

Purchasing Procedures Manual

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Table of Contents

Purchases of Goods, Equipment and Services	1
Appendix A - Purchasing Methods	
Introduction	A - 1
General Purchasing Requirements.....	A - 3
Sole Source Purchases	A - 7
Consulting and Professional Services Purchases	A - 9
General Purchases	A - 10
Bid, Performance and Payment Securities	A - 11
Multiple Year Contracts.....	A - 12
Contract Amendments	A - 13
Contract Execution.....	A - 14
Appendix B - Eligible Expenditures	
Benefit Criteria	B - 1
Service Criteria	B - 2
Budget Criteria	B - 2
Approved Budgets	B - 3
Appendix C - Delegation of Authority and Authorization Levels	
Delegation of Authority.....	C - 1
General Conditions and Requirements.....	C - 1
Authorization Levels.....	C - 2
Sample Form - Delegation of Authority - Acquisition of Goods, Equipment or Services/Direct Payments	C - 5
Appendix D - Purchasing Card Program	
Policy 0201-FIN-10 Purchasing Card	D - 1
Appendix E - Blanket Purchasing Agreement Program	
Description	E - 1
Scope.....	E - 1
Authority	E - 1
Contact.....	E - 1
Authority for Blanket Purchasing Agreement Transactions	E - 2
Blanket Purchasing Agreement, Use, Limits and Restrictions.....	E - 3
Blanket Purchasing Agreement Procedures.....	E - 3
Responsibilities	E - 4

Purchases of Goods, Equipment and Services

Introduction

The Regina Administration Bylaw 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 purchasing 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 sole source and consulting and professional services. These requirements reflect sensitivities around these types of purchases.

Sole Source Purchases

City Council, through legislative requirements and trade agreements, is required to allow open competition among most 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 approaches only one vendor for a purchase – referred to as a 'sole source' are limited to relatively small dollar amounts or situations where there are limited numbers of vendors able to provide the goods and services.

Consulting and Professional Services

These engagements also have some special requirements because of the nature of the services, as well as the sensitivity around the use of consulting services in the public sector. As well, the City's policies and procedures reflect the fact that competitive proposal calls can be expensive and time consuming for vendors. As a result, the City's policies permit direct appointment for consulting and professional engagements subject to certain circumstances and dollar limits.

Purchasing and Payment Methods

Corporate Services, primarily through Purchasing and Accounts Payable, provide 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.

Accountability

The City's purchasing process handles approximately \$150 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 Chief Financial Officer, Chief Operating Officer, or City Manager as soon as possible.

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

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;
- Payments that are pursuant to legislation or agreement; and,
- The acquisition of goods, equipment and services by the Board of Police Commissioners (Regina Police Service).

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

Purchasing Process

The purchasing process involves the following steps:

1. Initiate the acquisition of goods, equipment or services.

The authority to initiate a purchasing process is in Section 6 of Schedule D of Bylaw 2003-69. The City Manager, Chief Operating Officer or Chief Financial Officer acquiring the goods, equipment or services has the authority to initiate the purchasing process, 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, Chief Operating Officer or Chief Financial Officer may be delegated to other employees as provided for in Appendix C of this document.

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, Chief Operating Officer or Chief Financial Officer acquiring the goods, equipment or services has the authority to award the 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, Chief Operating Officer or Chief Financial Officer may be delegated to other employees as provided for in Appendix C of this document.

3. Receipt of the goods, equipment or services.

The City Manager, Chief Operating Officer or Chief Financial Officer acquiring the goods, equipment or service 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 Purchasing Branch.

The authority delegated in the Bylaw to the City Manager, Chief Operating Officer or Chief Financial Officer may be delegated to other employees as provided for in Appendix C of this document.

4. Payment for the goods, equipment or services received.

The Chief Financial Officer 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.

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 purchasing 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, Chief Operating Officer or Chief Financial Officer 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.

Purchasing Methods

Introduction

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

Within the Purchasing Policy, there are three acquisition processes:

1. General Purchases
2. Sole Source Purchases
3. Consulting and Professional Service Purchases

This section outlines the requirements with respect to each process, along with general requirements that apply to all acquisition processes, other than:

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

Definitions

Throughout this document, the following terminology will be used:

- **“Purchasing Branch”** means the Purchasing Branch of the Finance Department.
- **“Department”** means the Department acquiring the goods, equipment or services.
- **“acquisition method”** means the process by which goods, equipment or services are procured and may include requests for quotations, invitations to bid, requests for proposals, and direct negotiations.
- **“advanced contract award notice”** means an acquisition method used when there is a justifiable reason to not call for bids.
- **“bid”** means an offer or submission from a vendor in response to a request for quotations or invitation to bid which is subject to acceptance or rejection.
- **“change order”** means a written alteration to a contract or purchase order, in accordance with the terms of the contract, directing the vendor to make changes.

- **“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.
- **“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, Chief Operating Officer or Chief Financial Officer.
- **“invitation to bid”** means a bid solicitation method used when:
 - (a) detailed specifications and requirements are known;
 - (b) the bid is opened at a public tender opening and pricing is read;
 - (c) criteria other than price may be incorporated into the call for use in the evaluation of bids; and
 - (d) the award is made to the lowest qualified bidder.
- **“lowest qualified bidder”** means a bidder that submits a tender complying with all the tender requirements and offers the lowest total purchase price.
- **“Multiple Year Contract”** means a contract with a defined term which, including all possible renewal rights, extends for a period longer than one year.
- **“proposal”** means a proposal from a vendor in response to a request for proposals.
- **“public proposal process”** means a proposal solicitation method used when:
 - (a) competitive proposals are required; and
 - (b) the proposals are not opened at a public tender opening.

- **“purchase order”** means a document in a form authorized by the Chief Financial Officer that authorizes a supplier or contractor to proceed with the supply of goods, equipment or services.
- **“request for proposal”** means a proposal solicitation method used when:
 - (a) detailed specifications and requirements are not known;
 - (b) proposals resulting from the request are not opened at a public tender opening;
 - (c) criteria other than price are used to evaluate the proposals; and
 - (d) the award is made to the proponent with the highest scoring proposal.
- **“request for quotation”** means a bid solicitation method used when:
 - (a) specifications and requirements can easily be stated;
 - (b) responses to the request are opened at a public tender opening and pricing is read; and
 - (c) the award is made to the lowest qualified bidder.
- **“sole source”** means to directly acquire from a single vendor the required goods, equipment or services, whether the price is determined through negotiation or reference to a publicly available price schedule.
- **“total purchase price”** means the total price for a particular purchase of goods, equipment or services, including the purchase price of the goods or services, shipping and handling, customs and brokerage charges, and all taxes.
- **“verbal quotation”** means a bid solicitation method used when:
 - (a) a vendor provides a verbal quotation; and
 - (b) the quotations are not opened at a public tender opening.
- **“written quotation”** means a bid solicitation method used when:
 - (a) a vendor provides a quotation in writing; and
 - (b) the quotations are not opened at a public tender opening.

General Purchasing Requirements

Requirements of the Purchasing Policy that are applicable to all purchasing processes (other than acquisitions pursuant to the Purchasing Card Program and the Blanket Purchasing Agreement Program) include:

1. The acquisition of all goods, equipment and services must occur through the Purchasing Branch unless the Chief Financial Officer authorizes an alternative process. Departments are expected to advise the Purchasing Branch on a timely basis of impending acquisition requirements.
2. In order for a Department to initiate a purchasing process, the Purchasing Branch must be advised, through a purchase requisition, memo or electronic mail, or such other methods as deemed suitable by the Purchasing Branch.
3. For the following goods, equipment or services, additional requirements or restrictions apply:
 - The acquisition of any computer hardware or software must be either through the Information Technology Services Department or be subject to the review and approval of the Information Technology Services Department.
 - 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.
 - 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.
 - 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.
 - The acquisition of any office furniture must be either through the Facilities Department or be subject to the review and approval of the Facilities Department.

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

4. Specifications and/or contract terms to be used in a purchasing process, including the requirements of a request for proposal, are the responsibility of the Department subject to the following:
 - The specifications and/or contract terms are subject to the review and approval of the Purchasing Branch;
 - The specifications and/or contract terms may be subject to the review and approval of the Legal Department; and,
 - 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.

5. Information requested in a tender or proposal call shall be limited to the information necessary to make the purchasing decision for the acquisition of the particular good, equipment or service.
6. The criteria to be used in the evaluation of quotations, tenders or proposals, and the relative weighting of the criteria, are to be defined and documented prior to the solicitation of quotations, tenders or proposals. The criteria shall form part of the document provided to potential vendors.
7. The Department, subject to the approval of the Purchasing Branch, may choose to pre-qualify vendors. Where there is a pre-qualification process for vendors, only those vendors selected through the pre-qualification process will be eligible to participate in further steps of the acquisition process. The reason for the pre-qualification process and a summary of the results must be documented.
8. The Department, subject to the approval of the Purchasing Branch, may choose to issue a request for information. Information obtained through a request for information process may be used to determine which vendors or vendor products are capable of meeting the City's needs. The process following a request for information depends in part on the type of good, equipment or service being acquired. The request for information process may result in:
 - A sole source acquisition if only one vendor is deemed capable of meeting the City's needs;
 - A request for quotations, tenders or proposals to a limited number of vendors deemed capable of meeting the City's needs; or,
 - A request for quotations, tenders or proposals issued without limiting the number of potential vendors.

The reason for the request for information process and a summary of the results must be documented.

9. The Department, subject to the approval of the Purchasing Branch, may choose to issue an Advanced Contract Award Notice (ACAN). ACANs may be used when there is a justifiable reason to not call for bids provided that the notice clearly explains the nature of the acquisition, the name of the vendor, the estimated cost, why bids are not being called, and sufficient time is allowed 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 acquisition method may be required.

The reason for the advanced contract award notice process and a summary of the results must be documented.

10. The acquisition of all goods, equipment and services must be from a vendor in good standing with the City of Regina.

11. The Department and the Purchasing Branch are responsible for the evaluation of quotations, tenders or proposals. An evaluation of quotations, tenders or proposals must include, at a minimum, the following steps:

- Review all quotations, tenders or proposals and reject any quotations, tenders or proposals not submitted in accordance with the Purchasing Policy or not meeting the required specifications and/or contract terms or other requirements. The reasons for the rejection of a quotation, tender or proposal must be documented.
- All quotations, tenders and proposals, other than those rejected pursuant to the previous step, are to be evaluated in accordance with the criteria established for the acquisition of the particular good, equipment or service. The proposal that is ranked the highest based on the established criteria and relative weighting shall be selected. Where the purchasing process involves a request for quotation or tender, the selected bidder shall be the lowest compliant bidder. The results of the evaluation process must be documented.

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

- The results of the vendor pre-qualification, request for information, or advanced contract award notice process (if applicable);
- The documentation supporting the rejection of a quotation, tender or proposal (if applicable) ; and,
- 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 Purchasing Branch) shall be signed and/or sent by an employee to whom the necessary authority has been delegated. **The documentation shall include a statement that the purchasing process and recommended award is in accordance with the Purchasing Policy, and that the acquisition is an eligible expenditure.**

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

Sole Source Purchases

The authority for sole source acquisitions is Part IV of Schedule D of Bylaw 2003-69, Sections 48 through 50.

As described in Section 48, a sole source acquisition is the direct purchase of goods, equipment or services from a vendor, with the price of the goods, equipment or services either based on a negotiated rate or a price schedule maintained by the vendor.

Taking into account that a sole source acquisition involves a single vendor rather than multiple vendors, **sole source acquisition processes must comply with the General Requirements detailed in this Appendix.**

Sole source acquisitions are permitted in the following circumstances:

1. For any good, equipment or service where authorized by resolution by City Council. Any request to City Council for this authority must be approved by the City Manager.
2. For the acquisition of any good, equipment or service required due to an emergency. An emergency is defined in Schedule D of Bylaw 2003-69. The Chief Operating Officer, or Chief Financial Officer are authorized to determine whether an emergency exists. As soon as practical, Departments 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 Purchasing Branch. The documentation must include a list of the goods, equipment or services acquired to address the emergency.
3. For the acquisition of goods, equipment or services through the Purchasing Card and Blanket Purchasing Agreement programs subject to the policies and restrictions applicable to those programs.
4. For the acquisition of goods, equipment and services where the value is \$5,000 or less subject to the vendor being a vendor in good standing with the City of Regina.
5. Subject to the approval of the Purchasing Branch, for the acquisition of goods, equipment or services where:
 - (a) The selection of a vendor is limited to a single vendor or product as a result of proprietary rights;
 - (b) There is only a single vendor identified that is capable of providing the goods, equipment or service based on a consideration of the geographic location of potential vendors, and the practical ability of those vendors to supply and service the needs of the City;
 - (c) The City has adopted a standard and where the provision of the goods, equipment or service that meets the standard is limited to a single vendor or product; and where the sole source acquisition is based on an adopted standard, the standard is subject to the approval of the City Manager, Chief

Operating Officer, Chief Financial Officer, Executive Director or Director of the Department. 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. In most instances, the process to select a standard would involve a request for proposals or similar process to evaluate alternatives for the standard. The documentation proposing and supporting the adoption of a standard shall be submitted to the City Manager, Chief Operating Officer, Chief Financial Officer, Executive Director or Director with a copy to the Purchasing Branch and the Chief Financial Officer;

- (d) The acquisition is from another municipality, a school or library board, the Province of Saskatchewan, a provincial agency or Crown Corporation, or the Government of Canada or a federal agency or Crown Corporation.

The rationale to support the decision to pursue a sole source acquisition must be documented and included with the documentation required in point #11 of the General Requirements section of this Appendix.

- 6. Subject to the approval of the City Manager, for the acquisition of goods, equipment or services where there is a fluctuating price or shortage of availability and a delay in securing pricing or supply could adversely affect the interests of the City.

Consulting and Professional Service Purchases

The authority for the acquisitions of consulting and professional services is Part V of Schedule D of Bylaw 2003-69, Sections 51 through 65.

Consulting and professional services are defined in Bylaw 2003-69 and include the services provided by architects; engineers; designers; planners; accountants; auditors; appraisers; lawyers; management, software and financial consultants; and any other similar services.

There are three possible processes that can be used to acquire consulting and professional services. The processes and key attributes of each are:

1. A direct appointment process where a single vendor is selected to provide the required services. The direct appointment process applies when:
 - The value of the contract is \$50,000 or less, or
 - There is only one consultant or professional deemed to be capable of providing the required services.

The determination of whether there is only one consultant or professional deemed capable of providing the required services is subject to the approval of the City Manager, Chief Operating Officer, Chief Financial Officer or Executive Director. The request to proceed under this provision of the bylaw must be submitted to the City Manager, Chief Operating Officer, Chief Financial Officer or Executive Director with a copy to the Purchasing Branch.

2. An invitation process for contracts not greater than \$75,000. This process involves the development of a request for proposals and terms of reference for the assignment, with proposals requested from a minimum of three qualified consultants or professionals. Selection criteria must be established and included in the request for proposals.
3. A public notification process for contracts of more than \$75,000. Similar to the invitation process, a request for proposal, terms of reference and evaluation criteria are to be established. Beyond the value of the contract, the difference for this process is that there must be a public process to make potential consultants aware of the project, and for contracts valued greater than \$500,000 the initiation of the purchasing process and contract award must be approved by City Council.

The process for the acquisition of consulting and professional services must comply with the General Requirements detailed in this Appendix, recognizing that the Direct Appointment process involves a single vendor contacted.

For those involved in the selection and appointment of consultants or professionals, additional information and requirements are included in Sections 51 through 65 of Schedule D. Also, there is additional information on the steps involved in each of the three purchasing processes for consulting and professional services.

General Purchases

Part III of Schedule D of Bylaw 2003-69 in Sections 40 through 47 contains the provisions for General Purchases. Part III applies to the acquisition of all goods, equipment or services, except goods, equipment or services acquired through the following policies or programs:

- Sole Source Purchases;
- Consulting and Professional Service Purchases;
- Purchasing Card Program; or,
- Blanket Purchasing Agreement Program.

General purchases can occur through a range of possible processes including:

- Verbal quotations;
- Written quotations;
- Requests for Quotations;
- Invitations to Bid; or,
- Request for Proposals.

Guidelines with respect to purchasing methods are outlined in detail in Sections 43 through 47 of Schedule D of Bylaw 2003-69. The Purchasing Branch, in conjunction with the Department, shall determine the appropriate process to be used taking into account the estimated cost of the acquisition and the potential risk involved in the acquisition. Section 41 of Schedule D of Bylaw 2003-69 provides additional information on the cost and risk factors.

The process for general purchases must comply with the General Requirements detailed in this Appendix.

Schedule D of Bylaw 2003-69 provides additional information with respect to:

- Definition of terms used with respect to the acquisition of goods, equipment and services (Section 3).
- Vendors (Sections 13 through 17).
- The preparation of document (Sections 18 through 20).
- Cooperative purchasing (Sections 25 through 28)
- Adoption of standards (Section 29 and 30).
- Pre-qualification of vendors or requests for information (Sections 31 through 36).

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 Chief Financial Officer 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.

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, Financial Operations. Bid securities will normally be required when contracting for:

1. Construction services valued greater than \$100,000, or,
2. Major or multiple year service and supply requirements.

A bid security can take the form of a certified cheque, an irrevocable letter of credit 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, Financial Operations.

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 tender or request for proposal documents.

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, Financial Operations. Performance securities will normally be required when contracting for:

1. Construction services valued greater than \$100,000, 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 City 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 tender or request for proposal documents.

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, Financial Operations. 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 tender or request for proposal documents.

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:

1. The City Manager, Chief Operating Officer, or Chief Financial Officer 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.
2. The term of a multiple year contract can not exceed five years in total.
3. The contract must include a clause enabling the cancellation of the contract in the event that funding is not provided in subsequent years.
4. The contract must include a clause that the acquisition in the second and subsequent years is subject to continued acceptable performance by the vendor and the goods, equipment or services acquired under the contract.
5. The City Manager, Chief Operating Officer, or Chief Financial Officer is authorized to initiate, award and amend multiple year contracts that extend beyond five years without requiring the consent of City Council if:
 - a. The contract relates to the maintenance or service of an existing or coincidentally acquired City asset; and

- b. The contract contains a clause allowing for termination on no more than 90 days notice.

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

1. The requirements of Section 22 (b) and (c) of Schedule D of Bylaw 2003-69; and,
2. The approval of the Purchasing Branch.

Contract Amendments

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, Chief Operating Officer, or Chief Financial Officer, including but not limited to change orders, renewals and extensions, provided that:

1. 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
2. In the case of contracts related to the engagement of consulting and professional services, the employee is authorized to approve such engagements; and
3. The contract is being amended:
 - a. Due to unforeseen work consistent with the original scope and technical specification of the contract; or
 - b. To expand the scope of the contract for additional work that 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.

For amendments to engagements for consulting and professional services that amend the total purchase price in excess of \$500,000 and where initially approved by the Administration, the, City Manager, Chief Operating Officer, Chief Financial Officer, or Executive Director 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.

Contract Execution

Bylaw 2003-69 provides for employees within their delegated authority to execute formal contracts, excluding purchase orders, with a second signatory by the Chief Financial Officer or designate. Further policy and procedures are being developed and this document will be updated. For further information contact the Purchasing Branch.

Eligible Expenditures

Introduction

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.

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 in Sections 25 through 28 of Schedule D of Bylaw 2003-69.

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 Chief Operating Officer, or Chief Financial Officer 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.

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 this 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 Chief Financial Officer or designate.

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)	2004	2005	2006	2007	2008
Capital Expenditures					
1. Multi-Use Pathway System	280	140	30	-	-
- North Storm Channel - 7th Avenue N to Doiron Road	-	33	110	285	-
- North West Link - A.E. Wilson Park to Westhill	-	-	30	200	-
- South Storm Channel Pathway	-	-	20	100	-
- Pathway Linkages					
2. Open Space Development & Restoration:	240	255	320	325	325
- Open space restoration	-	-	-	-	25
- Restoration of water component features	-	180	135	545	415
- Neighbourhood upgrades	-	20	20	-	20
- CPTED improvements	-	10	-	10	-
- Pedestrian bridge upgrades	-	-	75	-	-
- Develop Prairie Island interpretative station					
3. Playground Equipment Upgrades	110	130	130	130	190
4. Irrigation System Improvements:	75	75	75	75	75
- Restoration/replacement of components	155	155	155	155	135
- Water Service restoration/decommission	50	50	50	50	50
- Pump equipment upgrades	40	40	40	40	60
- Irrigation system upgrades					
5. Wascana Creek Riverside Reach Rehabilitation	-	-	-	-	150
Total Expenditures	950	1,088	1,190	1,915	1,445
Capital Funding					
Current Contributions to Capital	950	995	1,080	1,630	1,445
Parks & Recreation Development Charges	-	93	110	285	-
Total Funding	950	1,088	1,190	1,915	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

Delegation of Authority

Bylaw 2003-69 delegates authority directly to the City Manager, Chief Operating Officer or Chief Financial Officer acquiring the goods, equipment or services to initiate the purchasing process and approve an award.

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, Chief Operating Officer or Chief Financial Officer 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.

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.

General Conditions and Requirements

1. The purchasing 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, Chief Operating Officer, or Chief Financial Officer. Notification of all acting appointments for positions with authority, including any limits and restrictions must be provided to the Purchasing Branch.

6. The Department delegating authority, not the Purchasing Branch or Accounts Payable Branch, is responsible for the administration, monitoring and control of the use of authority for transactions initiated by the Department.
7. Where any employee with delegated authority is aware of any potentially sensitive issue arising out of any purchasing process, the employee shall immediately advise the Chief Operating Officer or Chief Financial Officer, 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 Chief Operating Officer or Chief Financial Officer by memo or electronic mail immediately. The Chief Operating Officer or Chief Financial Officer 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.

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
City Council	Unlimited	Unlimited
City Manager/CAO	Unlimited ¹	\$500,000 ¹
Deputy City Manager/COO	Unlimited ¹	\$500,000 ¹
CFO	Unlimited ¹	\$500,000 ¹
Executive Directors ²	\$3,000,000 ¹	\$500,000 ¹
Directors ²	\$200,000 ¹	\$100,000 ¹
Managers ²	\$100,000 ¹	-
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, Chief Operating Officer and Chief Financial Officer 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.

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 Purchasing Branch
Purchasing Card	As delegated by the City Manager, Chief Operating Officer, Chief Financial Officer, Executive Director and Director with a transaction limit of \$500, \$1,000, \$2,500 \$5,000 – subject to review by the Purchasing 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 \$500,000	City Manager, Chief Operating Officer, Chief Financial Officer and Executive Directors– If the amendment increases the value of the contract in excess of \$500,000, 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 Purchasing Branch.

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, Chief Operating Officer, Chief Financial Officer, 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, Chief Operating Officer, Chief Financial Officer, 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, Chief Operating Officer, Chief Financial Officer, Executive Director
Direct appointment for consulting or professional services greater than \$50,000	City Manager, Chief Operating Officer, Chief Financial Officer, Executive Director
Revenue generating agreements	City Manager, Chief Operating Officer, or Chief Financial Officer
Sale of surplus assets	City Manager, Chief Operating Officer, Chief Financial Officer, or Executive Director

City of Regina - Delegation of Authority Acquisition of Goods, Equipment or Services

Authority Delegated To: <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center; font-size: small;">(Enter Name)</div> <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center; font-size: small;">(Position)</div>	Supervisor: <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center; font-size: small;">(Enter Name)</div> <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center; font-size: small;">(Position)</div>
Position: New or Existing? <input type="radio"/> New <input type="radio"/> Existing If Existing, position was previously held by: <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> <div style="text-align: center; font-size: small;">(Print Name of Person)</div>	Time Period for the Authority Delegated: From: <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div> <div style="text-align: center; font-size: small;">(Effective date - date required)</div> To: <div style="border: 1px solid black; width: 150px; height: 20px; margin-top: 5px;"></div> <div style="text-align: center; font-size: small;">(End date if applicable)</div>

All categories must be marked either Yes or No:

Goods and Contractual Services Authority: <div style="float: right;"><input type="radio"/> Yes <input type="radio"/> No</div> <p>Employee is authorized to initiate, award and progress payment for goods and contractual service up to the stated transaction limit.</p> <p>If Yes, indicate the required dollar limit (Note: Maximum \$10,000) \$ <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div></p>
--

Authorize payment in excess of Delegated Authority: <div style="float: right;"><input type="radio"/> Yes <input type="radio"/> No</div> <p>Employee is authorized to progress payments for goods, contractual services and consulting/professional services for contracts exceeding their delegated authority.</p>
--

Purchasing Card Authority: <div style="float: right;"><input type="radio"/> Yes <input type="radio"/> No</div> <p>Employee is authorized to purchase goods and services using assigned Visa credit card up to stated transaction limit.</p> <p>If Yes, indicate required transaction limit: <input type="radio"/> \$500 <input type="radio"/> \$1000 <input type="radio"/> \$2,500 <input type="radio"/> \$5,000</p> <p>If Yes, indicate default account code combination:</p> <table style="width: 100%; text-align: center; font-size: small;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> <tr> <td>Fund</td> <td>Organization</td> <td>Activity</td> <td>Account</td> <td>Project</td> <td>Location</td> </tr> </table>							Fund	Organization	Activity	Account	Project	Location
Fund	Organization	Activity	Account	Project	Location							

Blanket Purchasing Agreement Authority: <div style="float: right;"><input type="radio"/> Yes <input type="radio"/> No</div> <p>Employee is authorized to purchase off assigned blanket orders and progress payments within the blanket orders determined transaction limits.</p> <p>If Yes please check (<input checked="" type="checkbox"/>) one or more of the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Assign blanket orders as previous position holder (see above) <input type="checkbox"/> Assign blanket orders same as fellow employee, state name: <div style="border: 1px solid black; width: 250px; height: 20px; display: inline-block;"></div> <input type="checkbox"/> Provide on-line ordering access for office supplies and courier services <input type="checkbox"/> Assign the following blanket orders (attach a list if necessary) <div style="border: 1px solid black; height: 20px; width: 600px; margin-top: 5px;"></div>
--

Delegation of Authority Accepted By:

(Signature)

(Date)

By accepting the authority delegated to me, I:

1. Agree to initiate or authorize acquisition or payment transactions only within the authority level limits delegated to me;
2. Acknowledge that I agree to abide by the requirements and limits of The Regina Administration Bylaw 2003-69;
3. Acknowledge that I agree to abide by the requirements and limits of the Purchasing Procedures Manual, including: if applicable, the policy and requirements of the Purchasing Card Program and Blanket Purchasing Agreements Program; and
4. Acknowledge that I agree to abide by the requirements and limits of The Regina Code of Conduct and Disclosure Bylaw 2002-57.

Manager:

(Print Name)

(Position)

(Signature)

(Date)

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

(Print Name)

(Position)

(Signature)

(Date)

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.

Purchasing Branch use only:

Reviewed By:

(Signature)

(Date)

Note:

Originating Department - please distribute copies as follows:

Original: Purchasing Branch - 5th Floor - City Hall

Copy: Originating Department & Employee



City of Regina

Corporate Policy

Policy Title:	Applies to:		Reference #
Purchasing Card	City of Regina Employees		201-FIN-10
Approved by:	Dates:		Total # of Pages
Chief Financial Officer	Effective:	31-Mar-2014	50
	Last Review:	31-Mar-2014	
	Next Review:	31-Mar-2016	
Authority:			
Chief Financial Officer according to Bylaw No. 2003-69 25(i)			

1.0 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 \$5,000). The P-Card also provides a consolidated credit card statement for the City of Regina, rather than various invoices from numerous suppliers.

Supplies and services may be purchased using a P-Card, purchase order or blanket purchasing agreement (see the Purchasing Procedures Manual for methods other than P-Card).

2.0 Scope

City of Regina employees.

3.0 Definitions

Purchase Card – the primary instrument for making small dollar value purchases. Only the person whose name and signature appear on the card may use it and only for authorized City purchases up to their applicable preset limit.

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

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 Purchasing 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 Purchasing Procedures Manual.

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.

4.0 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.

5.0 Roles & Responsibilities

Cardholder

- 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.
- 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.
- Safe-keeping of the P-Card issued in their name and report lost/stolen cards immediately in accordance with this policy.
- Ensure personal purchases are not made with the P-Card.
- Responsible for reimbursement to the City of the cost of unauthorized purchases resulting from inadvertence, carelessness or intentional misuse.
- Retain documentation of purchases and receipt of goods, if applicable.
- Reconcile transaction logs on a monthly basis and submit appropriate supporting documentation to the Authorizer for verification.
- Follow the prescribed processes and deadlines to ensure all information is submitted for entry into P-Card database.
- Declare compliance with City policies and procedures annually on request.
- Upon ceasing to be an employee or no longer requiring the P-Card, immediately returning the P-Card to the immediate supervisor.

City Manager/Chief Operating Officer/Chief Financial Officer/Executive Directors/Directors

- 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.
- Identify positions that are to be granted P-Cards and delegate authority by use of the Delegation of Authority Form.
- Monitor the use of the P-Card to ensure compliance with this policy.
- Ensure adequate controls are in place to prevent duplicate payments.
- Report (in accordance with the applicable policies) any apparent misuse of a P-Card issued to an employee.

- 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 Purchasing Branch.
- Perform an annual review of P-Card limits to ensure they are still appropriate.
- Upon termination or transfer of an employee, responsible for obtaining the P-Card from the cardholder, informing the Purchasing Branch and destroying the card.

Purchasing Branch

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

Authorizer

- 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
 - Supporting documentation is in place and in order prior to signing
- Performs the monitoring of P-Card usage for appropriateness and to ensure compliance with restrictions and limits of policies and procedures.
- Ensures the cardholder is completing and submitting the reconciled P-Card transaction log on a monthly basis.
- Ensures the notification required by this policy has occurred when there is an apparent misuse of a P-Card.

Accounts Payable

- Pay the monthly Purchase Card Bank statement within the required payment deadline.

5.1 Procedures

Obtaining a P-Card:

- 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.
- 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
 - This document
- The City Manager, Chief Operating Officer, Chief Financial Officer, 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.
- The Department and the employee should retain copies of their Delegation of Authority Form.
- Purchasing will contact the bank to have a P-Card issued in the name of the employee.
- The P-Card will be provided to the employee at the completion of a training session on the P-Card program given by Purchasing. The employee will be required to sign for receipt of the P-Card.

Usage:

- P-Cards can be used to acquire goods and services that are eligible expenditures while on site at the point of sale, over the telephone, by fax or via internet. The Cardholder is the only person entitled to use their card and is responsible for all charges made against it. The Cardholder must retain receipts for all purchases.
- 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.
- Unauthorized usage of the P-Card is considered an improper use of the City's funds and will be subject to disciplinary action.
- 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.
- 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.
- 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.
- 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

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.

Restrictions:

- 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.
- Employees are not permitted to use the purchase for the benefit of a personal rewards or points programs.
- P-Cards are not to be loaned to other employees for their use.
- 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.
- There are standard City exclusions built into the P-Card and its use has been blocked with certain merchants.
- 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.
- 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.
- Purchases shall not be made with suppliers known to be legally encumbered (garnishing orders etc.).
- Purchases with additional guidelines or policies include the following (not a comprehensive listing):
 - Repairs to fleet vehicles or fleet equipment purchases and services
 - Printing services, including copying or signage
 - Advertising and marketing services
 - Central Stores stocked items
 - Communication equipment
 - Uniforms or protective clothing
 - IT hardware or software including computer peripherals such as printers, digital cameras or other similar equipment
 - Goods or services covered by blanket purchasing agreements unless authorized by the Purchasing Branch.
- Purchases not allowed include the following (not a comprehensive listing):
 - Meals related to travel with the exception of hosting expenses (See Entertainment Section of the Travel Policy)
 - 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.

Disputed Charges:

- Cardholders will advise the Purchasing Branch of any charges on their P-Card transaction logs which are incorrect and to determine what course of action is to be taken. These are disputed charges.
- Disagreements with vendors such as damaged goods or late delivery are not considered as disputed items and must be settled directly with the vendor.
- 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.
- If the charge is proved to be legitimate, the Purchase Card Bank will reverse the credit posted to the account.

Documentation:

- 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.
- The cardholder must record the date of purchase, item and quantity, supplier name, account coding and dollar amount.

Cancelling P-Cards:

- Cardholders may be asked to return their P-Card at the request of the Purchase Card Bank, the City Manager, Chief Operating Officer, Chief Financial Officer, Executive Director or their Director if the card is no longer required or where inappropriate or wilful misuse is suspected.
- The Purchasing Branch is responsible for destroying the card and cancelling the card with the Purchase Card Bank.
- When a cardholder is on an extended vacation or leave of absence, the Purchasing Branch must be notified and the Department is responsible to ensure the safeguard of the P-Card until the cardholder returns.

Lost or Stolen Cards:

- Cardholders will report lost or stolen cards to the Purchase Card Bank by phone immediately and to the Purchasing Branch and supervisor by the next business day.
- 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.

Monitoring:

Approval of a P-Card transaction log does not constitute final acceptance. All payments are subject to subsequent review by the Purchasing Branch, with reports of discrepancies provided to the Controller. Upon finding a potentially inappropriate transaction according to the policy, Purchasing 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 Chief Financial Officer who in turn may choose, as deemed necessary, to report to the Director of the cardholder's department or the City Manager.

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

6.0 Related Forms

[Delegation of Authority Form](#)

7.0 Reference Material

[Delegation of Authority Database](#)

[The Regina Administration Bylaw 2003-69](#)

[The Regina Code of Conduct and Disclosure Bylaw 2002-57](#)

[Purchasing Procedures Manual](#)

[Travel Policy](#)

8.0 Revision History

The P-Card policy will be reviewed at least every two years by Financial Services and/or in conjunction with changes to The Regina Administration Bylaw 2003-69, Purchasing Procedures Manual or Purchase Card Bank.

Date	Description of Change	(Re)-Approval Required (y/n)
01-Oct-2010	Initial Release.	Yes
22-Jun-2011	Formatting Changes	No
31-Mar-2014	Position Title Changes	Yes

Blanket Purchasing Agreement Program

Description

The Purchasing Branch establishes blanket purchasing agreements with various vendors to supply certain goods and services required by departments. The 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 Purchasing 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, courier services and computer hardware.
- 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.

Scope

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

Authority

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

Contact

For further information, contact the Purchasing Branch.

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 Purchasing 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 Purchasing 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 Purchasing 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 Purchasing Branch.

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 Purchasing 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 Purchasing 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. **The authority provided to a specific employee for accessing Blanket Purchasing Agreements is not transferable to another employee.**
4. **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.**
5. 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.
6. 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.**

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:

- Purchase Requisition Document/Blanket Release;

- Online through corporate financial system; or,
- Through a vendor ordering system.

Responsibilities

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 Purchasing 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 Purchasing Branch.

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 Purchasing Branch.
3. The General Manager 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 Purchasing 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 Purchasing Branch.

Purchasing 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 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.

