

EDMONTON

ADMINISTRATIVE PROCEDURE



TITLE

PROCUREMENT OF GOODS, SERVICES AND CONSTRUCTION

NUMBER

A1439C

DEPARTMENT

CORPORATE SERVICES

DELEGATED AUTHORITY

BRANCH MANAGER, MATERIALS MANAGEMENT BRANCH

CONTACT

MATERIALS MANAGEMENT 496-5018

DEFINITIONS

DATE

MARCH 31, 2014

Bid/Proposal – a bidder's or proponent's response to an RFx

Change Order – A document that makes and describes the changes to a Purchase Order or contract

CPC – Corporate procurement card

Employee – means any individual employed by the City of Edmonton that reports directly or indirectly to the City Manager, the City Auditor and the Edmonton Police Service, and applies to those individuals employed/contracted by the City on a personal services agreement.

L-Order – low value Purchase Order

MM – Materials Management Branch

Procurement – the acquisition of goods, services or construction in response to a business need, whether by purchase, rental, lease or conditional sale.

Procurement Process – the set of activities performed in order to acquire goods, services or construction in response to a business need.

Purchase Order – A document that describes the details of the purchase and which facilitates payment to the Supplier.

Requisition – refers to electronic requisition which must be completed and authorized to initiate Procurement request to Materials Management.

Restricted Items - Specific goods or services which may only be purchased by Materials Management or other approved process .

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RFx – An acronym that means “request for x” with x representing any of the competitive processes the City uses to obtain information for the Procurement of goods, services or construction including request for tender (RFT), request for proposal (RFP), non-contract A request for proposal (NRFP), request for prequalification (RFPQ or PQR), request for information (RFI) or request for expression of interest (RFEI).

Single Source –Where a business decision is made by the Department to utilize a single source of supply when other sources exist within the marketplace (for either the product or supplier). This is a non-competitive Procurement Process

Sole Source – Where there is only one source of supply within the marketplace which can provide the good, service or construction. This is a non-competitive Procurement Process

Supplier - the provider of goods, services or construction by purchase, rental, lease or conditional sale. The terms “vendor”, “contractor” and “supplier” may be used interchangeably in a Procurement Process.

Trade Agreements – means the Agreement on Internal Trade between all Canadian provinces and the New West Partnership Trade Agreement between British Columbia, Alberta and Saskatchewan, as well as any other trade agreements affecting municipal Procurement obligations in Alberta that may come into force.

GUIDELINES

The City’s purchasing practices must comply with all applicable Trade Agreements.

The City of Edmonton will be guided by the following principles when procuring goods, services and construction.

- Provide best value for money spent
- Consistent with public Procurement principles of fairness, openness, transparency and accountability
- Consistent with City policies and directives
- Use competitive bidding processes wherever possible
- Ensure that Sole Source and Single Source Procurements are appropriately justified
- Buying power leveraged through corporate agreements or strategic sourcing
- Ensure suppliers are qualified, risks are assessed and full costs are included
- Purchases align with and support the goals within the Sustainable Purchasing Policy (environmental, social and economic)

PROCEDURES

MM is the purchasing and tendering authority for the City and is responsible for establishing procedures and guidelines that govern all Procurement for the City and to provide advice and support City Departments through the Procurement Process.

Departments are responsible to ensure budgeted funds are in place prior to proceeding with a Procurement Process. In the event budget funds are not in place and exceptional circumstances exist City departments are required to contact MM to determine whether a Procurement Process should proceed or not.

Departments are responsible to provide an approved requisition to MM to initiate a Procurement Process.

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Procurements must not be split in order to avoid the requirements of Trade Agreements or limits of delegated authority.

All professional services agreements (Procurement of consulting services) must follow the requirements outlined in the Professional Services Agreement (PSA) Toolbox posted on the City's intranet.

MM is responsible to issue Purchase Orders for all Procurements greater than \$10,000 including GST.

MM is responsible for training Employees involved in the Procurement Process in accordance with all Procurement Directives and Procedures.

Procurements Less than \$10,000 (including GST)

Procurements less than \$10,000 (including GST) may be processed by Departments using a L-Order or CPC with the exception of the restricted items listed in Attachment I.

Procurements Between \$10,001 and \$75,000 (including GST)

Competitive Procurement Processes should be used for purchases less than \$75,000 (including GST) wherever possible.

Purchases below this threshold are considered discretionary allowing for flexibility in the Procurement Process used which could include but is not limited to Single Sourcing and Sole Sourcing, invitational RFx (3 bids) or an MM-run RFx..

Employees should consult with MM in advance for all Procurements between \$10,000 and \$75,000 to determine the appropriate Procurement Process.

Competitive Procurement Process greater than \$75,000 (including GST)

The City must use an open competitive RFx Procurement Process to procure goods and services greater than \$75,000 (including GST) and construction greater than \$200,000 (including GST) unless a good, service or construction falls under an exception of the Trade Agreements.

As the City's purchasing and tendering authority MM is responsible for the issuing, managing and awarding of all competitive Procurement Processes greater than \$75,000 unless delegated otherwise through the City Administration Bylaw 12005.

MM has the delegated authority to award agreements less than \$20 million in value and which do not exceed 10 years, including option years, resulting from a competitive Procurement Process (RFx).

MM will obtain approval from the appropriate Committee of Council to award and enter into contracts resulting from a competitive Procurement Process where the contract value is greater than \$20 million or the term exceeds 10 years including option years.

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General Managers will obtain approval from the appropriate Committee of Council for all Change Orders which take an agreement over \$20 million or the value threshold originally approved by the appropriate Committee of Council.

Non-competitive (Single Source & Sole Source) Procurement processes over \$10,000 (including GST)

Exceptional circumstances may arise where a non-competitive process using Sole Source or Single Source supplier selection and direct negotiation may be appropriate.

Non-competitive Procurements which fall into a specified New West Partnership Trade Agreement (NWPTA) Excluded Procurement listed in Attachment II are permitted. Non-competitive Procurements which do not fall into a specified NWPTA Excluded Procurement will be required to either go through a competitive RFx Procurement Process or obtain approval in accordance with the appropriate delegation of authority for an exclusion from the competitive Procurement Process. All non-competitive Procurements require the completion of the Competitive Procurement Exception Request Form (Attachment IV) signed by MM and the appropriate delegation of authority.

Employees are responsible to contact MM in advance of any non-competitive Sole Source or Single Source Procurement over \$10,000 (including GST) which they wish to request.

General Managers will obtain approval from the appropriate Committee of Council for Sole Source and Single Source Procurements and Change Orders that exceed delegated authority limits as outlined in Attachment III.

COMPLIANCE

Any Employee that violates the Directive or this Procedure may be subject to disciplinary action, up to and including termination in addition to and apart from any penalty provided by law.

MM and the Office of the City Auditor will undertake compliance monitoring to this procedure.