



POLICY

POLICY NO:	310	APPROVAL DATE:	November 17, 2003
TITLE:	Procurement	REVISION DATE:	May 7, 2018
SECTION:	Finance	PAGE 1 OF 4	
DEPARTMENT:	Financial Services		

POLICY STATEMENT

The City shall conduct its purchasing in accordance with generally recognized purchasing practices including, wherever possible, the competitive process, and shall provide the framework for all City purchasing activities.

REASON FOR POLICY

To set guidelines for the City's purchasing activities, and to assure objectivity and fairness of purchasing practices for all City personnel involved either directly or indirectly in the purchasing function.

RELATED INFORMATION

1. Under Bylaw C-1277 City Council has delegated purchasing authority to the City Manager; and the City Manager has further delegated purchasing authority to the Procurement Manager.
2. The City of Grande Prairie will conduct all purchases in a manner that results in the acquisition of products and services of acceptable quality at the most cost effective price available in consideration of availability, urgency of demand and required service level.
3. Procurement of computer systems and related software are included in this policy. City operations use standard packaged software and vendor support whenever possible. Acquisition of information technology related goods and services are approved by the Department Managers of the Corporate Information Technology Team. The Corporate Leadership Team assists the Corporate Information Technology Team department and provide management and direction.

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4. Purchasing exceptions which this policy does not regulate, include real estate transactions, sole-source procurement (refer to sole source procedure), investment or borrowing, utility contracts, credit card purchases, petty cash or refund disbursements, entertainer/performer fees, postage purchases, employee vehicle expenditures, legal services, FCSS grants, foreign currency purchases, payroll withholding remittances, training fund disbursements, membership and subscription payments.
 5. All purchasing transactions shall ensure equal opportunity, due process and fairness to actual and potential suppliers. The methods by which decisions are made must ensure not only fairness, but the appearance of fairness.
 6. Purchasing agreements are documented on standard City forms. This documentation which communicates the purchase approval and commercial terms to the vendor must be completed before the purchase occurs, except in emergency situations.
 7. **Deleted May, 2018**
 8. City employees shall have not pecuniary interest, direct or indirect, in any contract with the City of Grande Prairie. No employee of the City or partnership of which an employee is a member may submit a tender for the supply of goods or services to the City. Any corporation (other than those whose shares are publicly traded) submitting a tender must disclose the names of any shareholders who is a City employee and the number of shares owned by the employee. No employee of any department shall make any recommendations about the awarding of any tender or quotation when the employee is a member of the immediate family of any individual who is:
 - a) submitting the tender;
 - b) a shareholder or employee of a company submitting the tender; or
 - c) a member or employee of any partnership submitting the tender.
 9. In order to protect the overall City interests and minimize long term financial losses, the City reserves the right not to consider award of any contracts to a party that is engaged in litigation or arbitration with the City of Grande Prairie.
 10.
 - a) When any tendering process is used, the lowest qualified tender, which is the tender evaluated as being the most advantageous to the City shall be accepted subject to the right of the City to refuse any or all tenders. In cases where two or more bids are identical and/or it is difficult to determine the lowest evaluated bid, preference shall be given to suppliers using access to service and/or support as a criteria.
 - b) When a Request for Proposal process is used, the highest evaluated proposal, which is the proposal with the highest total score, shall be accepted subject to the right of the City to refuse any or all proposals. When issuing a Request for Proposal, the cost criteria shall be no more than 40%. Percentages for the cost criteria shall be determined by the Procurement Manager in conjunction with the Operating Department.

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11. In all cases where the acquisition price exceeds the limit in Bylaw C-1277 or the term of the contract exceeds 5 years, approval of the award recommendation shall be obtained from Council prior to purchase. All purchases require an authorization by someone with designated authority. Purchase or spending authority must be documented.
 12. When selling obsolete or surplus materials the City shall avoid, where practical, selling directly to another party. The Procurement Manager shall be responsible for the sale/disposal of all surplus equipment and salvage materials declared as such by departments at fair market value.
 13. All City of Grande Prairie personnel shall maintain impartiality and arm's length distance in all dealings with potential suppliers of goods and services.
 14. Purchases may be made without prior approval in an emergency situation when the lack of immediate action to supply would disrupt critical services to the public or involve the safety of personnel.
 15. Assuring proper performance by Vendors requires cooperation and communication between the Departments and the Procurement Department. Timely action on the part of the Departments and Procurement is a prerequisite for enforcing the terms of purchase orders and contracts.
 16. When a payment is made to a City employee, the cheque requisition must be requested by the employee, and approved by the employee's supervisor. Any cheque requisitions requested by the City Manager must be approved by the City Treasurer.
 17. Once a capital project has been approved by Council, up to 10% of the total preliminary estimated cost of the project may be expended for design costs.

DEFINITIONS

City Employee is any person whose name appears on the payroll records of the City and whose manner of work is controlled by the City.

Immediate family includes the spouse, common-law spouse, parents, children and brothers and sisters of an employee.

Pecuniary Interest is defined as an interest is a contract that could monetarily affect:

- a) The employee;
- b) A corporation, other than a distributing corporation, in which the employee is a shareholder, director, or officer;
- c) A distributing corporation in which the employee beneficially owns more than 1% of the issued shares, or of which the employee is a director or officer;
- d) A partnership or firm of which the employee is a member; or
- e) A corporation, partnership, firm, or person that employs the employee.

And includes the pecuniary interests of the employee's spouse, parents, children, brothers, and sisters that are known to him or of which he reasonably should know, but shall not include an interest by reason only of his having been appointed by the City Council.

Sole source procurement occurs when a source is predetermined to be the only source capable of performing the service or supplying the material.

RESPONSIBILITIES

Procurement to establish and maintain purchasing procedures, and ensure the guidelines for the City's purchasing function are followed, and accurately reported.

Department Managers of the Corporate Information Technology Team to approve acquisition of information technology related goods and services.

City Manager to approve the procedures for the purchasing function and to ensure the procedures are in accordance with the policy set by City Council.

City Council to approve the policy.