

Administrative Directive

Procurement

Number: A1465A

Date of Approval: May 7, 2018

Department: Financial and Corporate Services

Next Scheduled Review: May 7, 2021

Statement of Directive:

The City of Edmonton spends approximately \$1 billion annually on a wide range of goods, services, construction, and intellectual property rights. The City expects that procurements will be conducted in a fair, transparent, and accountable manner that achieves best value for the City and supports Council's environmental, social, and economic objectives.

The City takes accountability for ensuring the efficiency and effectiveness of the procurement process and its responsibilities to all stakeholders, including suppliers and the public. Procurement processes protect the interests of the City, the public, and suppliers participating therein.

Purpose:

The purpose of this directive is to establish guiding principles, procedures, and processes for procurement to ensure the City follows best practices.

Application:

This directive applies to any person who reports to the City Manager or City Auditor and provides services to the City of Edmonton under a contract of employment, contract for the provision of personal services, or in the capacity of agent, student, or volunteer.

Accountability:

The value of a procurement must be calculated in Canadian dollars (CAD) and must consider the frequency of purchases over a 12 month period by including all other potential costs, including GST, that may be paid to a supplier for the procurement, including option years and extensions, that may be added without the requirement for an amendment to the contract. The Business Area Purchaser must not separate or divide a procurement into multiple procurements in order to reduce the value.

Any employee that becomes aware of:

- a) a former employee's involvement in a procurement,
- b) an employee participating in a City procurement evaluation or the decision to award a contract and who has or had a personal relationship, a financial or controlling interest, or a former employment relationship with a proponent, or
- c) a member of a Civic Agency participating in a competitive procurement process as a proponent or

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a member of the proponent's proposed team, must disclose that information in accordance with the [Conflict of Interest After City Employment Procedure](#), [Conflict of Interest of Employees Participating in City Procurements Procedure](#), or [Conflict of Interest Related to Members of Civic Agencies Procedure](#), where appropriate.

When procuring goods, services, construction, or intellectual property rights on behalf of the City, the Business Area Purchaser must conduct the procurement using the [Competitive Procurement Procedure](#), unless the procurement falls within one of the following exceptions:

- For one-time procurements with a value of less than \$25,000, the Business Area Purchaser should use the [Self Service Procurement Procedure](#), unless the goods, services, construction, or intellectual property rights being procured appear on the Restricted and Controlled Items List. Goods, services, construction or intellectual property rights on the Restricted and Controlled Items List must be procured using the processes prescribed in that document.
- For procurements with a value between \$25,000 and \$75,000 for goods, services and intellectual property rights (or between \$25,000 and \$200,000 for construction), the Business Area Purchaser may use the [Invitational Procurement Procedure](#) or [Non-Competitive Procurement Procedure](#). The Business Area Purchaser should use the Invitational Procurement Procedure instead of the Non-Competitive Procurement Procedure whenever multiple suppliers may be able to meet the City's requirements.
- For procurements with a value between \$75,001 and \$500,000 for goods, services and intellectual property rights (or between \$200,001 and \$500,000 for construction), where a trade agreement exception applies and Corporate Procurement and Supply Services (CPSS) concurs with a trade agreement exception, the Business Area Purchaser may use the [Invitational Procurement Procedure](#) or [Non-Competitive Procurement Procedure](#).
- The City Manager, Council, or a Committee of Council may approve the use of the [Non-Competitive Procurement Procedure](#) for any procurement.

The Branch Manager, Corporate Procurement and Supply Services, is responsible for:

- approving and maintaining the list of Restricted and Controlled Items;
- ensuring that RFx documents issued by the City require proponents to identify and disclose the involvement of any former City employees in the proponent's submission;
- ensuring that RFx documents issued by the City stipulate that, in the event that a contract is awarded to a proponent who failed to disclose the involvement of a former City employee, the contract may be terminated at any time by the City, at its discretion, without damages or penalties to the City;
- providing guidance to business area purchasers regarding the appropriate procedure for a procurement; and
- supporting business area purchasers to complete a procurement.

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The City Manager, or designate, may conduct reviews, audits, or checks at any time without notice to ensure compliance with this directive, including its accompanying procedures.

Failure to comply with the provisions of this directive and its accompanying procedures could lead to appropriate corrective action, which may include discipline up to and including termination of employment.

Definitions:

Unless otherwise specified, words used in this directive and its accompanying procedures have the same meaning as defined in the [City Administration Bylaw, Bylaw 16620](#).

In addition:

- **“Business Area Purchaser”** means an employee responsible for completing a procurement on behalf of the City;
- **“Civic Agency”** or **“Civic Agencies”** means the agencies, boards, committees, commissions, and task forces to which City Council makes an appointment of citizens-at-large, council members, or representatives of external organizations. A list of civic agencies can be found at this City [site](#);
- **“contract”** has the same meaning as “procurement agreement” in the City Administration Bylaw, Bylaw 16620;
- **“contract scope”** means the description of the goods, services, construction, or intellectual property rights the City is acquiring from a supplier through a procurement;
- **“delegation of authority”** means a power, duty, or function delegated to an employee by the City Manager through the City’s Delegation of Authority Order;
- **“Expenditure Officer”** means the employee who is authorized to approve an expenditure pursuant to the [Expenditure Accountability Framework](#);
- **“former employee”** means an employee that was formerly employed by the City;
- **“former employment relationship”** means a City employee’s former role as an employee, a contractor, or subcontractor with a proponent.
- **“procurement”** means the acquisition of goods, services, construction, or intellectual property rights from a supplier, but does not include the acquisition or disposition of interests in land;
- **“Procurement Conflict of Interest Advisory Group”** is responsible for reviewing and advising on conflict of interest matters that may arise in the City’s procurement process. Membership in the group will consist of senior City staff appointed by their respective Deputy City Managers.
- **“proponent”** means a supplier who provides a submission to be considered by the City in a competitive procurement process;
- **“purchase order”** means a record that summarizes the details of a contract and facilitates payment to a supplier;
- **“Request for X (RFx)”** includes a pre-qualification, request for tender, request for proposal, and negotiated request for proposal;
- **“supplier”** means a provider of goods, services, construction, or intellectual property rights by purchase, rental, lease, conditional sale, or any other means, and includes the terms vendor,

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- consultant, contractor, and lessor; and
- **“unsolicited proposal”** means a written proposal that is submitted to the City by an outside source proposing to provide goods, services, construction or intellectual property rights to the City. The unsolicited proposal shall not be in response to a formal or informal request, unless it is a City request constituting a publicized general statement of need.

Guiding Principles:

In carrying out their duties under the procedures accompanying this directive, or when acting in situations not explicitly addressed by an existing procedure, employees will be guided by the following principles:

- openness and fairness;
- transparency (ensuring that the City’s practices and processes are easily accessible and understandable by the marketplace);
- achievement of best value for money for the City;
- compliance with all relevant City policies, directives, procedures, and trade agreements;
- use of competitive procurement processes wherever possible and appropriate;
- appropriately justifying all non-competitive procurement processes;
- leveraging buying power through corporate contracts or strategic sourcing;
- thoroughly assessing risks, supplier qualifications, and full life cycle costs;
- integrity and ethics in all procurement activities; and
- active support of the City’s [Sustainable Purchasing Policy C556](#).

References:

- [New West Partnership Trade Agreement \(NWPTA\)](#)
- [Canada Free Trade Agreement \(CFTA\)](#)
- [Canada-European Union Comprehensive Economic and Trade Agreement \(CETA\)](#)

History:

- A1439C: Procurement of Goods, Services and Construction - Approved March 31, 2014.
- A1439B: Procurement of Goods, Services and Construction - Approved February 11, 2010.
- A1439A: Purchasing of Goods, Services and Construction - Approved January 22, 2009.
- A1439: Purchasing of Goods, Services and Construction - Approved July 27, 2004.