Evaluator 2	7	4	6	9	4	2
Evaluator 3	8	8	5	9	5	8
Evaluator 4	8	6	4	9	4	4
Evaluator 5	8	6	4	7	4	4

Identification of Criteria for Discussion

Because the scoring falls outside of the variation tolerance, the scoring of Proponent X for Criteria A and E and the scoring of Proponent Y for Criteria B and F would be identified by the moderator for discussion at the ECS session(s).

Prioritization of Criteria for Discussion

If the time allocated to the ECS session(s) is limited, the discussion of the criteria would be scheduled in the following order:

1. Proponent X, Criterion E (scores are 6 points apart)
2. Proponent Y, Criterion F (scores are 6 points apart)
3. Proponent X, Criterion A (scores are 5 points apart)
4. Proponent Y, Criterion B (scores are 4 points apart)

Rules of Order for Discussion

During the ECS session, when the evaluation team is discussing Proponent X, Criterion E, the moderator will invite the evaluators to speak in the following order:

1. Evaluator 3 (lowest score)
2. Evaluator 2 (highest score)
3. Evaluator 4 (second lowest score)
4. Evaluator 1 and Evaluator 5 (second highest scores)

After each evaluator has had an opportunity to speak, the moderator will invite all evaluators to share any additional comments they wish to make.

7. Non-Standard Procurements Protocol

7.1 Purpose

The purpose of this protocol is to set out the procedures and requirements for acquiring deliverables through a non-standard procurement process. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

7.2 Type of Non-Standard Procurement

A Non-Standard Procurement is an acquisition of deliverables through a method other than the standard procurement method normally required for the type and value of the deliverables. Non-Standard Procurement processes include:

- a) "Non-Competitive Procurement," where the deliverables are acquired directly from a particular vendor without conducting a competitive process when an Invitational Competition or an Open Competition would normally be required; or
- b) "Limited Competition" where bids are solicited from a limited number of vendors when an Open Competition would normally be required.

A Non-Competitive Procurement should only be requested where the circumstances do not allow for any form of competitive process to be conducted. A Limited Competition should be used where the circumstances surrounding the procurement do not allow for an Open Competition, but the circumstances could allow for the solicitation of a limited number of competitive bids by invitation to more than one vendor.

7.3 Approval Form and Required Documentation

To obtain authority for a Non-Standard Procurement, the Department must complete and submit the Non-Standard Procurement Approval Form in Schedule A (the "Approval Form"). Non-Standard Procurement may only be permitted if one or more of the reasons in the Approval Form apply to the procurement.

The completed Approval Form must be accompanied by sufficient evidence to support the selected reason(s).

The completed Approval Form must also be accompanied by the detailed requirements, specifications and pricing structure for the required deliverables. The Department should consider the applicable sections of the Document Drafting Protocol when preparing this documentation.

7.4 Advance Contract Award Notice (ACAN)

Where the Department is requesting the approval of a Non-Standard Procurement on the basis that the required deliverables can be supplied only by a particular vendor, the Department, subject to the approval of the Procurement Branch, may choose to issue an Advanced Contract Award Notice (ACAN) to confirm that no competition exists.

ACANs may only be used when there is a justifiable reason to support a non-competitive procurement. The notice must clearly explain the nature of the acquisition, the name of the vendor, the estimated cost, why a competitive process is not being used, and must allow sufficient time for potential challengers to come forward. If there is a valid challenge to the proposed contract award, it must not be ignored and a further procurement method may be required.

The reason for the advanced contract award notice process must be provided to the Manager of Procurement for approval to proceed with the issuance of the notice and a summary of the results must be documented.

7.5 Approval of a Non-Standard Procurement Process

The completed Approval Form must be approved and signed in accordance with the City's Delegation of Authority and Authorization Levels prior to acquiring any goods or services or engaging in any contract negotiations with a vendor.

Approval will not be given if the Approval Form is incomplete or does not include sufficient supporting evidence and all required documentation.

7.6 Conducting Non-Competitive Procurements

When a Non-Competitive Procurement is authorized, the Department is responsible for negotiating and finalizing the contract for the deliverables in accordance with Bylaw 2003-69 and the Purchasing Policy and the Negotiation Protocol. Departments are encouraged to consider the guidance on Pricing Structure Selection and Describing the Requirements and Specifications set out in the Document Drafting Protocol.

7.7 Conducting Limited Competitions

When a Limited Competition is authorized, the Procurement Branch will conduct the Limited Competition in accordance with the Procurement Plan for Invitational Competition and the contract with the selected bidder will be finalized in accordance with the Invitational Competition Protocol.

7.8 Non-Standard Procurement Recordkeeping

A written report must be prepared for each contract awarded through a Non-Standard Procurement, including the value and kind of goods or services procured and a statement indicating the circumstances and conditions that justified the use of a Non-Standard Procurement. The report and any supporting documentation, including the approved Non-Standard Procurement Approval Form must be maintained for a minimum of three (3) years from the contract award date.

7.9 Notice of Award

Within 72 days of the contract award, the Procurement Branch must publish the notice of award on SaskTenders. The notice must include at least the following information:

- (a) a description of the goods or services procured;
- (b) the name and address of the procuring entity;
- (c) the name and address of the successful vendor;
- (d) the value of the successful tender or the highest and lowest offers taken into account in the award of the contract;
- (e) the date of award; and
- (f) a description of the circumstances justifying the use of a Non-Standard Procurement.

Schedule A: Non-Standard Procurement Approval Form

Requesting Department:	
Requestor Name:	
Requestor Title:	
Date:	

Description of the Good or Service:	
Estimated Total Procurement Value:	
Account Code:	
Requested Procurement Process:	<input type="checkbox"/> Non-Competitive Procurement <input type="checkbox"/> Limited Competition

Identify the reason(s) for the Non-Standard Procurement:

<input type="checkbox"/> An Open Competition was conducted for the required goods or services and did not result in the receipt of any valid bids.
<input type="checkbox"/> The procurement is being conducted on behalf of an entity that is not covered by the City's Purchasing Policy or any trade agreement.
<input type="checkbox"/> Unforeseeable events have resulted in a situation where extreme urgency exists and the goods or services could not be obtained in time through an Open Competition. * The Department must clearly identify and explain the unforeseeable events that brought about the urgency. Failure to plan for and proceed with a procurement in a timely manner will not be considered a valid reason for a Non-Standard Procurement.

- The procurement is for additional deliveries by the original vendor of goods or services that were not included in the initial procurement if a change of vendor for such additional goods or services:
- (a) **cannot** be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; **and**
- (b) would cause significant inconvenience or substantial duplication of costs for the City.

It can be demonstrated that the goods or services can be supplied only by a particular vendor and no alternative or substitute exists for the following reason(s):

- The requirement is for a work of art.
- The protection of patents, copyrights or other exclusive rights.
- There is an absence of competition for technical reasons.

The City has adopted a standard pursuant to the Purchasing Policy and Procedures and only one vendor can provide deliverables that meet that standard.

The procurement is for:

- Financial services
- Health services
- Social services
- Services provided by licensed lawyers or notaries
- Services of expert witnesses or factual witnesses used in court or legal proceedings

The procurement is for:

- Goods intended for resale to the public
- Goods purchased on a commodity market

The procurement is for:

- a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases or goods available under exceptionally advantageous circumstances that only arise in the very short term, such as liquidation, bankruptcy or receivership;
- a contract to be awarded to the winner of a design contest and the contest was organized in a fair and transparent manner and was advertised by publicly posted notice and participants were judged by an independent jury; or
- goods or consulting services regarding matters of a confidential or privileged nature and the disclosure of those matters through an Open Competition could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption or be contrary to the public interest.

The goods and/or services are to be procured from:

- Government entity
- Philanthropic institution
- Prison labour
- Persons with disabilities
- Non-profit organization*

*This reason does not apply to procurements that are covered by CETA.

- The procurement is otherwise exempt from Open Competition requirements under all applicable trade agreements and it is in the best interests of the City to proceed with a Non-Standard Procurement.

* The Department must indicate the specific section(s) of the applicable trade agreements that provide for the exemption and clearly explain why it is in the City's best interest to proceed with a Non-Standard Procurement, rather than an Open Competition.

- The use of a Non-Standard Procurement method for the acquisition of the deliverables is authorized by resolution by City Council.

* Any request to City Council for this authority must be approved by the City Manager.

Supporting Evidence:

Insert details to explain and support the identified reason(s) and attach any relevant documentation.

Requirements, Specifications and Pricing Structure:

Attach the detailed requirements, specifications and pricing structure for the required deliverables.

Approval:

Approval must be obtained prior to proceeding with any procurement process or the acquisition of any goods or services.

Approved by: _____

****NOTE:** Under the Regina Administration Bylaw (2003-69), Schedule D, Part IV – Non-Standard Procurement Methods, only the City Manager and the Executive Director, Financial and Corporate Services are authorized to award a Non-Standard Procurement. The Executive Director, Financial and Corporate Services has delegated the authority to approve Non-Standard Procurements under \$75,000 to the Procurement Manager.

8. Qualified Vendor Rosters Protocol

8.1 Purpose

The purpose of this protocol is to provide procedures and guidance for establishing and managing Qualified Vendor Rosters. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures.

8.2 Interpretation

Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

For ease of reference, the following defined terms are repeated here:

“Open Framework Competition” means the competitive process used to establish a Qualified Vendor Roster and provide for an ongoing application process during the term of the Qualified Vendor Roster, as further described in this protocol.

“Qualified Vendor Roster” means a list of vendors that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ), and have therefore been pre-qualified to perform discrete work assignments involving the delivery of a particular type of deliverable.

“Roster Competition” means an expedited, invitational competition between vendors that have been included on a Qualified Vendor Roster for the selection of a vendor to perform a discrete work assignment during the term of the roster.

“Master Framework Agreement” means a master agreement entered into between the City and the pre-qualified vendors that have been included on a Qualified Vendor Roster.

8.3 Establishing a Qualified Vendor Roster

In situations where a Department or multiple Departments require the same type of good or service on a regular or recurring basis, it may not be efficient or cost-effective to initiate a new open procurement process each time that particular good or service is required. In such cases, a Qualified Vendor Roster of prequalified vendors should be established.

The Procurement Branch is responsible for establishing Qualified Vendor Rosters in cooperation with Departments. An Open Framework Competition is conducted through the public issuance of an RFSQ, and vendors are pre-screened based on the qualification criteria and evaluation process set out in the RFSQ.

The evaluation process must specify the minimum threshold and conditions that must be met in order for a vendor to be considered qualified. Due to the variability of requirements, Qualified Vendor Rosters do not generally include firm pricing for all items in scope. In some cases, the RFSQ may include a requirement to provide “ceiling prices,” maximum hourly rates or unit prices which the vendor agrees not to exceed when submitting a bid in response to a Roster Competition during the term of the Qualified Vendor Roster or for a shorter specified period of time.

The qualified vendors meeting all of the requirements and conditions in the RFSQ process will be invited to enter into a Master Framework Agreement. The Procurement Branch is responsible for entering into and managing Master Framework Agreements on behalf of the City.

The Master Framework Agreement will set out the process for Roster Competitions and the general terms and conditions that will govern any future work assignments. Upon execution of the Master Framework Agreement, the qualified vendor will be included on the Qualified Vendor Roster. As the need for the deliverables arises, the City will select one or more of the vendors on the Qualified Vendor Roster to perform the work assignment through a Roster Competition.

A Qualified Vendor Roster does not result in any commitment by the City to purchase deliverables from the vendor. The vendor may be selected, in accordance with the Roster Competition, to provide the deliverables on a non-exclusive basis.

8.4 Preparing the RFSQ

The solicitation document should be prepared using the Request for Supplier Qualifications (RFSQ) for Roster Framework template. The following information must be addressed in the RFSQ:

- the qualification criteria and evaluation process;
- the threshold evaluation score needed in order to be included on the Roster; and
- the term of the Master Framework Agreement.

The RFSQ must not include:

- conditions for participation that are not essential to ensure that a vendor has the legal and financial capacities and the commercial and technical abilities to provide the goods or services;
- local content or other economic benefits criteria that are designed to favour vendors from a particular geographic location (region, territory, province or nation) or goods or services of a particular geographic location; or
- requirements that bidders have previously been awarded contracts by the City or have prior experience in a particular geographic location.

The Master Framework Agreement must be attached to the RFSQ and should include details regarding the management of the Qualified Vendor Roster, including:

- the process by which new vendors will be given the opportunity to qualify for inclusion in the Qualified Vendor Roster;
- the process by which vendors may be removed from the Qualified Vendor Roster; and
- the process for conducting Roster Competitions.

8.5 Conducting the Open Framework Competition

To establish a Qualified Vendor Roster, the Open Framework Competition should be conducted in accordance with the following:

(a) Procurement Notice

The Procurement Branch is responsible for posting notice of the opportunity on SaskTenders. Vendors must be able to access the notice free of charge. The notice inviting interested vendors to apply for inclusion in a Qualified Vendor Roster must include:

- procuring entity's name and address;
- contact information (phone and/or email) of contact person;
- information on how to obtain all relevant documents relating to the list;
- a description of the goods or services, or categories thereof, for which the Qualified Vendor Roster may be used;
- the conditions for participation to be satisfied by vendors for inclusion on the list and the methods that the procuring entity will use to verify that a vendor satisfies the conditions;
- the period of validity of the list and the means for its renewal or termination, or if the period of validity is not provided, an indication of the method by which notice will be given of the termination of use of the list; and
- an indication that the list may be used for procurement covered by Chapter 19 of the CETA, Chapter 5 of the CFTA and/or Article 14 of the New West Partnership Trade Agreement.

(b) Posting of Solicitation Document

The Procurement Branch is responsible for posting the RFSQ document on SaskTenders. The RFSQ document should be posted at the same time as the notice.

(c) Time Period for Bid Submission

Vendors must be provided sufficient time to prepare and submit responses to the RFSQ.

Whenever possible, the RFSQ should allow for responses to be submitted by electronic means. If responses are accepted by electronic means, vendors must be given a minimum of 25 calendar days to respond. If for some reason electronic submission of responses is not permitted, a minimum time period of 40 calendar days must be provided.

(d) Ongoing Application Process

During the term of the Qualified Vendor Roster, both the notice inviting interested vendors to apply for inclusion in a Qualified Vendor Roster and the RFSQ document should be made continuously available and vendors must be permitted to apply for inclusion in the Qualified Vendor Roster at any time. The same qualification requirements, evaluation process and Master Framework Agreement that were included

in the original RFSQ will apply for the purpose of qualifying new vendors for inclusion on the Qualified Vendor Roster.

Applications for qualification must be considered within a reasonably short time and vendors must be promptly notified of the outcome. If an application is rejected, the vendor must be provided with a written explanation of the reasons for the decision.

8.6 Removing Vendors from the Qualified Vendor Roster

Vendors that fail to perform contracts awarded through a Roster Competition in a satisfactory manner, may be removed from the Qualified Vendor Roster, and will no longer be eligible to participate in Roster Competitions and will not be eligible to re-qualify during the term of the Qualified Vendor Roster.

In addition to poor performance, vendors may also be removed from the Qualified Vendor Roster on grounds such as:

- (a) bankruptcy or insolvency;
- (b) false declarations;
- (c) final judgments in respect of serious crimes or other serious offences;
- (d) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the vendor;
- (e) the vendor has a history of litigious conduct or bringing frivolous or vexatious claims against the City;
- (f) Abuse of City officials and/or employees; or
- (g) failure to pay taxes.

If a vendor is removed from a Qualified Vendor Roster, the vendor must be provided with a written explanation of the reasons for the decision.

8.7 Roster Competitions

The vendors on the Qualified Vendor Roster should be invited to compete for discrete work assignments during the term of the Qualified Vendor Roster. The successful vendor selected from a Roster Competition will provide the required deliverables for the price quoted in their bid in accordance with the general terms and conditions contained in the Master Framework Agreement and any specific terms and conditions included in the solicitation document used for the Roster Competition.

If the procurement value of the required goods and services associated with the work assignment is below the Open Competition Thresholds, an invitational quote process may be used to solicit quotes from the vendors on the Qualified Vendor Roster, in accordance with the Master Framework Agreement and any applicable procedures established by the Procurement Branch.

If the procurement value of the required goods and services associated with the work assignment is at or above the Open Competition Thresholds, the Procurement Branch is responsible for conducting the Roster Competition in accordance with the following:

- (a) The notice of intended procurement must be publicly posted on SaskTenders and must indicate that inclusion on the Qualified Vendor Roster is a condition of participation in the Roster Competition.
- (b) The time-period for submission of bids must not be less than 25 calendar days if bids are accepted by electronic means or 40 calendar days if bids are not accepted by electronic means.
- (c) If a vendor that is not included on the Qualified Vendor Roster submits a request to participate in the Roster Competition and submits all required information necessary to apply for inclusion on the Qualified Vendor Roster within the time-period for bid submission, the Procurement Branch must consider the application and promptly notify the vendor of the outcome. Only in exceptional cases, due to the complexity of the procurement, may the vendor be excluded on the grounds that there was insufficient time to consider their application within the time-period allowed for the submission of bids.

8.8 Mandatory Use of Qualified Vendor Rosters

It is the responsibility of the Department to check if a Qualified Vendor Roster is already established before making a purchase. When a Qualified Vendor Roster is available, its use is mandatory for all Departments.

In some exceptional cases, the Departments may purchase the deliverables outside an established Qualified Vendor Roster. If the Department's requirement for deliverables is not satisfied by the standard specifications available on the Qualified Vendor Roster, the Department must obtain the approval of the Procurement Branch to proceed with a purchase outside of the Qualified Vendor Roster.

9. Negotiation Protocol

9.1 Purpose and Interpretation

The purpose of this protocol is to establish guidelines and procedures for negotiating with bidders or vendors. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

9.2 Negotiation with Vendor in a Non-Competitive Procurement

If deliverables are being acquired from a particular vendor without conducting a competitive process, the contract for the deliverables will be negotiated directly with the vendor. Although no solicitation document is issued, it is important that clearly drafted and detailed requirements and specifications be prepared during the procurement planning stages to ensure that the deliverables being acquired meet the needs of the organization and are suitable for their intended purpose. The requirements and specifications, along with the appropriate standard form of agreement will serve as a starting point for the negotiations with the vendor. In some cases, it may be appropriate to provide the requirements and specifications to the vendor and seek a written proposal or quotation for the deliverables prior to commencing negotiations. In such cases, the vendor's proposal will also provide a starting point for the negotiations.

9.3 Negotiation with Bidders in a Competitive Process

(a) The Solicitation Document

Negotiation with bidders will only be part of a competitive procurement process if the deliverables are procured through the issuance of Negotiated RFP solicitation document. There are two different types of Negotiated RFP processes: the consecutive negotiation (Rank and Run) process and the concurrent negotiations (BAFO/Dialogue) process. General descriptions of these processes are set out below, but it is critical that the negotiation process for a particular procurement project be conducted in accordance with the process described in the Negotiated RFP document that is issued for that procurement project.

▪ Consecutive Negotiation (Rank and Run) Process

In the consecutive negotiation process, the top-ranked proponent is invited to enter into negotiations to finalize the agreement. The time period for the negotiations is specified in the RFP. If the time period expires and negotiations have been unsuccessful (i.e. an agreement has not been reached with the top-ranked proponent), the negotiations can be terminated and the next ranked proponent can be invited to enter into negotiations. Note that the right to terminate negotiations should only be exercised when it is clear that the parties are not able to come to a satisfactory agreement. If positive progress is being made at the time the negotiation period expires, the negotiation team should extend the negotiation period and attempt to finalize the agreement with the top-ranked proponent; however, if at any time following the expiration of the negotiation period the negotiations break down and it is clear that a satisfactory agreement cannot be reached, the right to terminate negotiations and move on to the next ranked proponent can be exercised.

- **Concurrent Negotiations (BAFO/Dialogue) Process**

In the concurrent negotiations and BAFO process, a short-list of top-ranked proponents are invited to enter into concurrent negotiations. This means that separate negotiations are held with each of the short-listed proponents during the same period of time. The time period for the concurrent negotiations can be set at the time of inviting the short-listed proponents to enter into negotiations, and can be extended as required; however, it is important to give all short-listed proponents equal time and opportunity to engage in negotiations. At the completion of the concurrent negotiations sessions, each of the short-listed proponents must be invited to submit their best and final offer (“BAFO”). These offers should be submitted by a set date and time and evaluated based on set criteria. Normally they are evaluated on the same criteria as the initial proposals. If additional criteria will be considered in the evaluation of BAFOs, those criteria must be set out in the RFP. Undisclosed criteria cannot be considered in evaluating the BAFOs. Based on the results of the evaluation of BAFOs, the top-ranked proponent should be selected and invited to enter into negotiations to finalize the agreement. In most cases, this final round of negotiations should proceed quickly, as most details will have been sorted out during the concurrent negotiations and reflected in the BAFO; however, this is an opportunity to confirm and clarify any details in the BAFO and ensure all details are clearly included in the finalized agreement.

(b) Purpose and Scope of Negotiations in a Competitive Process

A Negotiated RFP contemplates a transparent negotiation phase with the top-ranked proponent(s). Negotiations are an opportunity to clarify requirements and proposal details to ensure the proponent understands the project and the project team understands what the proponent is proposing. The negotiation team may seek improvements to the proposal, including improvements to performance terms and proposal pricing.

It is expected that the terms and conditions in the standard form of agreement included in the RFP will be a starting point for the negotiations; however, the negotiation process is intended to enable commercially reasonable adjustments and clarifications to the legal terms and conditions contained in the standard form of agreement, so that the awarded contract is better tailored to fit the nature of the deliverables and the circumstances of the project. Substantive changes to your standard terms and conditions should only be made in consultation with Legal Services.

The scope of the negotiation phase can vary greatly depending on the nature and complexity of the project. Not all negotiated procurement processes require extensive formal negotiations. In some cases, “negotiation” can be as simple as a teleconference with the selected proponent to confirm the details of their proposal and discuss any minor changes to the standard form of agreement. In such cases, some of the procedures set out in this protocol may not be applicable.

(c) Parameters for Negotiating in a Competitive Process

In all competitive procurement processes, including those that involve negotiations with proponents, public purchasers must protect the integrity of the procurement process and adhere to policy objectives, best practices and trade treaty obligations.

In the context of conducting negotiations in a competitive process, this involves:

- ensuring that no proponent is given preferential treatment or unfair advantage;
- protecting proponents' confidential and proprietary information;
- upholding the rules and requirements of the process; and
- contracting for the deliverables that were the subject of the competition.

(i) Ensuring No Preferential Treatment or Unfair Advantage

During concurrent negotiation, the negotiation team must ensure that proponents are given fair and equal treatment.

Reasonable accommodations should be made in the scheduling of negotiation sessions and an equal amount of time should be allocated to negotiations with each proponent.

Information must not be provided to proponents in a discriminatory manner which may give some proponents an advantage over others.

(ii) Protecting Confidentiality

RFP processes are intended to encourage innovation, which means asking proponents to share their ideas and sensitive commercial information. Negotiations should be carried out individually with each proponent on the basis of the ideas and solutions of the proponent concerned. It is not appropriate to use one proponent's commercially sensitive and confidential information to enhance other proponents' solutions.

Negotiation teams must not reveal proposed solutions or other confidential information communicated by a proponent without the proponent's consent and must not request that a proponent adopt a concept or option offered by another proponent.

(iii) Upholding the Rules and Requirements of the Process

Negotiations should be conducted in accordance with the rules of the solicitation document and changes that materially alter the requirements of the process should not be permitted.

A material change is any change, irrespective of value, which would have:

- allowed other potential vendors to participate in the RFP process, or another tender to be accepted;
- changed the evaluation and scoring of proposals; or

- affected the ranking and potentially resulted in the selection of a different proponent.

Negotiations tend to involve give-and-take on many issues and it may be possible to justify a concession on one point by demonstrating a benefit obtained on a different point; however, when major concessions are made to alter or remove critical contract terms or minimum performance requirements, the other proponents may argue that had they known the concession was going to be made, they would have been able to make their proposal more attractive.

Challenges can also arise when negotiations with the top-ranked proponent are unsuccessful and a contract is successfully negotiated with the next ranked proponent. If the negotiation team agrees to a concession in reaching a contract with the second proponent that it refused to agree to in the first round of negotiations, this may be considered unfair to the first proponent.

In general, the more prescriptive the RFP is in terms of establishing minimum requirements and dictating mandatory specifications or methodologies, the more limits there will be on what is open to negotiation.

(iv) Contracting for the Deliverables that were Subject to Competition

The negotiation team must not depart from the original intent, goals and objectives of the solicitation and must not negotiate an agreement that is materially different in scope from what was described in the solicitation document.

Negotiating a contract for a scope of deliverables that was not the subject of the competition is both unfair to the other proponents that participated in the process and may be considered a violation of open competition requirements under applicable trade treaties.

Trade treaty violations may occur if the scope of work or project requirements are changed so much that other vendors could reasonably claim they were not given an opportunity to compete for the contract that is ultimately awarded.

Just as a significant increase in the scope of an existing contract may be considered a direct award of a contract that ought to have been the subject of a competitive procurement process, the same argument can be made if the scope of the contract that was contemplated in the solicitation document is increased during the negotiation process.

9.4 Planning for Negotiations

Advanced planning is required for an effective and efficient negotiation process. Prior to entering into negotiations, the Department should:

- (a) establish the negotiation team and roles and responsibilities of the team members;
- (b) ensure the negotiation team has the authority to negotiate and understand any limits on that authority;
- (c) Confirm the availability of expert advisors, including legal, financial and technical, as necessary;
- (d) ensure all team members have a clear understanding of the project requirements and objectives and, in the case of a competitive process, have thoroughly reviewed the RFP document and the proponent's proposal;
- (e) compile a list of all issues that need to be addressed in the negotiations, including any questions or concerns about the proposal;
- (f) identify and prioritize the objectives of the negotiations;
- (g) identify any non-negotiable items; and
- (h) prepare a “bargaining binder” that consolidates all of the documents the negotiation team will need to refer to during the negotiations (e.g. RFP, proposal, issues list, etc.)

9.5 Initiating Negotiations

When inviting bidders or vendors to enter into negotiations, it should be clearly communicated that entering into negotiations does not create any obligations to proceed with an agreement. It may be helpful to have the bidder(s) or vendor(s) submit a list of the issues they want to address in the negotiations prior to the first meeting.

9.6 Conducting Negotiations

When conducting negotiations, it is important to:

- (a) identify key issues at the outset of the negotiation process;
- (b) ensure that everyone involved in the negotiations is aware that any agreements that are reached are subject to approval and no legally binding commitments are made until the final agreement is signed;
- (c) ensure that information given in confidence by bidders or vendors is not revealed to others;
- (d) take a collaborative approach and avoid being defensive or aggressive;

- (e) take time to consider all information presented, and verify and confirm information as necessary; and
- (f) clearly document areas of agreement as the negotiations progress to avoid revisiting issues multiple times.

9.7 Recordkeeping

It is critical that a record of all negotiations be kept for audit purposes. If negotiations are conducted through written correspondence, copies of all such correspondence must be kept in the file. Clear and concise minutes of any in-person or telephone meetings, including date, time, persons present, topics discussed and outcomes, must be kept.

9.8 Finalizing the Agreement

Whatever is agreed upon between the parties in the negotiations must be included in the contract in clear language. The final agreement must address all details of the agreed upon deliverables and all of the contractual rights and obligations of the parties. If modifications are to be made to the terms and conditions of the City's standard form of agreement, the negotiation team must engage Legal Services to provide advice and assist in drafting new and/or amended terms and conditions.

10. Bidder Debriefing Protocol

10.1 Purpose and Interpretation

The purpose of this protocol is to provide assistance and direction to individuals involved in conducting debriefings requested by bidders in respect of a procurement. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

10.2 Bidder's Right to a Debriefing

Upon request, an unsuccessful bidder must be provided with an explanation of the reasons why its bid was not selected and the relative advantages of the successful bidder's bid.

Debriefings are an important component of a competitive procurement process and provide an opportunity to:

- (a) recognize the efforts bidders make in responding to solicitation documents issued by the City;
- (b) assist the bidder in understanding why its bid was not selected and address questions and concerns in a non-confrontational manner; and
- (c) provide constructive criticism and suggestions for improvements so that unsuccessful bidders have a better opportunity at winning future bids, and the City has access to more qualified bidders that are better able to compete for the City's business.

When debriefing unsuccessful bidders, care must be taken not to provide information that might prejudice fair competition between vendors.

10.3 Responsibility for Conducting Debriefing

Debriefings must be conducted by one or more representatives of the Department responsible for the procurement. The Department representative should be a member of the evaluation team and be knowledgeable in all aspects of the bid and the evaluation process. A representative of the Procurement Branch may participate in the debriefing, if necessary. Where the procurement involves more than one Department, additional representatives may attend, but attendance should generally be limited to two or three individuals.

10.4 Initiation and Scheduling of a Debriefing

A debriefing is only initiated at the request of a bidder. Requests for a debriefing should be directed to the contact person identified in the solicitation document (the "contact person"). Bidders are expected to make their request within thirty (30) days of the notification of the outcome of the procurement process. Requests for a debriefing that are made after this time period may be considered by the City on a case-by-case basis.

The contact person is responsible for communicating and scheduling the debriefing with the bidder's representative. Debriefings may occur in person at the City's offices or by way of teleconference, depending on the location of the requesting bidder. The Procurement Branch and Departments should be as flexible as possible, within reason, with respect to scheduling bidder debriefings.

10.5 Preparing for the Debriefing

Prior to the debriefing, the Procurement Branch and Department representatives should prepare the necessary materials, including obtaining a copy of the bidder's bid for reference purposes and preparing discussion points based on the suggestions for conducting a debriefing set out below. The materials for the meeting must be distributed in advance to all Department and the Procurement Branch representatives who will be attending the debriefing.

For major projects or where there is reason to believe that the bidder requesting the debriefing may be considering legal recourse against the City in connection with the procurement process, the Procurement Branch and the Department should consult with Legal Services to discuss any additional considerations.

10.6 Conducting the Debriefing

(a) The following is a suggested structure for conducting a debriefing:

- introductions and reiteration of the purpose of the debriefing;
- overview of the bidder's bid, including where the bidder lost significant points in the City's evaluation process;
- discussion of suggestions on how the bidder could improve their bid for future opportunities; and
- questions and answers.

(b) The following **may be** discussed in a debriefing:

- general overview of the evaluation process;
- the name, address, and total price of the successful bidder;
- specific evaluation information related to the criteria used to evaluate the bids;
- the bidder's evaluation score and strengths and weaknesses of the bidder's bid in relation to the evaluation criteria and the relative advantages of the successful bidder's bid;
- the bidder's evaluation ranking (e.g. 3rd out of 5);
- suggestions on how the bidder could improve a future response to a procurement opportunity issued by the City;
- specific questions and issues raised by the bidder in relation to the above topics;
- feedback from the bidder on the City's procurement processes and practices; and
- any information that was shared publicly as part of the procurement process.

(c) The following **must not** be discussed in a debriefing:

- information that might prejudice fair competition between vendors;
- confidential or proprietary information that would prejudice the legitimate commercial interests of third parties, including the protection of intellectual property; or
- personal information about an identifiable individual.

(d) If a bidder requests access to procurement-related records in the City's custody or control, and the individuals conducting the debriefing are not sure whether or not that information is subject to protection under access to information legislation, the bidder should be informed that the request will be considered, and they will be notified of the response within a reasonable period of time. Following the debriefing, the Procurement Branch must consult with the officer or employee responsible for managing access to information requests on behalf of the City regarding the bidder's request. If the record is directly related to the procurement process and would normally be disclosed in response to a formal access to information request, the record should be provided to the bidder as soon as reasonably possible without requiring the bidder to make a formal access request. If the record does not relate to the procurement process or would not be disclosed in response to a formal access to information request, the bidder should be informed that the requested information will not be provided. If the bidder has further questions or concerns about access to the information, they should be directed to contact the City's access to information department.

(e) Challenges to the procurement process should not be debated during the debriefing. If a bidder is dissatisfied with the outcome of the procurement process, the Procurement Branch should inform them that the next step is to formally challenge the procurement, in accordance with the steps outlined in the City's Procurement Protest Protocol.

10.7 Debriefing Follow-Up

Following the conclusion of a debriefing, an internal memo outlining the outcome of the debriefing, including all questions raised by the bidder and any comments or feedback that the bidder might have had about the City's processes, should be prepared and reviewed by the Department and the Procurement Branch representatives involved and included in the procurement file.

If, following the debriefing, there are concerns that a bidder is contemplating challenging the procurement process, the Procurement Branch and the Department should inform and consult with Legal Services.

11. Procurement Protest Protocol

11.1 Purpose and Interpretation

The purpose of this protocol is to set out the process for vendors to make a formal complaint about a particular procurement process. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

11.2 Scope of the Procurement Protest Process

The procurement protest process set out in this protocol is meant to provide an opportunity for vendors to voice complaints and to assist the City in identifying any gaps or shortcomings in its procurement policies and practices. The procurement protest process is intended to help resolve issues that involve no significant factual or interpretive disagreement between the parties. It is not intended to resolve fundamental disputes over facts or legal rights and obligations, or to establish a mechanism to adjudicate such disputes.

11.3 Restrictions

A vendor may follow the procurement protest process to challenge either a competitive process or a Non-Competitive Procurement. Where the vendor is a bidder that is challenging a competitive process, the vendor must request and attend a debriefing prior to engaging in the procurement protest process.

The procurement protest process set out in this protocol shall not be used to challenge a procurement process in respect of which the vendor has commenced legal proceedings against the City.

11.4 Dispute Resolution Under Trade Agreements

The process provided for in this protocol is separate and distinct from any dispute resolution processes that may be provided for under applicable trade agreements. If a vendor wishes to dispute a matter or bring a complaint under an applicable trade agreement, the vendor must follow the process set out in the trade agreement, which may differ from the process set out in this protocol.

11.5 Procurement Review Committee

The City will establish a Procurement Review Committee (the "PRC") for the purpose of making determinations under this protocol. The PRC will consist of the City's Procurement Manager and at least two other senior-level officers or employees of the City. Legal Services will provide guidance and advice to the PRC, as required.

11.6 Procurement Protest Process

- (a) A vendor that wishes to challenge a procurement process must do so by submitting a request for review in writing within sixty (60) days from notification of the outcome of the procurement process. Requests for review will not be addressed under this

protocol until after the City has publicly posted or otherwise provided formal notification of the outcome of the procurement process.

- (b) A request for review of a procurement process must be directed to the Procurement Branch and must contain the following:
- a clear statement as to which procurement the vendor wishes to challenge;
 - a clear explanation of the vendor's concerns with the procurement, including specifics as to why it disagrees with the procurement process or its outcome; and
 - the vendor's contact details, including name, telephone number and email address.
- (c) Once a vendor's request for a review has been received by the Procurement Branch, it should be initially reviewed by the Department responsible for the procurement.
- (d) The Department must coordinate with the Procurement Branch to send an acknowledgement of receipt of the vendor's concerns within five (5) business days of receipt of the vendor's request for review. This correspondence must also set out a date by which the City anticipates contacting the vendor with a response to its procurement protest. This date must be within twenty (20) business days of receipt of the vendor's request for review.
- (e) The Department should prepare an internal memo outlining the background and history of the procurement at issue.
- (f) Once finalized, the memo, together with the vendor's correspondence, must be submitted to the PRC.
- (g) The PRC must convene a meeting and, as a group, review the correspondence outlining the vendor's concerns, together with the internal memo setting out details of the procurement. The PRC may seek any additional information it requires and may consult with other City officers or employees, Legal Services or other advisors, as necessary.
- (h) In considering the merits of the vendor's concerns, the PRC should consider whether:
- the City conducted the procurement in accordance with its Purchasing Policy and Procedures;
 - in the case of a competitive process, whether the City following the process set out in its solicitation document for the procurement; and
 - whether the City acted in an open, fair and transparent manner that reflects its values as a public institution.
- (i) If the PRC is satisfied that the vendor's rationale for requesting a review of the procurement process does not have merit, then it will issue a response to the vendor indicating that the PRC has reviewed its concerns and providing reasons for its determination that the procurement process was conducted properly.

- (j) If the PRC finds that the vendor’s concerns in respect of the procurement process have merit, then it will further determine the appropriate resolution to the matter. In making its determination, the PRC may consider any factors it considers relevant, including:
- whether the complainant participated in the procurement process or was prevented from doing so;
 - the seriousness of any deficiency found in the procurement process;
 - the degree to which the complainant was prejudiced by any deficiency in the procurement process;
 - whether the parties acted in good faith;
 - Whether the complainant has a history of litigious conduct or bringing frivolous or vexatious claims against the City; and
 - Abuse of City officials or employees.

The PRC will issue a response to the vendor indicating its proposed resolution to the matter, if any, and indicating any changes that will be made to the City’ policies and practices to help prevent similar issues arising in future procurement processes. Legal Services should be consulted in the preparation of the response and the response should be provided on a “without prejudice” basis.

- (k) The determination of the PRC is the final determination under the procurement protest process. If the vendor is not satisfied with the response of the PRC, the vendor may consider its other options, including challenges under applicable trade agreements and/or governing laws.

12. Vendor Suspension Protocol

12.1 Purpose and Interpretation

The purpose of this protocol is to set out the process for suspending vendors from participation in the City's procurement processes. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

12.2 Overview

In order to ensure that the City is receiving quality deliverables and value for public money, and is dealing with vendors that conduct business in a professional and ethical manner, the City may suspend vendors from participating in its procurement processes for prescribed time periods for any of the following reasons:

- (a) The vendor was convicted of serious crimes or other serious offences, including bid-rigging, price-fixing or collusion, fraud or other statutory offenses.
- (b) The vendor gave false declarations, including making misrepresentations in bids or failing to disclose conflicts of interest in connection with a procurement process or contract.
- (c) The vendor had significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts.
- (d) The vendor engaged in professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the vendor.
- (e) The vendor has a history of litigious conduct or bringing frivolous or vexatious claims against the City
- (f) The vendor has engaged in abuse of City officials and/or employees.

A decision to suspend a vendor must be made in accordance with this protocol, must be supported by evidence and must be based on the reasons and factors set out below. A decision to suspend a vendor is discretionary; however, such discretion must be exercised consistently and fairly.

12.3 Procurement Review Committee

The City will establish a Procurement Review Committee (the "PRC") for the purpose of making determinations under this protocol. The PRC will consist of the City's Manager of Procurement Branch and at least two other senior-level officers or employees of the City. Legal Services will provide guidance and advice to the PRC, as required.

12.4 Reasons for Suspension

(a) Crimes or Offences

If a vendor is convicted of serious crimes or other serious offences, including bid-rigging, price-fixing or collusion, fraud or other statutory offenses, the vendor should be suspended for the maximum suspension period.

(b) False Declarations

If a vendor includes false or misleading information in its bids the City may suspend that vendor from participating in future procurement processes.

If a vendor fails to disclose a conflict of interest in connection with a procurement process or during the performance of a contract with the City, and the City subsequently discovers that such a conflict of interest exists, the City may suspend that vendor from participating in future procurement processes.

The following non-exclusive factors should weigh in favour of suspension:

- The vendor knowingly made misrepresentations or failed to disclose a conflict of interest.
- The misrepresentation or undisclosed conflict of interest resulted in the vendor having an unfair advantage or otherwise compromised the integrity of the City's procurement process.

(c) Poor Performance

If a vendor performs inadequately under a contract with the City, the City may consider suspending that vendor in any of the following circumstances:

- The deficiencies in performance were significant or persistent.
- The contract was terminated for performance issues prior to expiry.
- There were unrectified performance issues on a contract that resulted in extra costs to the City.
- The deliverables provided were defective or deficient, and either were not replaced or repaired, or required multiple repairs.
- The City brought a litigation proceeding against the vendor in connection with performance or non-performance of the vendor's contractual obligations.
- The suspension of the vendor has been recommended in accordance with the City's Vendor Performance Evaluation Protocol.

(d) Professional Misconduct or Lack of Commercial Integrity

City may suspend a vendor for professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the vendor. Such conduct includes, but is not limited to:

- unethical bidding practices, such as inappropriate offers of gifts to the City's officials, officers, employees or agents and inappropriate in-process lobbying or prohibited

communications during a procurement process, including abuse of City officials or employees;

- failing to perform contracts in a professional and competent manner in accordance with the duty of honest performance and all applicable laws, including safety and labour codes; and
- a history of litigious conduct or bringing frivolous or vexatious claims in connection with the City's procurement processes or contracts.

12.5 Process for Suspension

- (a) Any decision to suspend a vendor must be supported by a written suspension recommendation memo that contains all details connected with the analysis of factors set out above. In the case of suspension based on poor performance, a completed Final Performance Evaluation Report completed in accordance with the Vendor Performance Evaluation Protocol will serve as the suspension recommendation memo.
- (b) The recommendation for suspension must also include the recommended length of the suspension. The maximum suspension period is three years.
- (c) The length of the suspension period should be proportional to the reasons for the suspension and the full three-year suspension should only be applied in the most serious of cases. A suspension can be either a blanket suspension for all procurement processes or a suspension limited to procurement processes for specific deliverables. The recommendation for suspension must clearly set out the scope of the suspension.
- (d) All decisions to suspend a vendor must be approved by the PRC.
- (e) If the suspension is approved, a notification must be provided to the vendor in question informing that vendor that it is suspended from participation in the City's procurement processes for the prescribed time period. The notification letter must contain:
 - full details as to the reasons for the suspension, including copies of any documents or correspondence to support such a suspension;
 - the length of the suspension period and the scope, if applicable; and
 - the vendor's right to re-apply for eligibility within the prescribed time period and the process for requesting such a reinstatement.

12.6 Review of Suspension

- (a) A suspended vendor may apply for reinstatement upon the completion of half of the original suspension period. For example, if the original suspension period was two years, the vendor may apply for reinstatement after one year. In order to be re-eligible for participation in the City's procurement processes, the vendor must submit a written case for reinstatement, including supporting documentation if necessary, that provides reasons why the original reason for the suspension would no longer prove a risk for the City.

- (b) Applications for reinstatement are to be reviewed by the PRC. If the PRC determines that allowing the vendor the opportunity to participate in the City's procurement processes would no longer expose the City to risk, then the application for reinstatement may be approved.
- (c) The vendor must be notified, in writing, of the final decision for reinstatement made by the PRC.

12.7 Suspended Vendors List

The Procurement Branch must maintain an up-to-date and current list of all suspended vendors. Any vendor that is owned or controlled by the same individual(s) that owned or controlled a suspended vendor at the time it was suspended is also considered suspended.

The list should contain, at a minimum:

- (a) the full name of the vendor;
- (b) the names of the directors and officers of the vendor;
- (c) the reasons for the suspension;
- (d) the file number where the suspension recommendation memo is filed; and
- (e) the length of the suspension period and the date of the expiry of the suspension period.

For any competitive procurement process, the Procurement Branch must check the suspended vendors list to ensure that bids are not accepted from suspended vendors.

13. Contract Management Protocol

13.1 Purpose and Interpretation

The purpose of this protocol is to provide guidelines and set out the roles and responsibilities for the management of all contracts with vendors for the provision of deliverables procured by the City. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

In this protocol, "**Contract Administrator**" means an employee assigned to the management of a contract.

13.2 General Principles

Contract management begins with the awarding of a contract, and should continue throughout the life of a contract until all the obligations under the contract have been satisfactorily completed, final payment has been made and warranties have expired.

(a) Scope Management

The scope of each contract must be appropriately managed to ensure that all deliverables are properly received, payments are appropriately made, all timelines are met and any extension options are appropriately exercised.

(b) Contract Disputes

All potential contract disputes with vendors must be managed in accordance with the dispute resolution mechanisms outlined in the contract. Where a contract is silent on dispute resolution, Departments must ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with vendors concerning a contract dispute must be maintained by the Department.

(c) Early Termination

A contract can only be terminated prior to its expiry date with the involvement of Legal Services and in accordance with the terms and conditions outlined in the contract.

(d) Risk of Legal Action

Legal Services must be promptly advised if a vendor initiates or threatens legal action against the City at any time throughout the life of the contract or if there are signs that a vendor is experiencing financial difficulty (e.g. the vendor fails to pay its employees, vendors or subcontractors).

13.3 Roles and Responsibilities

(a) Role of Department Heads and Their Designates

It is the role and responsibility of the Department Head or designate to:

- assign a Contract Administrator to each contract for deliverables procured by the Department;
- provide support and advice to the Contract Administrator as required;
- ensure that all Contract Administrators in the Department are appropriately trained, have knowledge and understanding of applicable policies and protocols, and are able to fulfill the role of Contract Administrators as set out in this protocol; and
- monitor and ensure compliance with this protocol and the Vendor Performance Evaluation Protocol.

(b) Role of Contract Administrator

It is the role and responsibility of the Contract Administrator to:

- be familiar with and understand all of the terms and conditions of the contract;
- create a file for the retention of all documentation related to the contract, as further described below in Section 4 of this protocol;
- facilitate and maintain a professional working relationship with the vendor;
- ensure all contracts are complete and accurate and executed prior to the commencement of any work or deliveries;
- ensure all invoices are complete and accurate prior to approving payment;
- review invoices in a timely manner and ensure approved payments are made in accordance with the payment terms in the contract;
- track renewal or extension dates and appropriately exercise discretion in respect of options to renew or extend contracts;
- anticipate and respond to changes in circumstances that may impact contract performance, such as unseasonable weather, labour disruptions, unforeseen site conditions, indications of changes in the vendor's financial stability, etc.;
- meet with the vendor at appropriate intervals to discuss any performance issues or concerns;
- formally evaluate the vendor's performance in accordance with the Vendor Performance Evaluation Protocol;
- document all communications related to the vendor's performance of the contract;
- consult with the Procurement Branch regarding contract amendments or requests from the vendor for the assignment of a contract;
- consult with Legal Services, as necessary, with respect to interpretation of the terms and conditions of the contract; and

- seek advice from Legal Services, as necessary, with respect to compliance issues and contract disputes.

(c) Role of Legal Services

It is the role and responsibility of Legal Services to:

- respond to requests for assistance from the Contract Administrator with respect to:
 - inadequate vendor performance, non-compliance with contract terms and conditions, or contract disputes that may have a negative impact and/or potentially lead to legal action;
 - interpretation of terms and conditions under the contract and the remedies for breach of contract provided for in the contract and/or at law;
- provide advice in a timely manner once advised that a vendor has initiated or threatened legal action against the City at any time throughout the life of the contract;
- provide advice in a timely manner once advised that the vendor may be, or is about to be, declared bankrupt or insolvent; and
- assist the Procurement Branch with the review and finalization of contract amendment or assignment agreements.

(d) Role of the Procurement Branch

Contract management is the responsibility of the Department that is receiving the deliverables under the contract. With the exception of contracts managed by the Procurement Branch on its own behalf, the Procurement Branch is not responsible for and should not be involved in the day-to-day management of a Department's contracts. The Procurement Branch should be advised of serious performance issues or contract disputes that may result in early termination of a contract and must be provided with copies of all Interim and Final Performance Evaluation Reports in accordance with the Vendor Performance Evaluation Protocol.

It is the role and responsibility of the Procurement Branch to:

- respond to requests for assistance from the Contract Administrator with respect to contract amendments or requests from the vendor for the assignment of a contract;
- provide assistance to Departments and Legal Services in connection with the possibility of early termination of a contract;
- advise on options and strategies for maintaining stability and supply of the deliverables in the event of early termination of a contract;
- maintain detailed documentation of all communications related to vendor performance; and
- retain copies of all Interim and Final Performance Evaluation Reports, in accordance with the Vendor Performance Evaluation Protocol.

13.4 Document Retention and Contract File

Documentation should be up-to-date and organized in a way that clearly allows for tracking of the receipt of the expected quantity and quality of the deliverables under the contract, timelines for delivery dates, performance milestones and performance evaluation dates.

Contract Administrators must retain originals or copies of the following documents and records:

- (a) authorization of the award of the contract to the vendor;
- (b) contracts and all related documentation, including, but not limited to, solicitation documents, the vendor's bid, customized agreements, related drawings, plans, purchase orders, schedules, specifications, etc.;
- (c) warranties and/or documented certifications, such as ISO ratings, fitness certificates, compliance with electrical safety standards, etc.;
- (d) insurance certificates, as required by the contract;
- (e) surety bonds or other forms of performance guarantees, if required by the contract;
- (f) relevant dates, such as delivery dates (this notation may be as simple as a checkmark beside an expected receipt of goods date, and should be initialed and dated by the person doing the review);
- (g) details of any extenuating circumstances that had an impact on contract compliance (e.g. extreme weather, labour disputes, power outages, accidents, etc.);
- (h) the date, nature, and outcome (positive or otherwise) of informal performance reviews;
- (i) bills of lading, work orders, service records, invoices, cheque requisitions, etc.;
- (j) change orders detailing new terms that have been negotiated into the contract, if applicable;
- (k) notes of all verbal discussions regarding contract compliance;
- (l) written communications, Interim and Final Performance Evaluation Reports completed in accordance with the Vendor Performance Evaluation Protocol and notices to and from the vendor;
- (m) notes or minutes of any face-to-face and/or site meetings;
- (n) records of any dispute resolution performance issues and actions taken; and
- (o) any other relevant communications or documents related to the contract and/or the vendor's performance under the contract.

14. Vendor Performance Evaluation Protocol

14.1 Purpose and Interpretation

The purpose of this protocol is to establish a performance evaluation process in order to evaluate vendor performance in a transparent and consistent manner. This protocol should be read in conjunction with Bylaw 2003-69 and the City's Purchasing Policy and Procedures and the Contract Management Protocol. Defined terms used in this protocol have the meaning assigned in Appendix A of the Purchasing Procedures Manual.

In this protocol, "**Contract Administrator**" means an employee assigned to the management of a contract.

14.2 Performance Evaluation

Vendor performance is critical to the success of procurement projects. Poor workmanship, unnecessary contract delays and unsafe work practices will not be tolerated.

At the outset of the contract, the Contract Administrator will provide the vendor with copies of the Interim and Final Performance Evaluation Reports that will be used to rate the vendor's performance in accordance with the Performance Evaluation Process.

(a) Interim Evaluation

The Contract Administrator will formally evaluate the vendor's performance and complete the Interim Performance Evaluation Report in Schedule A prior to the renewal or extension of the contract, if applicable, and may formally evaluate the vendor's performance and complete an Interim Performance Evaluation Report at any time during the term of the contract, as determined by the Contract Administrator taking into account the nature, complexity, value and length of the contract.

(b) Final Evaluation

The Contract Administrator will formally evaluate the vendor's performance and complete the Final Performance Evaluation Report in Schedule B upon completion, expiration or termination of the contract.

14.3 Interim Performance Evaluation Report

(a) Notification of Vendor

The Contract Administrator will notify the vendor of its overall performance rating and provide the vendor with a copy of the completed and signed Interim Performance Evaluation Report.

(b) Performance Issues

If the vendor receives a "Below Standard" rating on any of the rated criteria in the Interim Performance Evaluation Report, the Contract Administrator will meet with the vendor to clearly identify and discuss the performance issues, determine the corrective action that will be taken to rectify and avoid recurrence of the performance

issues, and obtain the vendor's agreement to take the corrective action within a specified time period. Following the meeting, the Contract Administrator will confirm the details and outcome of the discussion in writing to the vendor, and will attach a copy of the written record of the meeting to the Interim Performance Evaluation Report. The Contract Administrator will inform his or her Department Head of the performance issues. If the performance issues are not rectified or there is a recurrence of the performance issues, the Contract Administrator will consult with his or her Department Head, the Procurement Branch and Legal Services to determine next steps.

14.4 Final Performance Evaluation Report

(a) Performance Issues

If the vendor receives a "Below Standard" rating on any of the rated criteria in the Final Performance Evaluation Report, the Contract Administrator will meet with the vendor to discuss the performance issues and will consider any comments or explanations provided by the vendor in the finalization of the Final Performance Evaluation Report.

(b) Recommendation Based on Performance

Based on the final rating of the criteria in the Final Performance Evaluation Report, the Contract Administrator will make a recommendation to either:

- allow the vendor to continue participating in future procurement processes; or
- suspend the vendor from participating in future procurement processes for a period of up to three years in accordance with the Vendor Suspension Protocol.

(c) Recommendation for Continued Participation

If the evaluation results in a recommendation to allow the vendor to continue participating in procurement processes, the Contract Administrator will notify the vendor of its final rating and the resulting recommendation, and provide the vendor with a copy of the completed and signed Final Performance Evaluation Report.

(d) Recommendation to Suspend

If the evaluation results in a recommendation to suspend the vendor from participating in future procurement processes in accordance with the Vendor Suspension Protocol, the following steps must be taken:

(i) Review by Department Head

The Contract Administrator will submit the Final Performance Evaluation Report to his or her Department Head for review. The Department Head will ensure that the Final Performance Evaluation Report is complete, will discuss the ratings with the Contract Administrator, and will ask the Contract Administrator to confirm that the Final Performance Evaluation Report accurately reflects the vendor's performance.

(ii) Notification of the Procurement Branch

The Contract Administrator will inform the Procurement Branch of the recommendation and provide the Manager of Procurement with a copy of the Final Performance Evaluation Report.

(iii) Notification of Vendor and Vendor’s Right to Dispute

The Contract Administrator and the Manager of Procurement will jointly notify the vendor of its final rating and the resulting recommendation, provide the vendor with a copy of the completed and signed Final Performance Evaluation Report and advise the vendor that any dispute in respect of the recommendation must be set out in a written statement of dispute and submitted to the Manager of Procurement within 10 business days.

(e) Decision to Suspend and Consideration of Statement of Dispute

The decision with respect to suspension of the vendor will be made in accordance with the Vendor Suspension Protocol. The completed Final Performance Evaluation Report will fulfill the requirement for a written suspension recommendation memo under the Vendor Suspension Protocol. The Procurement Review Committee will consider the vendor’s statement of dispute, if any, in making a decision under the Vendor Suspension Protocol. A decision under the Vendor Suspension Protocol is final.

14.5 Retention of Evaluation Reports

The Contract Administrator will retain all original Interim and Final Performance Evaluation Reports and will provide the Procurement Branch with a copy of each Performance Evaluation Report. The Procurement Branch will retain copies of all Interim and Final Performance Evaluation Reports.

14.6 Disclosure of Results to Others

The results of any Performance Evaluation Processes are intended to be disclosed internally across Departments and may be disclosed to other government bodies upon request and to any entity for which it can be demonstrated that the vendor has listed the City as a reference.

14.7 Consideration of Performance in Evaluation of Bids

The City may consider past performance evaluation results in the evaluation of future bids from the vendor, whether or not the past performance resulted in suspension in accordance with the Vendor Suspension Protocol, and may exclude a vendor based on significant or persistent deficiencies in past performance.

Schedule A: Interim Performance Evaluation Report

INTERIM PERFORMANCE EVALUATION REPORT				
SECTION 1 CONTRACT AND VENDOR INFORMATION				
Contract #	ITT/RFQ/RFP # (if applicable)	Start Date	Length of Term	Contract Amount
Brief Description of Work				
Contract Administrator's Name		Contract Administrator's Department		
Vendor's Legal Name		Primary Vendor Contact		
Address		Phone	Email	
SECTION 2 PERFORMANCE CRITERIA AND RATING				
[Performance criteria and the rating system that will be used to rate the vendor's performance in respect of each of the criteria must be developed and set out below. Different categories and performance criteria will likely need to be developed for different types of contracts.]				
The Rating System [Describe the system that will be used to rate the vendor's performance in respect of each of the criteria and result in an overall rating of "Below Standard," "Standard" and "Above Standard" performance.]				
Category A:			Rating	
1.				
2.				
3.				
4.				
Category A Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard				

Category B:	Rating
1.	
2.	
3.	
4.	
Category B Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard	
Category C:	Rating
1.	
2.	
3.	
4.	
Category C Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard	
Overall Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard	

SECTION 3 COMMENTS AND EXPLANATIONS	
General Comments Describe the vendor’s overall performance to date:	
Below Standard Ratings Comments must be provided to explain and substantiate any “Below Standard” rating on any of the criteria	
Above Standard Ratings Comments must be provided to explain and substantiate any “Above Standard” rating on any of the criteria:	
SECTION 4 CONTRACT ADMINISTRATOR’S CONFIRMATION	
I have evaluated the vendor’s performance in accordance with the Vendor Performance Evaluation Protocol and have assigned a fair and objective rating to each of the criteria in Section 2 of this Interim Performance Evaluation Report.	
_____	_____
Contract Administrator	Date
SECTION 5 NOTIFICATION OF VENDOR	
I notified the vendor of the overall performance rating and provided the vendor with a copy of this Interim Performance Evaluation Report on _____.	
_____	_____
Contract Administrator	Date
<i>This section is to be completed if the vendor received a “Below Standard” rating on any of the criteria in Section 2</i>	
SECTION 6 MEETING WITH VENDOR	
I met with the vendor on _____ to discuss the performance issues that resulted in the “below standard” rating, determined the corrective action that will be taken by the vendor to rectify and avoid recurrence of the performance issues, and obtained the vendor’s agreement to take the corrective action in a specified time period. I provided the vendor with a written record of the above-noted meeting dated _____, which I have attached to this Interim Performance Evaluation Report.	
_____	_____
Contract Administrator	Date

Schedule B: Final Performance Evaluation Report

FINAL PERFORMANCE EVALUATION REPORT				
SECTION 1 CONTRACT AND VENDOR INFORMATION				
Contract #	ITT/RFQ/RFP # (if applicable)	Start Date	Length of Term	Contract Amount
Brief Description of Work				
Contract Administrator's Name			Contract Administrator's Department	
Vendor's Legal Name			Primary Vendor Contact	
Address		Phone	Email	
SECTION 2 PERFORMANCE CRITERIA AND RATING				
[Performance criteria and the rating system that will be used to rate the vendor's performance in respect of each of the criteria must be developed and set out below. Different categories and performance criteria will likely need to be developed for different types of contracts.]				
The Rating System [Describe the system that will be used to rate the vendor's performance in respect of each of the criteria and result in an overall rating of "Below Standard," "Standard" and "Above Standard" performance.]				
Category A:			Rating	
1.				
2.				
3.				
4.				
Category A Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard				

Category B:	Rating
1.	
2.	
3.	
4.	
Category B Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard	
Category C:	Rating
1.	
2.	
3.	
4.	
Category C Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard	
Overall Performance Rating: <input type="checkbox"/> Below Standard <input type="checkbox"/> Standard <input type="checkbox"/> Above Standard	

SECTION 3 COMMENTS AND EXPLANATIONS

General Comments

Describe the vendor’s overall performance under the contract:

Below Standard Ratings

Comments must be provided to explain and substantiate any “Below Standard” rating on any of the criteria:

Above Standard Ratings

Comments must be provided to explain and substantiate any “Above Standard” rating on any of the criteria:

This section to be completed if the vendor received a “Below Standard” rating on any of the criteria in section 2.

SECTION 4 MEETING WITH VENDOR

I met with the vendor on _____ to discuss the performance issues that resulted in the “below standard” rating, and I have considered the vendor’s comments in finalizing this Final Performance Evaluation Report.

SECTION 5 CONTRACT ADMINISTRATOR’S CONFIRMATION AND RECOMMENDATION

I have evaluated the vendor’s performance in accordance with the Vendor Performance Evaluation Protocol and have assigned a fair and objective rating to each of the criteria in Section 2 of this Final Performance Evaluation Report.

Based on my evaluation of the vendor’s performance, I make the following recommendation:

- I recommend that the vendor be permitted to continue participating in the City’s procurement processes.
- I recommend that the vendor be suspended from participating in the City’s procurement processes for a period of _____ [enter period of 1 to 3 years] years in accordance with the City’s Vendor Suspension Protocol.

Contract Administrator

Date

If the recommendation is that the vendor be permitted to continue participating in the City's procurement processes, the Final Performance Evaluation Report is complete and a copy must be provided to the vendor.

SECTION 6 NOTIFICATION OF VENDOR

The vendor was provided with a copy of this Final Performance Evaluation Report on _____.

If the recommendation is that the vendor be suspended from participating in the City's procurement processes, the following sections must be completed.

SECTION 7 DIVISION HEAD REVIEW

I reviewed this Final Performance Evaluation Report and discussed the ratings and the recommendation with the Contract Administrator. I obtained the Contract Administrator's confirmation that this Final Performance Evaluation Report accurately reflects the vendor's performance.

Department Head Date

SECTION 8 NOTIFICATION OF PROCUREMENT BRANCH

The Manager of Procurement was notified of the recommendation to suspend the vendor and was provided with a copy of this Final Performance Evaluation Report on _____.

SECTION 9 NOTIFICATION OF VENDOR

The vendor was notified of the recommendation, was provided with a copy of this Performance Evaluation Report and was advised that any statement of dispute in respect of the recommendation must be made in writing to the Manager of Procurement within ten (10) business days of the notification. Notification was given on _____.

Manager of Procurement Date