

PROCUREMENT AT THE CITY

POLICY AND PROTOCOLS MANUAL

FOR PURCHASING GOODS, SERVICES OR CONSTRUCTION

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Introduction

This Procurement Manual has been developed to provide a framework for City of Saskatoon employees with respect to how to conduct Procurement. This Manual includes the Purchasing Policy of the City of Saskatoon. This Policy makes reference to other protocols and procedures included in the Procurement Manual.

In addition to the Procurement Manual, Supply Chain Management has a number of templates and forms for use during the Procurement cycle to assist Divisions. Divisions should ensure that they have all the necessary, up-to-date tools for each stage of a Procurement Project.

The City of Saskatoon is committed to the use of a Best Value approach in its Procurement. A Best Value approach means that the City will consider how to structure and conduct Procurements in a fashion which allows for a consideration of factors beyond lowest cost, where appropriate, in determining which Supplier provides the overall greatest benefit.

Procurements are conducted in seven steps:

1. Need identification;
2. Decision on a Procurement approach;
3. Conduct the competition;
4. Evaluate Bids;
5. Award the Contract;
6. Debrief Suppliers, where requested;
7. Contract management

The following manual provides more detail on these steps.

CITY OF SASKATOON COUNCIL POLICY

NUMBER

C02-045

POLICY TITLE <i>Purchasing Policy</i>	ADOPTED BY: <i>City Council</i>	EFFECTIVE DATE <i>December 1, 2018</i>
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1.0 PURPOSE AND PRINCIPLES

1.1 Purpose

The purpose of this Policy is to detail the principles, procedures, roles and responsibilities for the City's Procurement program. This Policy makes reference to other protocols and procedures of the City related to Procurement.

1.2 Principles

The City is committed to conducting its Procurement program in accordance with the following principles:

- a) Compliance and consistency with applicable legislation, policies and procedures;
- b) Open, fair and transparent processes that afford equal access to all qualified Suppliers;
- c) Reciprocal non-discrimination and geographic neutrality with respect to its trading partners in accordance with trade treaty obligations;
- d) Achieving Best Value through consideration of the full range of Procurement formats and the adoption of commercially reasonable business practices;
- e) Incorporates sustainability including Environmental Sustainability, Economic Sustainability and Social Sustainability;
- f) Incorporates the City's commitment to procure Goods, Services and Construction from Suppliers that encourage diversity, including Indigenous Suppliers;
- g) Effective balance between accountability and efficiency; and
- h) Ensuring adherence to the highest standards of ethical conduct.

2.0 INTERPRETATION AND APPLICATION

2.1 Defined Terms

Terms used in this Policy are defined as follows:

- a) “Best Value” means relevant financial and non-financial factors which may include:
- Quality of the Goods and Services;
 - Delivery, Deliverables and performance commitments;
 - Supplier experience, performance history and demonstrated ability to successfully perform the Contract, including service and support capacity;
 - Risk and compliance management, including safety practices and history;
 - Environmental Sustainability;
 - Economic Sustainability;
 - Social Sustainability;
 - Encouragement of Diverse Suppliers;
 - Public policy objectives identified as elements in the proposal and evaluation process;
 - Total cost of ownership, which may consider factors such as:
 - Purchase or Contract total cost;
 - Costs of delay or performance failures;
 - Administration and Contract management costs;
 - Extensions, change orders, total cost change and cost escalation;
 - Cost of additional features, enhancements, upgrades, etc.;
 - Limitations associated with proprietary or patent rights or constraints;
 - Legal or technical costs;
 - Shipping and packaging;
 - Transition and training costs;
 - Licensing costs;
 - Regular and ongoing maintenance;
 - Lifecycle costing;
 - Warranty, parts and repair; and/or
 - Disposal and remediation costs.
- b) “Bid” means a submission in response to a Solicitation Document, and includes proposals, quotations or responses.

- c) “Bidder” means a Supplier that submits a Bid, and includes proponents and respondents.
- d) “Business Case” means the written reasoning behind the initiation of a Procurement Project, prepared in the form set out in Part 1 of the Procurement Project Plan at Appendix A of the Procurement Project Planning Protocol.
- e) “Construction” means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes the preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting Services related to the construction Contract unless they are included in the Procurement.
- f) “Competitive Process” means Open Competitions, Invitational Competitions and Limited Competitions.
- g) “Contract” means a commitment by the City for the Procurement of Deliverables from a Supplier, which may be evidenced by an agreement executed by the Supplier and the City or a Purchase Order issued by the City to the Supplier.
- h) “Contract Administrator” means an employee or authorized City representative assigned to the management of a Contract.
- i) “City” means The City of Saskatoon.
- j) “City Council” means the Council of The City of Saskatoon.
- k) “City Solicitor” means the City’s legal advisors.
- l) “Deliverables” means any Goods, Services or Construction, or a combination thereof.
- m) “Director” means an individual officer or employee who is responsible for a specific Division.

- n) “Director of Materials Management” means the individual officer or employee who is responsible for Materials Management.
- o) “Diverse Supplier” means any business or enterprise that is more than 50% owned, managed and controlled by persons belonging to a group that experiences discrimination or barriers to equal opportunity including women, indigenous people, persons with disabilities, new immigrants, LGBTQ+ people, visible minorities, and other groups the City identifies as historically under-represented.
- p) “Division” means the branch, department, division or unit of the City that is requisitioning the purchase of the Deliverables.
- q) “Economic Sustainability” means providing and enhancing the Services, infrastructure and conditions that sustain a healthy, diverse and resilient local economy in which businesses of all sizes, and their employees, can flourish.
- r) “Environmental Sustainability” means protecting and enhancing the climate, ecology and natural resources for future generations through approaches that reduce carbon dependency, enhance energy resilience, conserve energy and resources and reduce waste and toxins.
- s) “General Manager” means an individual officer or employee who is responsible for a specific group of Divisions.
- t) “Goods” means goods produced, manufactured, grown, or obtained in, used for a commercial purpose in, or distributed from a party.
- u) “Invitational Competition” means a Competitive Process in which an invitation to submit Bids is issued to at least three Suppliers.
- v) “Low Value Purchases” means any Procurement of Deliverables with a value of less than \$25,000.00, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster.
- w) “Master Framework Agreement” means a master agreement entered into between the City and the pre-qualified Suppliers that have been included on a Qualified Supplier Roster.
- x) “Materials Management” means the branch, department, division or unit responsible for purchasing Deliverables for the City.

- y) “Non-Standard Procurement” means the acquisition of Deliverables through a process or method other than the process or method normally required for the type and value of the Deliverables. Non-standard Procurement processes include:
 - (i) A “Non-Competitive Procurement”, where the Deliverables are acquired directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required including consideration of unsolicited proposals; or
 - (ii) A “Limited Competition”, where Bids are solicited from a limited number of Suppliers when an Open Competition would normally be required.
- z) “Open Competition” means the solicitation of Bids through a publicly posted Solicitation Document.
- aa) “Performance Evaluation Report” means a report evaluating a Supplier’s performance.
- bb) “Procurement” or “Purchasing” means the acquisition of Deliverables by purchase, rental or lease.
- cc) “Procurement Project” means any Procurement of Deliverables with a value of \$25,000.00 or more, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster.
- dd) “Procurement Project Plan” means the plan developed by a Division at the outset of a Procurement Project in accordance with the Purchasing Policy.
- ee) “Procurement Review Committee” (the “PRC”) means the committee established by the City under the Purchasing Policy for the purposes of considering and making determinations on Procurement-related matters, including determinations under the Procurement Protest Protocol and the Supplier Suspension Protocol.
- ff) “Procurement Value” means the total value of the Deliverables being procured, and must include all costs to the City in Canadian dollars using the Bank of Canada exchange rate including, as applicable, acquisition, maintenance, replacement, disposal, or training, delivery, installation and extension options, less applicable rebates or discounts and exclusive of sales taxes.

- gg) "Purchase Order" means the City's written document issued by a duly authorized employee of the City to a Supplier formalizing all the terms and conditions of the purchase and supply of the Deliverables identified on the face of the Purchase Order.
- hh) "Purchasing Card" means a credit card provided by the City to authorized officers and employees for use as a payment method to purchase directly from Suppliers where permitted under the Purchasing Policy and the P-Card Policy in accordance with any cardholder agreement and applicable procedures.
- ii) "Qualified Supplier Roster" means a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ), and have therefore been pre-qualified to perform discrete work assignments involving the delivery of a particular type of Deliverables.
- jj) "Services" means services supplied or to be supplied, by a person.
- kk) "Social Sustainability" means cultivating and sustaining vibrant, creative, safe, affordable and caring communities for the wide diversity of individuals and families who live in, work in and visit the City.
- ll) "Suspension Recommendation Report" means a written report recommending the suspension of a Bidder and setting out the terms of the proposed suspension in accordance with the Supplier Suspension Protocol.
- mm) "Roster Competition" means an expedited, Invitational Competition between Suppliers that have been included on a Qualified Supplier Roster for the selection of a Supplier to perform a discrete work assignment during the term of the roster.
- nn) "Solicitation Document" means the document issued by the City to solicit Bids from Bidders.
- oo) "Standing Offer" means a written offer from a pre-approved Supplier to supply Deliverables to the City, upon request, through the use of an ordering process during a particular period of time, at a predetermined price or discount, generally within a pre-defined dollar limit.
- pp) "Supplier" means a person carrying on the business of providing Deliverables.

2.2 Application

This Policy applies to the Procurement of all Deliverables with the exception of exempt purchases and expenditures set out in Schedule A of this Policy.

2.3 Contract Splitting

Subdividing, splitting or otherwise structuring Procurement requirements or Contracts in order to reduce the value of the Procurement or in any way circumvent the requirements or intent of this Policy is not permitted and, at the discretion of the Director of Materials Management, may result in revocation of delegated approval authority.

2.4 Emergency Purchases

Notwithstanding any other provisions of this Policy, where an emergency exists and prior approval of the Director of Materials Management cannot be obtained, a Director may authorize any officer or employee to acquire required Deliverables in an expedited manner if the required Deliverables have a Procurement Value of less than \$25,000.00. A General Manager may authorize any officer or employee to acquire required Deliverables in an expedited manner if the required Deliverables have a Procurement Value of less than \$75,000.00 for Goods and Services and \$200,000.00 for Construction. The City Manager may authorize any officer or employee to acquire required Deliverables in an expedited manner for required Deliverables with a Procurement Value in excess of those amounts.

For the purposes of this Policy, an emergency exists when an unforeseeable situation or event occurs that is a threat to any of the following:

- a) public health and/or safety;
- b) the maintenance of essential Services;
- c) the welfare of persons or public property; or
- d) the security of the City's interests.

Situations of urgency resulting from the failure to properly plan for a Procurement do not constitute an emergency and, in such cases, any deviation from the requirements of this Policy must be approved by the Director of Materials Management prior to the acquisition of any Deliverables.

As soon as possible following an emergency purchase, the Director must forward a purchase requisition to Materials Management and Materials Management will issue a Purchase Order confirming the purchase.

2.5 Cooperative Purchasing

The City may participate in cooperative or joint Purchasing initiatives with other entities where such initiatives are determined to be in the best interests of the City. If the City participates in such cooperative or joint Purchasing initiatives, the City may adhere to the policies of the entity conducting the Purchasing process, provided that such policies comply in spirit with this Policy.

3.0 ETHICAL CONDUCT AND CONFLICTS OF INTEREST

3.1 Conduct and Conflicts of Interest

The City's Procurement activities must be conducted with integrity and all individuals involved in the City's Procurement activities must act in a manner that is consistent with the principles and objectives of this Policy and in accordance with the City's Employee Code of Conduct and Conflict of Interest Policy.

In addition to adhering to all rules and requirements set out in the Employee Code of Conduct and Conflict of Interest Policy, no City employee shall place themselves in a position of obligation to a Supplier and no City employees will use the City's Purchasing processes, forms and Services to purchase Deliverables for personal use.

All City participants in a Procurement process, including any outside consultants or other service providers participating on behalf of the City, must declare any perceived, possible or actual conflicts of interest to the Director of Materials Management. City participants must consult with the Director of Materials Management if they are unsure whether or not a particular relationship or circumstance may give rise to a conflict of interest.

Participants must not engage in any activity that may create, or appear to create a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing Suppliers or products.

3.2 Supplier's Conduct and Conflicts of Interest

The City requires its Suppliers to act with integrity and conduct business in an ethical manner. The City may refuse to do business with any Supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage or fails to adhere to ethical business practices.

a) Illegal or Unethical Bidding Practices

Illegal or unethical bidding practices include:

- bid-rigging, price-fixing, bribery or collusion or other behaviours or practices prohibited by federal or provincial statutes;
- offering gifts or favours to the City's officers, employees, appointed or elected officials or any other representative of the City;
- engaging in any prohibited communications during a Procurement process;
- submitting inaccurate or misleading information in a Procurement process; and
- engaging in any other activity that compromises the City's ability to run a fair Procurement process.

The City will report any suspected cases of collusion, bid-rigging or other offenses under the *Competition Act* to the Competition Bureau or to other relevant authorities.

b) Conflicts of Interest

All Suppliers participating in a Procurement process must declare any perceived, possible or actual conflicts of interest.

The term "Conflict of Interest", when applied to Suppliers, includes any situation or circumstance where:

- i. in the context of a Procurement process, the Supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, or having access to, confidential information of the City that is not available to other Suppliers, (ii) communicating with any person with a view to influencing preferred treatment in the Procurement process (including, but not limited to the lobbying of decision-makers involved in the Procurement process), or (iii) engaging in conduct that compromises, or could be seen to compromise, the integrity of an open and competitive Procurement process or render that process non-competitive or unfair; or
- ii. in the context of performance under a potential Contract, the Supplier's other commitments, relationships or financial interests (i) could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement, or (ii) could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations.

Where a Supplier is retained to participate in the development of a Solicitation Document or the specifications for inclusion in a Solicitation Document, that Supplier will not be allowed to respond to that Solicitation Document.

c) Ethical Business Practices

In providing Deliverables to the City, Suppliers are expected to adhere to ethical business practices, including:

- performing all Contracts in a professional and competent manner and in accordance with the terms and conditions of the Contract and the duty of honest performance;
- complying with all applicable laws, including safety and labour codes (both domestic and international as may be applicable); and
- providing workplaces that are free from harassment or discrimination.

4.0 ROLE AND RESPONSIBILITIES

4.1 Role and Responsibilities of City Council

It is the role of City Council to establish policy and approve expenditures through the City's budget approval process. Through this Policy, City Council delegates to the City's officers and employees the authority to incur expenditures in accordance with approved budgets through the Procurement of Deliverables in accordance with the rules and processes set out in this Policy and applicable protocols and procedures. City Council shall provide strategic direction and guidance on major projects prior to the commencement of the Procurement process. However, City Council will not generally be involved in the day-to-day Procurement operations or individual Procurement processes, except to the extent that City Council approval is required under this Policy or in the event that an exception to this Policy is required.

4.2 Roles and Responsibilities of Officers and Employees

Specific responsibilities pertaining to all stages of a Procurement process, from the initial identification of requirements through to the management of Contracts with Suppliers, are detailed in this Policy and applicable protocols and procedures. In addition to those specific responsibilities, the general roles and responsibilities delegated to the City's officers and employees are set out below.

a) City Manager

It is the role of the City Manager to implement and enforce this Policy. The City Manager is responsible for overseeing the City's Procurement operations and providing support and guidance to the Director of Materials Management.

b) Director of Materials Management

It is the role of Materials Management to lead and administer the City's Procurement operations. In fulfilling this role, the Director of Materials Management, or designate, is responsible for:

- Ensuring the consistent application of this Policy and the provision of Procurement Services to the Divisions in an efficient and diligent manner;
- Developing Procurement strategies and continually analyzing business requirements and spending patterns to identify opportunities for more strategic sourcing;
- Researching, developing, updating and communicating Procurement protocols, procedures and templates;
- Addressing any issues or concerns that arise in respect of a Procurement process and seeking guidance, support and advice of the City Manager and the Office of the City Solicitor, as required; and
- Providing appropriate orientation, training and tools to employees involved in Procurement activities.

c) Directors and General Managers

It is the role of the Divisions to ensure that their requirements for Deliverables are met in accordance with the principles and objectives of this Policy. In fulfilling this role, Directors and General Managers are responsible for ensuring that their Divisions comply with this Policy and all applicable procedures and encouraging sound Procurement practices and ensuring the provision of appropriate education and training to employees involved in Procurement activities.

Directors and General Managers will be held accountable for any decision to proceed with a Procurement process or transaction that is not conducted in accordance with this Policy or does not have the approval of Materials Management.

d) Division Employees

Employees of all Divisions are responsible for complying with this Policy. Division employees involved in Procurement activities must clearly understand their obligations and responsibilities under this Policy and all applicable protocols and procedures and should consult with Materials Management in respect of any questions regarding the application or interpretation of this Policy or any relevant procedures.

e) Materials Management Employees

Employees of Materials Management are responsible for complying with this Policy and ensuring this Policy and all protocols and procedures are applied consistently. Materials Management employees must clearly understand their obligations and responsibilities under this Policy and all applicable protocols and procedures and should consult with the Director of Materials Management in respect of any questions regarding their application or interpretation.

f) City Solicitor

It is the role of the City Solicitor, or designate, to provide legal advice and assistance on the City's Procurement activities and its relationships with Suppliers. In fulfilling this role, the City Solicitor is responsible for:

- Advising the Director of Materials Management and Division Employees as required on legal issues arising from Procurement activities, and reviewing and approving specific Solicitation Documents and related documentation referred for legal review by the Director of Materials Management and/or Division;
- Providing legal advice and counsel to the City with respect to major projects;
- Providing advice on the finalization of Contracts and agreements, and reviewing and advising on proposed changes to the City's standard terms and conditions, legal agreements and Solicitation Document templates; and
- Providing legal advice and counsel to the City in the event of a Contract dispute or legal challenge flowing from a Procurement process.

4.3 Procurement Review Committee

The City will establish a Procurement Review Committee for the purpose of making determinations under the Procurement Protest Protocol and the Supplier Suspension Protocol, and for considering and providing input on other Procurement matters that may be referred to it by the Director of Materials Management. The Procurement Review Committee should generally consist of the Director of Materials Management and at least two other senior-level officers or employees of the City. The City Solicitor, or designate, will provide guidance and advice to the Procurement Review Committee, as required.

5.0 PROCUREMENT APPROVAL AND CONTRACTING AUTHORITIES

5.1 Delegated Approval and Contracting Authorities

5.1.1 Delegated Approval Authority

The Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy, sets out the delegated authorities and approval limits for:

- a) approving the initiation of a Procurement;
- b) approving the award of a Contract; and
- c) approving amendments to existing Contracts.

5.1.2 Delegated Contracting Authority

All agreements to which the City is a party must be signed in accordance with The City Administration Bylaw.

The Director of Materials Management is delegated the authority to issue a Purchase Order evidencing a Contract.

Directors are delegated the authority to issue departmental Purchase Orders for Low Value Purchases.

5.2 Conditions of Delegated Authority

Delegated approval and contracting authorities are subject to the following conditions:

- a) No Procurement may be initiated unless approved funding in an amount sufficient to cover the Procurement Value is available;
- b) No Contract award may be approved unless approved funding in an amount sufficient to cover the Procurement Value is available and the Procurement process was conducted in accordance with this Policy;

- c) No Contract may be entered into, either through the issuance of a Purchase Order or the signing of an agreement, unless approved funding in an amount sufficient to cover the Procurement Value is available, the Procurement process was conducted in accordance with this Policy and the Contract award has been approved in accordance with this Policy;
- d) No agreement may be signed unless the agreement and any ancillary documents have been prepared in a form satisfactory to the City Solicitor, or designate.

5.3 City Council Approval

City Council approval is required if:

- a) any of the conditions of delegated authorities, as set out in section 5.2 of this Policy, have not been met; or
- b) there is an irregularity or unresolved challenge in connection with the Procurement process and, in the opinion of the City Manager, in consultation with the Director of Materials Management, the award of the Contract is likely to expose the City to significant legal, financial or reputational risk.

6.0 PROCUREMENT OF DELIVERABLES

6.1 Existing Resources and Supplier Arrangements

Before initiating a Procurement, Directors must first consider whether there is a compelling need for the acquisition and must also consider the availability of existing resources, including both internal resources and existing Supplier arrangements, as described below. In considering the availability of internal resources, the following factors shall be considered:

- capacity of existing staff to perform the work;
- expertise of existing staff to perform the work;
- requirement of specialized Services;
- expected timeline of delivery;
- frequency for the need of the required expertise;
- requirement of an independent opinion;
- objectivity of an opinion;
- transfer of risk;
- cost of expected scope of work;
- regulated or legislated requirements of the work; and
- availability of technology in-house and long-term commitments.

a) Existing Standing Offer

A “Standing Offer” is an offer from a pre-approved Supplier to supply Deliverables to the City upon request, over a particular period of time, at a predetermined price or discount. The Standing Offer defines the general terms and conditions of the relationship between the parties and the unit prices of all items available under the Standing Offer, as well as applicable pricing terms, such as discounts and rebates, delivery charges, applicable surcharges, installation Services, warranty, etc., but does not create contractual commitment from either party to a defined volume of business. The commitment to purchase against a Standing Offer is formed at the time a specific order is placed through the issuance of a Purchase Order to the Supplier.

Standing Offers may be established by Materials Management for standardized Deliverables to be purchased by all Divisions, where the requirements for Deliverables are recurring and predictable over an extended period of time, the requirements are standard and clearly defined at the time of establishment of the Standing Offer and it is possible to fix pricing for the Deliverables for the duration of the Standing Offer.

It is the responsibility of the Division to determine if a Standing Offer for the required Deliverables has already been established before making a purchase. When a Standing Offer is available, its use is mandatory for all Divisions. To purchase from the Standing Offer, a Purchase Order referring the Standing Offer details should be created and sent to the Supplier by the Division.

b) Existing Qualified Supplier Roster

“Qualified Supplier Roster” is a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (RFSQ), and have therefore been pre-qualified to perform discrete work assignments involving the delivery of a particular type of Deliverables. Further information on Qualified Supplier Rosters is set out in the Qualified Supplier Rosters Protocol.

It is the responsibility of the Division to determine if a Qualified Supplier Roster for the required Deliverables has already been established before making a purchase. When a Qualified Supplier Roster has been established, the Division must purchase the Deliverables through a Roster Competition in accordance with the Qualified Supplier Roster Protocol.

6.2 Low Value Purchases

If the required Deliverables have a Procurement Value of less than \$25,000.00 and are not covered under an existing Standing Offer or Qualified Supplier Roster, the purchase may be made in accordance with the Low Value Purchase Protocol.

The Director may authorize specific individuals within the Division to make Low Value Purchases and may assign specific spending authority limits. The Director is responsible and accountable for Low Value Purchases.

For Low Value Purchases under \$10,000.00, Divisions are encouraged to obtain and document competitive quotes to ensure that they obtain Best Value.

For Low Value Purchases between \$10,000.00 and \$25,000.00, Divisions are required to obtain three written quotes. If three written quotes cannot or are not obtained, the Division must document the reason why three written quotes were not obtained. Divisions are required to follow the Low Value Purchase Protocol when obtaining quotes.

If a Division anticipates making multiple Low Value Purchases of the same Deliverables and the total value of those purchases may exceed \$25,000.00, the Division must contact Materials Management to discuss the possibility of setting up a Standing Offer or Qualified Supplier Roster.

6.3 Procurement Projects

A Procurement Project is any Procurement of Deliverables with a value of \$25,000.00 or more, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster. The roles and responsibilities of those involved in the various stages of a Procurement Project are described in this section and the applicable protocols.

6.3.1 Stage 1 – Initial Planning and Approval to Proceed with Procurement Project

a) Procurement Project Planning – Overview

Effective Procurement planning is essential to ensuring an effective result and to limiting risk to the City. Divisions are responsible for ensuring the development and approval of a plan for each Procurement Project. Materials Management will act in an advisory capacity, where necessary, to assist the Division in developing an initial Business Case and a detailed Procurement Project Plan.

The Division must clearly identify what is to be procured. A concise initial mapping statement describing the Procurement Project will be used to

develop clear business requirements and detailed specifications during the detailed planning stage.

Where the Division is uncertain about the Deliverables required for a Procurement Project or where there is insufficient internal knowledge about the market, the Business Unit must consult with Materials Management about conducting a Request for Information (RFI) process. A RFI process must be openly posted in order to gather market research from prospective Bidders. It must not be used as a prequalification tool.

If the Deliverables will be required on a frequent or regularly recurring basis, the Division must consult with Materials Management about the possibility of establishing a Standing Offer or Qualified Supplier Roster.

Divisions must ensure that they leave sufficient time to plan for a Procurement Project, including time for:

- i. developing proper specifications and business requirements;
- ii. obtaining internal reviews;
- iii. providing the requirements to Materials Management to permit Solicitation Document assembly; and
- iv. obtaining necessary approvals.

A meeting should be set up with Materials Management during the initial planning and budgeting stage to identify:

- i. major projects;
- ii. other resources or Services required to complete the project; and
- iii. similar Procurement Projects across the organization that may lead to bulk Purchasing.

b) Business Case

An initial Business Case must be developed to obtain approval to initiate the Procurement Project. The Division must complete Part 1 of the Procurement Project Plan to ensure that all components of the Business Case are addressed. This document is included in Appendix A of the Procurement Project Planning Protocol.

The Business Case must include the following minimum information:

- i. Initial Mapping Statement – A clear and concise description of the Procurement Project that identifies what Deliverables are being procured;

- ii. Need for Procurement Project – An explanation of what gave rise to the need for the Procurement Project and confirmation that existing internal resources are not sufficient to deliver the project and that no Standing Offer or Qualified Supplier Roster is in place for the required Deliverables;
- iii. Procurement Value – To ensure that Procurement Projects are appropriately streamed, it is important to accurately estimate the value of the Procurement Project and ensure that it is aligned with the budget process and the availability of funds. The value of a Procurement Project must include all costs to the City, including acquisition, maintenance, replacement, disposal, training, delivery, installation and extension options; and
- iv. Funding Source – Procurement Projects must have an approved funding source confirmed by the Division in order to obtain conditional approval to proceed.

The Business Case will be used as a starting point for the development of the detailed Procurement Project Plan.

c) Major Projects

A major project is a Procurement Project that is of a value of \$10,000,000.00 or more and/or of a complexity, risk level or public profile that requires that it be given a significant allocation of attention and time from the Division and Materials Management, as well as the potential involvement of other stakeholders.

When conducting a major project, Divisions, in consultation with Materials Management, must consider the following additional potential needs:

- i. The retention of external advisors where there are insufficient internal resources or expertise to assist in developing specifications or business requirements;
- ii. The appointment of an internal project lead to coordinate input from multiple Divisions or stakeholders;
- iii. The early involvement of the City Solicitor, or designate, and/or Corporate Risk to ensure that all legal and risk considerations are appropriately addressed; and
- iv. The engagement of a fairness consultant where the major project is high-profile or controversial or involves a particularly complex Supplier selection process.

d) Approval to Proceed

The Division must submit the Business Case to the appropriate approval authority in order to obtain approval to initiate the Procurement Project. The initiation of a Procurement Project must be approved in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy.

6.3.2 Stage 2 – Procurement Streaming and Detailed Procurement Project Planning

a) Procurement Stream

The Division, in consultation with Materials Management, must identify the appropriate Procurement stream from the list set out below. If the Deliverables will be required on a regular or an ongoing basis, the Division should consult with Materials Management with respect to the establishment of a Standing Offer or Qualified Supplier Roster.

Circumstances	Procurement Stream
Procurement of Deliverables not exceeding the applicable Open Competition Thresholds set out in Schedule B.	Invitational Competition
Procurement of Deliverables with a Procurement Value equal to or exceeding the applicable Open Competition Thresholds set out in Schedule B.	Open Competition
Establishment of a Standing Offer or Qualified Supplier Roster for any Deliverables.	Open Competition
Non-Standard Procurement justified under specified circumstances set out in the Non-Standard Procurement Protocol.	Limited Competition or Non-Competitive Procurement

b) Procurement Project Plan

The Division is responsible for developing a detailed Procurement Project Plan. The specific information required in the detailed Procurement Project Plan will depend on the applicable Procurement stream. The Division must complete Part 2 of the Procurement Project Plan form to ensure that all requirements of project planning are met. This document is included in the Procurement Project Planning Protocol and can be obtained online.

In addition to identifying the appropriate Procurement stream, the following information is required in the Procurement Project Plan:

i. Requirements and Specifications

For all Procurement Projects, the Division is responsible for drafting clear, detailed specifications and business requirements. Specifications cannot be written in a way that unduly restricts Suppliers from bidding, and should encourage open, fair and transparent competition. Divisions should consult the Solicitation Document Drafting Protocol for additional guidance in developing appropriate requirements and specifications.

ii. Pricing Structure

For all Procurement Projects, the Division is responsible for developing a clear pricing structure. Divisions should consult the Solicitation Document Drafting Protocol for a description of various pricing structures and the factors to consider in developing the appropriate pricing structure for the Procurement Project.

iii. Evaluation Plan

For all Competitive Processes, the Division is responsible for developing an evaluation plan. Divisions should consult the Solicitation Document Drafting Protocol for a description of various evaluation methodologies and the factors to consider in developing the appropriate evaluation plan for the Procurement Project.

iv. Solicitation Document Format Selection

For all Competitive Processes, the Division, in conjunction with Materials Management, is responsible for selecting the most appropriate Solicitation Document format. Divisions should review the descriptions of the different formats that are set out in the Solicitation Document Format Selection Protocol and use the questionnaire and checklist included there to identify the appropriate Solicitation Document format for the Procurement Project.

v. Non-Standard Procurement Justification

For all Non-Standard Procurements, the Division must refer to the Non-Standard Procurement Protocol and must provide full details to explain how the Procurement Project falls within the circumstances required to justify a Non-Standard Procurement.

c) Procurement Project Plan Approval

The Division must submit the completed Procurement Plan to Materials Management for review and approval. Divisions are encouraged to consult with and involve Materials Management during the development of the Procurement Plan to avoid unnecessary delay in the review and approval process. Non-Standard Procurements must also be approved in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy.

d) Proceeding with Approved Procurement Project

i. Competitive Process

Where a Competitive Process will be conducted, including an approved Limited Competition, the Solicitation Document will be developed and assembled in accordance with Stage 3, as described below in section 6.3.3, and the competition and selection of the preferred Bidder will be conducted in accordance with Stage 4, as described below in section 6.3.4.

ii. Non-Competitive Procurement

In the case of an approved Non-Competitive Procurement, Stages 3 and 4 will not apply and the Division should proceed with the finalization of the Contract in accordance with Stage 5, as described below in section 6.3.5.

6.3.3 Stage 3 – Solicitation Document Assembly

a) Solicitation Document Requirements

The information contained in the Procurement Project Plan and the template for the selected format will be used to assemble the Solicitation Document. The principles and guidelines in the Solicitation Document Drafting Protocol should be followed and the following must be confirmed before the Solicitation Document is finalized:

- i. The most up-to-date template is used;
- ii. All material information relevant to the Procurement Project has been disclosed;

- iii. All evaluation criteria that will be considered in the evaluation of Bids are disclosed;
- iv. Where the terms and conditions of the Procurement Contract are included in the Solicitation Document, they are appropriately contained in the term sheet or form of agreement and have been approved by the Office of the City Solicitor;
- v. There is alignment between the technical requirements and specifications, the pricing structure and the Contract terms and conditions;
- vi. Administrative matters such as Procurement process dates, contact information and requirements for obtaining the Solicitation Document have been included, where appropriate; and
- vii. The Procurement Project schedule allows a reasonable timeframe for Bidders to respond.

b) Approval of Solicitation Document

The Division and Materials Management are responsible for ensuring that the principles and guidelines in the Solicitation Document Drafting Protocol are followed, as applicable. Both the Division and Materials Management, in consultation with the City Solicitor, or designate, where appropriate, must review and approve the final Solicitation Document prior to issuance.

6.3.4 Stage 4 – Competition and Selection

a) The Competitive Process

All Invitational Competitions, Open Competitions and Limited Competitions must be conducted in accordance with the Competitive Process Protocol. A summary of responsibilities is set out below:

i. Issuance of Solicitation Document

Materials Management is responsible for issuing the Solicitation Document. For an Open Competition, Materials Management will post the Solicitation Document on the SaskTenders website. For an Invitational Competition or a Limited Competition, Materials Management will issue the Solicitation Document to the invited Suppliers.

ii. Communication with Bidders and Addenda Process

Materials Management is responsible for managing all communications with Bidders after issuance of the Solicitation Document. The contact person designated in the Solicitation Document must be a

representative of Materials Management, or a person approved by Materials Management. Any Division employee or any other individual who receives inquiries from Bidders must direct those Bidders to the designated contact person. Materials Management is responsible for issuing addenda to communicate any changes to the Solicitation Document or to communicate responses to questions from Bidders.

iii. **Receipt of Bids**

Materials Management is responsible for receiving Bids in the manner set out in the Solicitation Document. Materials Management is responsible for opening the Bids in accordance with the process established in the Solicitation Document and reviewing the Bids to determine if all mandatory submission requirements have been met in accordance with the process set out in the Solicitation Document.

iv. **Evaluation of Bids**

The Division is responsible for establishing the evaluation team and conducting the evaluation process in accordance with the evaluation methodology disclosed in the Solicitation Document. Where the evaluation is based only on price, the Bids must be reviewed by at least one representative from the Division and one representative from Materials Management. For Open Competitions, a representative of Materials Management will serve as an observer and advisor to the evaluation team.

v. **Selection of Preferred Bidder(s)**

The Division is responsible for recommending the selection of the preferred Bidder(s) based on the results of the evaluation process in accordance with the Solicitation Document. The Division's recommendation to prequalify or award a Contract to the preferred Bidder(s) must be approved by Materials Management.

b) Cancellation of Competitive Process

Where the deadline for submission of Bids has passed and Bids have been received, a Competitive Process must not be cancelled without the approval of Materials Management, in consultation with the City Solicitor, or designate, and the approval of the General Manager of the Division.

6.3.5 Stage 5 – Contract Finalization

Contracts must be finalized in accordance with the applicable sections below. Divisions are responsible for obtaining approval to award a Contract to a Supplier in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy. A Contract must not be entered into unless all required Procurement approvals have been obtained in accordance with Section 5 of this Policy. The Contract must be in place prior to the delivery or provision of the Deliverables.

a) Competitive Process without Negotiation

In the case of a Competitive Process where the Solicitation Document does not provide for negotiation of the Contract with the selected Bidder(s), the selected Bidder must enter into the form of Contract included in the Solicitation Document. Materials Management and/or the City Solicitor, or designate, will notify the selected Bidder(s) and arrange for the execution of the Contract by the selected Bidder in accordance with the process set out in the Solicitation Document.

b) Competitive Process with Negotiation

In the case of a Competitive Process where the Solicitation Document provides for the negotiation of the Contract with the selected Bidder(s), the Division is responsible for negotiating the final Contract with the Supplier in accordance with the negotiation process set out in the Solicitation Document and in accordance with the Negotiation Protocol. In an Open Competition, negotiations must be conducted in consultation with Materials Management and/or the City Solicitor, or designate. Divisions are responsible for ensuring that any proposed changes to the City's standard Contract terms and conditions have been reviewed by the City Solicitor, or designate, prior to finalizing the Contract.

c) Non-competitive Procurement

In the case of a Non-Competitive Procurement, the Division is responsible for negotiating the final Contract with the Supplier in consultation with the City Solicitor, or designate, as required. Divisions are responsible for ensuring that any proposed changes to the City's standard Contract terms and conditions have been reviewed by the Office of the City Solicitor prior to finalizing the Contract.

6.3.6 – Stage 6 – Post-Contract Award Process

a) Procurement Notification

After a Contract has been entered into pursuant to an Open Competition, Materials Management will post the list of Bidders, the identity of the successful Bidder and the value of the awarded Contract on the SaskTenders website. For Open Competitions resulting in the establishment of Qualified Supplier Rosters, only the list of Bidders and the identity of the successful Bidder(s) will be published. After a Contract has been entered into pursuant to an Invitational Competition, including a Limited Competition, Materials Management will notify unsuccessful Bidders of the outcome.

b) Debriefings

Unsuccessful Bidders may request a debriefing. When requested, debriefings must be scheduled and conducted by Materials Management and the appropriate Division representative in accordance with the Debriefing Protocol.

c) Procurement Protests

Suppliers may formally protest the outcome of a Procurement process. In the case of a Competitive Process, a Bidder must request and receive a debriefing prior to submitting a formal protest. Procurement protests must be managed and responded to in accordance with the Procurement Protest Protocol.

6.3.7 – Stage 7 – Contract Management and Supplier Performance Tracking**a) Contract Management**

Any Contract entered into by a Division must be managed by the Division in accordance with the Contract Management Protocol. Qualified Supplier Rosters will be managed by Materials Management in accordance with the Qualified Supplier Rosters Protocol.

b) Contract Amendments and Extensions

During the course of a Contract additional work may arise that could not be anticipated during the project planning process. Contract amendments for adjustments to the scope of the Contract may be approved if the adjustment is for work that is directly connected or incidental to the original Contract scope. Contract amendments must not be used to expand a Contract beyond what was contemplated under the terms of the Contract and the original Solicitation Document, or to circumvent the need to procure additional Deliverables through a Competitive Process in accordance with this Policy.

If a Contract amendment results in a net increase to the Contract value previously approved, the amendment must be approved in accordance with the City's Schedule of Delegated Authority Approval Limits, attached as Schedule C to this Policy. Any request for approval for a Contract amendment must be accompanied by a summary of all previous amendments to the Contract that resulted in an increase to the Contract value.

All amendments to an existing Contract must be appropriately documented. The City Solicitor, or designate, should be consulted regarding all matters pertaining to Contract interpretation and application. Directors and/or the City Solicitor, or designate, should be consulted for any changes, extensions, renewals or amendments required to be made to any executed Contract.

All amendments must be approved prior to additional work being undertaken or acquired.

c) Contract Disputes

All potential Contract disputes with Suppliers must be managed in accordance with the dispute resolution mechanisms outlined in the Contract. Where a Contract is silent on dispute resolution, the Division should ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with Suppliers concerning a Contract dispute must be maintained by the Division. A Contract can only be terminated prior to its expiry date with the involvement of the Director of Materials Management, the City Solicitor, or designate, and the Director of the Division, in consultation with the General Manager.

d) Supplier Performance

The performance of a Supplier under contract must be monitored and tracked in accordance with the Supplier Performance Evaluation Protocol.

e) Supplier Suspension

Suppliers can be suspended from participating in future Procurement processes in accordance with the Supplier Suspension Protocol.

7.0 PROCUREMENT RECORD KEEPING

7.1 Procurement Record Keeping

The City must ensure that Bidder and Supplier information submitted in confidence as part of a Procurement Project is adequately protected. Materials Management and the Divisions must ensure that all Bids and Contracts are kept in a secure location and only accessible by those individuals directly involved with the Procurement Project.

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

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

- i. Internal drafts of all Solicitation Documents, including internal correspondence concerning same;
- ii. Original copies of all final Solicitation Documents;
- iii. Copies of the Procurement Project Plan, together with evidence of all necessary conditional approvals;
- iv. Records of any communications with Bidders or potential Bidders;
- v. Copies of all addenda;
- vi. Copies of all original Bids received from Bidders;
- vii. All records of evaluation processes, including consensus reports and final scores;
- viii. Copy of the final recommendation memo together with all required approvals; and
- ix. Copies of debriefing or Procurement protest procedure requests and outcomes.

8.0 COMPLIANCE MONITORING AND REPORTING

8.1 Compliance Monitoring

Directors are required to observe and address non-compliance with this Policy within their Divisions. Where instances of non-compliance are identified, the Director is expected to notify the Director of Materials Management and obtain advice with respect to mitigating potential risks to the City arising from the non-compliance.

The Director of Materials Management and/or the Director of Corporate Risk is responsible for monitoring compliance across the organization. Based on the results of compliance monitoring, reports outlining instances of non-compliance may be issued by the Director of Materials Management to the relevant Directors, General Managers and the City Manager. The Director must address the identified compliance concerns and submit a written confirmation of actions taken to the Director of Materials Management. Ongoing concerns with respect to compliance will be subject to internal audit and/or may result in the revocation of Procurement privileges.

8.2 Audit

All Procurement activities will be subject to audit by the City's Internal Auditor.

9.0 ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

9.1 Consideration

The City's Procurement activities will be conducted with consideration of Economic, Environmental and Social Sustainability where practical. Divisions should consider the inclusion of evaluation criteria which reflects these factors where applicable.

The City will look at the following sustainability criteria for products and services, which may relate to production, manufacturing and operational processes, distribution, use of the product or service, and replacement or disposal of products or materials:

- i. acquisition of raw materials;
- ii. consumption of resources (e.g. water, energy, raw materials);
- iii. product formulation (e.g. biodegradable, non-toxic, non-carcinogenic, recycled content);
- iv. ability for products and packaging to be recycled or re-used or both;
- v. waste management;
- vi. use of organic agricultural practices;
- vii. workers are adequately compensated for their labour;
- viii. workers are guaranteed safe and humane working conditions;
- ix. workers' basic human rights are respected;
- x. health and safety of the end users of products and services; and
- xi. financial costs of the purchase based on a total cost management analysis.

This list is illustrative and not exhaustive. The City may look at other criteria it considers relevant to the sustainability of a product or service.

The City will work cooperatively with Suppliers and other key stakeholders to advance corporate social responsibility in the business community by promoting the policy and encouraging Suppliers and subcontractors to work towards the sustainability objectives of the Policy.

Verification of Supplier compliance with these principles will be achieved by reliance on a combination of external independent certifications, Supplier disclosures and certifications, and disclosure information about factory and production facilities.

10.0 DIVERSE SUPPLIERS AND INDIGENOUS PROCUREMENT

10.1 Consideration

The City will procure Goods and Services, and promote and participate in viable Procurement opportunities with Diverse Suppliers and Indigenous Suppliers. Divisions should consider the role of Diverse Suppliers and Indigenous Suppliers within Saskatchewan when conducting Procurement activities.

Schedule A – Exempt Purchases and Expenditures

The Purchasing Policy does not apply to the following purchases or expenditures:

- (a) Contracts or agreements relating to employment.
- (b) Contracts for the sale, purchase, lease or license of land or buildings.

Schedule B – Open Competition Thresholds

Goods	\$75,000.00
Services	\$75,000.00
Construction	\$200,000.00

Schedule C – Schedule of Delegated Authority Approval Limits

STANDARD PROCUREMENT	
Delegated Authority	Approval Limit
Directors	\$100,000.00
General Managers	\$5,000,000.00
City Manager	Unlimited
NON-STANDARD PROCUREMENT	
Delegated Authority	Approval Limit
Directors	\$25,000.00
General Managers	\$75,000.00 – Goods and Services \$200,000.00 – Construction
City Manager	Unlimited

The delegated authorities are authorized to:

- a) approve the initiation of a Procurement if the estimated Procurement Value does not exceed the specified approval limit;
- b) approve the award of a Contract if the Procurement Value does not exceed the specified approval limit; and
- c) approve amendments to existing Contracts if the increase in the value of the Contract does not exceed the specified approval limit except if the amendment results in a cumulative increase in the value of the Contract exceeding 15% of the original Contract value in which case the amendment must be approved by the General Manager and the Director of Materials Management.

Schedule C – Schedule of Delegated Authority Approval Limits - continued

In accordance with Section 5.2 of this Policy, the delegated approval authorities are subject to the following conditions:

- a) no Procurement may be initiated unless approved funding in an amount sufficient to cover the estimated Procurement Value is available;
- b) no Contract award may be approved unless approved funding in an amount sufficient to cover the Procurement Value is available and the Procurement process was conducted in accordance with this Policy; and
- c) no Contract amendment may be approved unless approved funding in an amount sufficient to cover the revised Contract value is available.

The following table provides a summary of the Procurement processes required under this Policy. This table is provided for reference and those exercising delegated authority are responsible for satisfying themselves that the Procurement process was conducted in accordance with the specific requirements detailed in this Policy.

Schedule C – Schedule of Delegated Authority Approval Limits - continued

STANDARD PROCUREMENT		
Requirement	Procurement Value	Procurement Process
Deliverables from an existing Standing Offer	Within the dollar limit, if any, set out in the Standing Offer	Standing Offer Order
Deliverables from an existing Qualified Supplier Roster	Any value	Roster Competition
Deliverables not covered by Standing Offer or Qualified Supplier Roster	Less than \$10,000.00	Low Value Purchase (one or more quote required)
	Less than \$25,000.00	Low Value Purchase (minimum of three written quotes required)
	From \$25,000.00 up to the Open Competition Thresholds	Invitational or Open Competition
	At or above the Open Competition Thresholds	Open Competition
Establishment of a Standing Offer or Qualified Supplier Roster	Any value	Open Competition
NON-STANDARD PROCUREMENT		
Requirement	Procurement Value	Procurement Process
Deliverables under the circumstances permitted in the Non-Standard Procurement Protocol	From \$25,000.00 up to the Open Competition Thresholds	Non-Competitive
	At or above the Open Competition Thresholds	Non-Competitive or Limited Competition

Procurement Project Planning Protocol

1. Purpose and Interpretation

The purpose of this protocol is to assist Divisions in planning for their Procurement Projects. A "Procurement Project" means any Procurement of Deliverables with a value of \$25,000.00 or more, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster.

This protocol should be read in conjunction with the City's Purchasing Policy.

2. Determining Requirements

The Division must clearly identify what is to be procured. A concise initial mapping statement describing the required Deliverables will be used to develop clear business requirements and detailed specifications.

3. Market Research

Supplier engagement can be an important part of the Procurement process. Suppliers have a wealth of knowledge and insight they can offer regarding products, business solutions and market conditions. The Division should consult with Supply Chain Management before undertaking any Supplier engagement.

If the Division is uncertain about the Deliverables required or where there is insufficient internal knowledge about the market, the Division could conduct a Request for Information (RFI) process. The Division must consult with Supply Chain Management about conducting a Request for Information (RFI) process.

4. Supply Arrangements for Recurring Requirements

Before initiating a Procurement, Divisions must consider the availability of existing supply arrangements, as described below.

If the Deliverables will be required on a frequent or regularly recurring basis, and there is no existing supply arrangement, the Division must consult with Supply Chain Management about the possibility of establishing a Standing Offer or Qualified Supplier Roster.

5. Determining Procurement Value

The Division must accurately estimate the value of the Procurement.

The Procurement Value means the maximum total value of the Procurement over the entire duration of the Contract, whether awarded to one or more Suppliers, taking into account all forms of remuneration, including:

- (a) all premiums, fees, commissions and interest; and

- (b) the total value of all possible options, including any options for renewal or extension of the term of the Contract (e.g. a two-year Contract with an option to renew for an additional one-year period) and any options to purchase additional Deliverables (e.g. the Contract is for the initial purchase of two pieces of equipment with an option to purchase up to an additional four pieces of equipment during the term of the Contract) or any potential add-ons or upgrades that may be provided under the Contract.

The total value must include all costs to the City for all Goods, Services and Construction to be supplied under the Contract(s), including, if applicable, delivery, installation, training, operation, maintenance, replacement and disposal, but excluding applicable sales taxes.

If multiple Contracts are entered into for the same deliverables, the Procurement Value is the total value of all of the Contracts for the same Deliverables entered into on an annual basis.

In estimating the Procurement Value, Divisions are strongly encouraged to err on the side of caution and ensure that the Procurement is appropriately streamed. For example, if it is foreseeable that all Bids may come in over the Open Competition Thresholds, an Open Competition should be used. Failure to accurately estimate the Procurement Value may result in situations where an inappropriate Procurement method is used, potentially resulting in the need to cancel the Procurement process and significant delay in the acquisition of the required Deliverables.

If the Division is unsure how to determine the value of a particular Procurement, it must consult with Supply Chain Management. Dividing Procurements or using valuation methods with the intention of reducing the Procurement Value is strictly prohibited.

6. Initiation of Procurement Project

A Business Case must be developed to initiate a Procurement Project. The Division must complete Part 1 of the Procurement Project Plan in Appendix A of this protocol.

The Division must obtain all necessary approvals to initiate the Procurement Project in accordance with the Schedule of Delegated Authority Approval Limits in Schedule C of the Purchasing Policy.

7. Detailed Competitive Procurement Plan

The Division is responsible for developing a detailed Procurement Project Plan for all standard Procurements involving an Invitational Competition or an Open Competition. The Division must complete Part 2 of the Procurement Project Plan in Appendix A of this protocol.

All Procurement Project Plans must be approved by the Director of Supply Chain Management and the Director, or their designate. Divisions are strongly encouraged

to consult with and involve Supply Chain Management during the development of the Procurement Plan to avoid unnecessary delay in the review and approval process.

8. Non-Standard Procurement Projects

For all Non-Standard Procurements the Division must refer to the Non-Standard Procurement Protocol and comply with all documentation and approval requirements set out in that protocol and the Purchasing Policy.

Appendix A – Procurement Project Plan

PART 1 – BUSINESS CASE

Division

Identify the Division responsible for the Procurement Project.

Division Project Lead

Identify the individual in the Division that is primarily responsible for the Procurement Project.

Initial Mapping Statement

Describe the Procurement Project. What is being purchased?

Background

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

Market Research

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

☐ No

☐ Yes

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

Existing Standing Offer or Qualified Supplier Roster

Is there an existing Standing Offer or Qualified Supplier Roster for the required Deliverables?

☐ No

☐ Yes

The Division is responsible for checking with Supply Chain Management to determine if there is a Standing Offer or Qualified Supplier Roster already established for the Deliverables it requires.

If there is Standing Offer or Qualified Supplier Roster for the Deliverables, the Division must follow the Qualified Supplier Rosters Protocol or the process set out in the Standing Offer.

Repetitive Procurement

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

☐ No

☐ Yes

If yes, consult with Supply Chain Management about the possibility of establishing a Qualified Supplier Roster.

Major Project

Does the Division consider this a major project?

Consider whether the Procurement Project is of a value of \$10,000,000.00 or more and/or of a complexity, risk level or profile that requires a significant allocation of attention and time from the Division and Supply Chain Management, as well as potential involvement of other Divisions, the Office of the City Solicitor or stakeholders.

☐ No, go to Procurement Value

☐ Yes

☐ High Value

☐ High Risk

☐ Complex – multi-stage project or multiple stakeholders

☐ High level of public interest and/or scrutiny

If yes, respond to the following:

Will external advisors be needed to assist with the development of specifications or business requirements?

Consider whether sufficient internal resources are available or whether internal resources have the necessary expertise.

☐ No

☐ Yes

If yes, please identify the type of external advisors needed to assist with the major project:

Has Supply Chain Management and the Office of the City Solicitor been advised that the Division is planning for a major project?

Supply Chain Management, the Office of the City Solicitor and/or Risk Management must be consulted early in the planning process to ensure that Procurement and legal issues and risks are addressed.

☐ Yes

☐ No

Will a fairness consultant be retained to oversee the Procurement Project?

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

☐ Yes

☐ No

Procurement Value

State the estimated Procurement Value of the Procurement Project.

Funding Source

Identify the approved funding source sufficient to cover the Procurement Value.

--

Division Approvals

Do you have all necessary approvals to proceed with this Procurement?

☐ Yes

☐ No

PART 2 – DETAILED PROCUREMENT PROJECT PLAN

Procurement Stream

Select the appropriate Procurement process in accordance with the Purchasing Policy and complete and attach the specified schedule(s).

☐ **Invitational Competition**
Complete and attach Schedule A

☐ **Open Competition**
Complete and attach Schedule B

☐ **Non-Standard Procurement**
Complete all required documentation and obtain all required approvals set out in the Non-Standard Procurement Protocol

Approval of Procurement Project Plan

All Procurement Project Plans must be approved by the Director of Supply Chain Management and the Director, or their designate.

Approved by Director or Designate:

Signature

Date

Title:

Name:

Approval by Director of Supply Chain Management or Designate:

Signature

Date

Title:

Schedule A – Invitational Competition

Solicitation Document Format

Indicate the format of Solicitation Document to be used.

- ☐ Request for Quotations (RFQ) – Low Bid Version
- ☐ Request for Quotations (RFQ) – High Score Version
- ☐ Other format: _____

Number of Suppliers

Indicate the number of Suppliers that will be invited to submit Bids.

A minimum of 3 Suppliers must be invited to submit Bids. If fewer than 3 Suppliers will be invited, it is a Non-Standard Procurement and Schedule C must be completed.

- ☐ 3
- ☐ Other number: _____

Selection of Suppliers to Participate

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

Preliminary Schedule

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

Issue Solicitation Document	
Bid Submission Deadline	
Evaluation Period	
Contract Award	
Contract Start Date	

Evaluation Plan

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

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

Pricing Structure

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

- ☐ Lump Sum
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Unit Prices
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Time and Materials
- ☐ With upset limit
 - ☐ Without upset limit
- ☐ Budget-Based Set Price
- ☐ License Fees
- ☐ Life Cycle Costing
- ☐ Other: _____

Requirements and Specifications

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

Schedule B – Open Competition

Solicitation Document Format

Indicate the format of Solicitation Document to be used. *Select the appropriate format using the Solicitation Document Format Selection Protocol.*

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

Preliminary Schedule

Fill in estimated dates or time periods for the events below. *Shaded rows are only completed if conducting a two-stage process (e.g. RFSQ followed by ITT, RFQ or RFP).*

Initial Planning Meeting with Supply Chain Management	
Development of Solicitation Document	
Posting of Solicitation Document	
Bid Submission Deadline	
Evaluation Period	
Selection of Prequalified Bidders	
Issuance of 2 nd Stage solicitation document	
2 nd Stage Evaluation Period	
Contract Negotiation (for Negotiated RFP only)	
Contract Award	
Contract Start Date	

Evaluation Plan

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

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

Pricing Structure

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

- ☐ Lump Sum
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Unit Prices
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Time and Materials
 - ☐ With upset limit
 - ☐ Without upset limit
- ☐ Budget-Based Set Price
- ☐ License Fees
- ☐ Life Cycle Costing
- ☐ Other: _____

Requirements and Specifications

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

Solicitation Document Format Selection Protocol

1. Purpose and Interpretation

The purpose of this protocol is to assist Divisions in selecting the appropriate Solicitation Document format for their Procurement Project. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Forms of Template Solicitation Documents

Supply Chain Management maintains a series of Solicitation Document templates. Forms of Solicitation Documents include the following:

- **Simplified Request for Quotation (RFQ)** - This format is for use by Divisions when obtaining quotes for Low Value Purchases on the basis of lowest price and simple specified Goods and Services. It may also be used for Roster Competitions when soliciting quotes from Suppliers on an existing Qualified Supplier Roster.
- **Invitational Request for Quotation (RFQ)** – This format is for use by Divisions when obtaining quotes for Low Value Purchases on the basis of straightforward high-score evaluation criteria or lowest price. It may also be used for Roster Competitions when soliciting quotes from Suppliers on an existing Qualified Supplier Roster.
- **Request for Quotation (RFQ) – Low Bid Version** – This format is for use in Invitational Competitions and simplified Open Competitions for the Procurement of standard Goods, Services or Construction on the basis of lowest price and standardized Contract terms that will not require negotiation.
- **Request for Quotation (RFQ) – High Score Version** – This format is for use in Invitational Competitions and simplified Open Competitions for the Procurement of standard Goods, Services or Construction on the basis of straightforward high-score evaluation criteria and standardized Contract terms that will not require negotiation.
- **Invitation to Tender (ITT)** – This format is for use in an Open Competition for the Procurement of Goods or Construction where there is a need for legally binding, irrevocable Bids, typically supported by bid security, and price is the primary consideration. This format must include well-defined specifications, requirements and Contract terms and conditions, as post-Bid negotiations are typically not permitted.
- **No-Negotiation (Contract A) Request for Proposal (RFP)** – This format is for use in an Open Competition for the Procurement of Goods, Services or Construction where there is a need for legally binding, irrevocable Bids and where factors other than price will be evaluated. This format must include well-

defined specifications, requirements and Contract terms and conditions, as post-Bid negotiations are typically not permitted.

- **Consecutive Negotiation (Rank and Run) RFP** – This format is for use in an Open Competition for the Procurement of Goods, Services or complex Construction projects where proposals will be ranked on price and non-price factors and the top-ranked proponent will be invited to negotiate the final Contract. The rules of the process provide that if the negotiations with the top-ranked proponent fail, the City can proceed to negotiate with the next-ranked proponent. This format allows for a more flexible process to encourage innovative and creative proposals that may help inform the development of final specifications or performance terms through the negotiation of the final Contract with the selected proponent.
- **Concurrent Negotiation (Dialogue/BAFO) RFP** – This format is for use in an Open Competition for the Procurement of Goods, Services or complex Construction projects where proposals will be ranked on price and non-price factors to create a short-list of proponents that will be invited to engage in negotiation or discussions with the City prior to submitting a best and final offer (BAFO) for further evaluation and final ranking. This format allows for a more flexible process to encourage innovative and creative proposals, and is particularly useful where the nature of the project may allow for a variety of potential approaches and solutions that the City could consider and use to refine the requirements prior to the submission of BAFOs and final ranking and selection of Bidders.
- **Request for Supplier Qualifications (RFSQ) – Prequalification Version** – This format is used to prequalify Suppliers in the first stage of a two-stage Open Competition. Bidders who meet the requirements of the RFSQ are eligible to participate in the second stage Procurement process and are invited to respond to a subsequent Solicitation Document.
- **Request for Supplier Qualifications (RFSQ) – Roster Framework Version** – This format is used to prequalify Suppliers that will be invited to compete in multiple second stage Procurement processes for the same type of Deliverables. Those Suppliers that qualify in the first stage of the process will be invited to enter into Master Framework Agreements that will govern any future work assignments awarded to them.

3. Selection Factors

Key factors to consider in choosing the appropriate Solicitation Document format include:

- Value and complexity of the purchase.
- Whether bid security is required. Irrevocable Bids and bid security should only be required where there are legitimate business reasons for doing so.

- Whether Bidder responses may inform the final specifications or performance terms, and whether the final Contract will need to be negotiated with the top-ranked Bidder.

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

4. Selection Tools

Use the questionnaire in Appendix B to assist with the selection of the appropriate format for the Procurement Project. Use the checklist in Appendix C to confirm that all requirements for the selected format apply to your Procurement Project. If you cannot check off all items listed below the selected format, consult with Supply Chain Management for additional guidance and assistance in selecting the appropriate format.

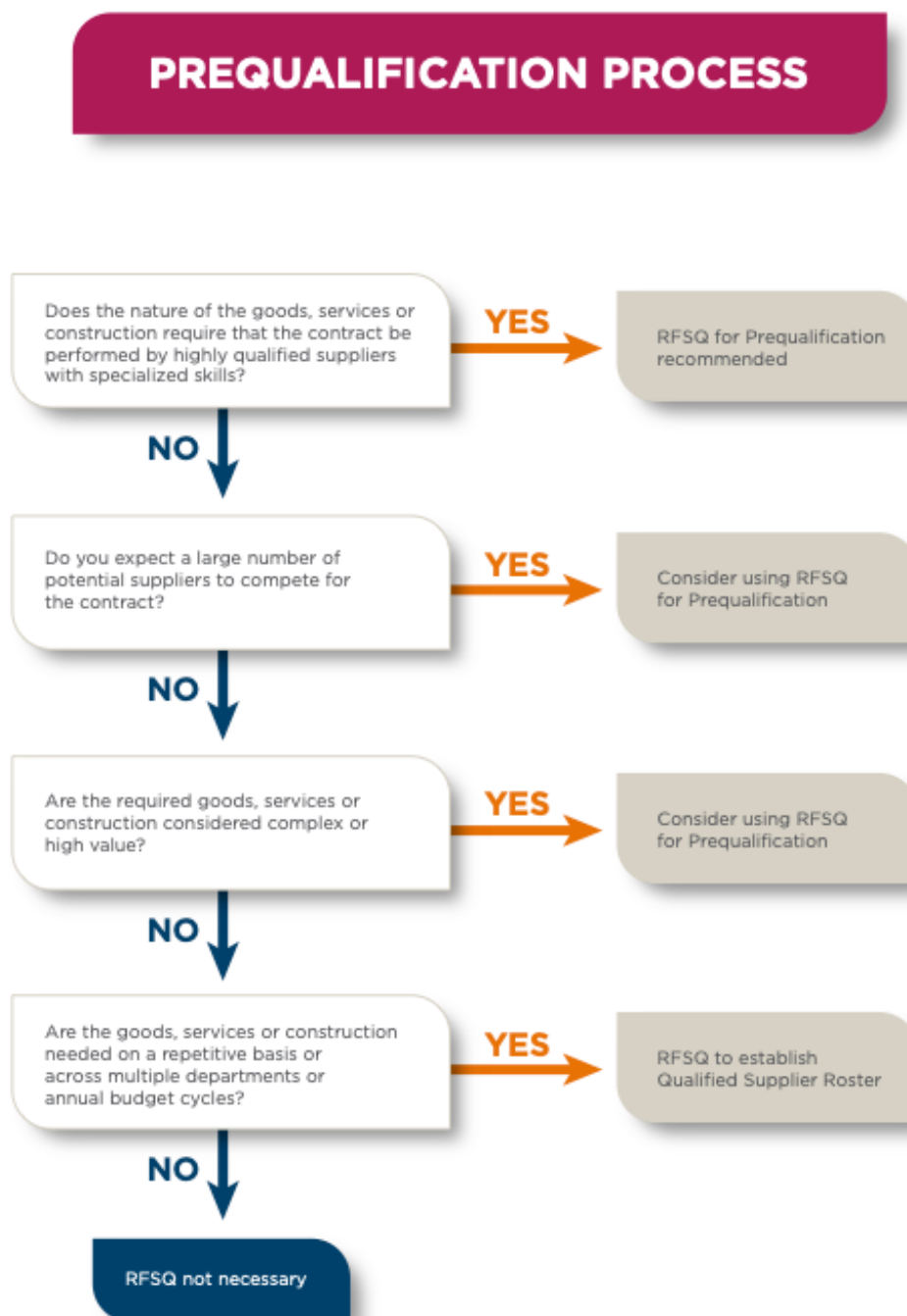
5. Market Research Tool

In addition to the various forms of Solicitation Documents used to conduct a Procurement process, Supply Chain Management maintains a Request for Information (RFI) template for the purpose of soliciting information about Deliverables and/or expressions of interest from Suppliers. This format is used to conduct a structured and transparent market research and information gathering process to obtain information from potential Suppliers regarding the types of Goods, Services, and Construction available to meet the Division’s needs and to assess the interest in the marketplace in providing the Deliverables to the Division. This format is not intended to result directly in the Procurement of Deliverables, but rather to inform a future Procurement, and must not be used to pre-qualify Bidders or restrict participation in a future competitive Procurement process.

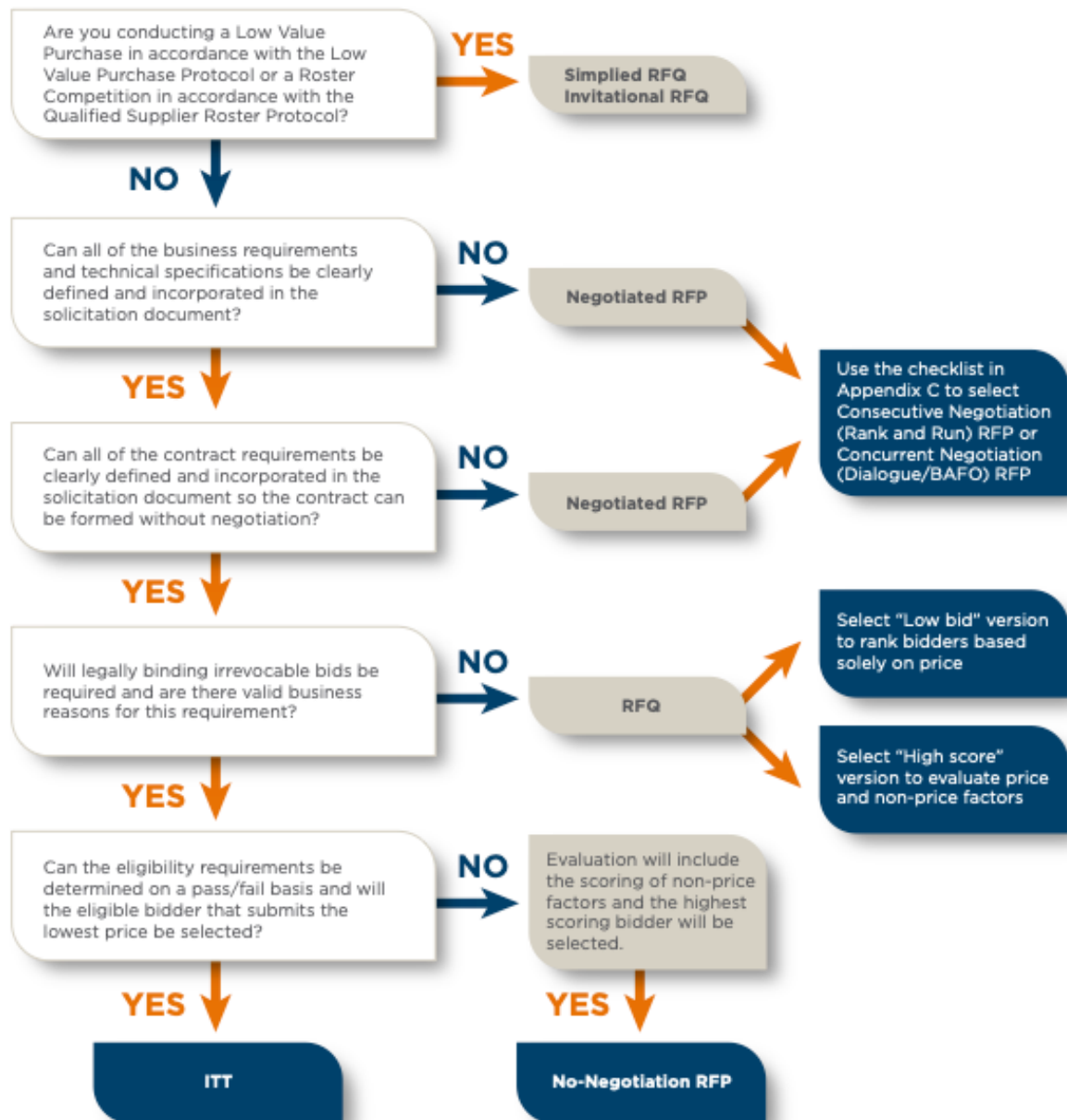
6. Alternative Forms of Procurement

If a Division is considering an alternative form of Procurement or a Solicitation Document not provided in this protocol, a meeting should be set up with Supply Chain Management and the City Solicitor, or designate during the initial planning and budgeting stage to discuss options.

Appendix B - Format Selection Questionnaire



SINGLE STAGE OR SECOND STAGE PROCESS



Appendix C - Procurement Format Checklist

Simplified RFQ

- ☐ You are obtaining quotes for Low Value Purchases in accordance with the Low Value Purchase Protocol or you are conducting a Roster Competition by inviting Suppliers on an existing Qualified Supplier Roster to submit quotes in accordance with the Qualified Supplier Roster Protocol.
- ☐ The Contract requirements and performance terms and conditions will be incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without, or with only minor, negotiations.
- ☐ You are obtaining quotes for simple straightforward Goods and Services.
- ☐ You will select the lowest Bidder meeting mandatory requirements.

Invitational RFQ

- ☐ You are obtaining quotes for Low Value Purchases in accordance with the Low Value Purchase Protocol or you are conducting a Roster Competition by inviting Suppliers on an existing Qualified Supplier Roster to submit quotes in accordance with the Qualified Supplier Roster Protocol.
- ☐ The Contract requirements and performance terms and conditions will be incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without, or with only minor, negotiations.
- ☐ You will select either the lowest Bidder meeting mandatory requirements or the highest scoring Bidder based on a relatively simple evaluation of price and non-price factors.

Open RFQ

- ☐ You are buying simple Goods, Services or Construction through an Invitational Competition or an Open Competition.
- ☐ Irrevocable Bids are not required.
- ☐ The business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ The Contract requirements and performance terms and conditions are relatively straightforward and can be incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without, or with only minor, negotiations.

- ☐ You will select either the lowest Bidder meeting mandatory requirements (select the “Low Bid” version of the RFQ) or the highest scoring Bidder based on a relatively simple evaluation of price and non-price factors (select the “High Score” version of the RFQ).

ITT

- ☐ You are buying Goods, or Construction through an Open Competition.
- ☐ There are valid business reasons for requiring legally binding irrevocable Bids, with or without Bid security.
- ☐ You have straightforward eligibility requirements that can be determined on a pass/fail basis and will select the Bidder that meets the requirements and submits the lowest price.
- ☐ All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

No-Negotiation RFP

- ☐ You are buying Deliverables through an Open Competition.
- ☐ There are valid business reasons for requiring legally binding irrevocable Bids, with or without Bid security.
- ☐ You will evaluate both price and non-price factors and will select the highest scoring Bidder.
- ☐ All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

Consecutive Negotiation (Rank and Run) RFP

- ☐ You are buying Goods, Services or complex Construction projects through an Open Competition.
- ☐ Irrevocable Bids are not required.
- ☐ Detailed, innovative or creative proposals are desired.

- ☐ You will evaluate both price and non-price factors and will rank proposals based on highest score.
- ☐ You may need to adapt the final specifications and/or performance terms based on the successful proposal.
- ☐ There may be a need to negotiate some terms of the final Contract to ensure that they are appropriately tailored to the proponent's proposed solution.
- ☐ You are able to include sufficiently detailed business requirements and technical specifications in the Solicitation Document to allow proponents to propose fully developed solutions and complete pricing proposals at the submission deadline.
- ☐ You prefer to engage in negotiation with only the top-ranked proponent.
- ☐ You will only engage in negotiation with the next-ranked proponent if negotiations with the top-ranked proponent are unsuccessful.

Concurrent Negotiation (Dialogue/BAFO) RFP

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

- ☐ Based on the evaluation of the BAFOs, you will invite the top-ranked proponent to negotiate and finalize the Contract.

Request for Supplier Qualifications (RFSQ) – Prequalification Version

- ☐ You are buying Goods, Services or Construction through a two-stage Open Competition.
- ☐ You want to ensure that potential Bidders are sufficiently competent, qualified and experienced to undertake and successfully complete the project prior to inviting them to Bid on the detailed requirements and specifications of the project.
- ☐ You expect that a large number of potential Suppliers may want to compete for the Contract and you want to narrow the field prior to soliciting Bids.
- ☐ You will set a limit on the number of eligible Bidders or a minimum threshold score that must be achieved before a potential Supplier will be considered eligible to participate in the second stage competition.

Request for Supplier Qualifications (RFSQ) – Roster Framework Version

- ☐ You require the same type of Goods, Services or Construction on a regular and recurring basis over a period of time.
- ☐ You want to be able to quickly and efficiently obtain quotes from qualified Suppliers that are able to provide the required Goods, Services or Construction in accordance with established and agreed upon general Contract terms and conditions.

Solicitation Document Drafting Protocol

1. Purpose and Interpretation

The purpose of this protocol is to provide assistance, direction and suggestions for preparing Procurement Project Plans and Solicitation Documents, including guidelines for developing specifications and selecting the appropriate evaluation methodology and pricing structure. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. General Drafting Principles

These general principles should be considered in drafting the Procurement Project Plan and the Solicitation Document:

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

3. Initial Mapping Statement

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

4. Describing the Requirements and Specifications

It is essential that the business requirements and specifications in a Solicitation Document be clear and comprehensive as they represent the “blueprint” that Bidders will use to develop proposals and determine pricing.

The subject area experts from the relevant Division(s) are responsible for preparing the technical specifications and business requirements for inclusion in the Solicitation Document. In the preparation of any technical specification for a specific Procurement, advice must not be sought or accepted from a potential Supplier or any person that may have a commercial interest in the Procurement.

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

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

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

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

- A detailed or “prescriptive” statement of work will describe how the work must be accomplished, including precise measurements, tolerances, materials, quality control requirements, etc.

Irrespective of the approach, it is important that:

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

Divisions should review the need for Contract performance security, if any, with Supply Chain Management.

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

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

Specifications must not be written in a way that unduly restricts suppliers from Bidding, and should encourage open, fair and transparent competition. Unless established through a formal standard-setting exercise as prescribed by Supply Chain Management, all specifications must be generic and non-branded. Where there is no other way to describe a specification, trademarks or brands may be employed by way of reference, but cannot be used as the specification itself.

5. Material Disclosures

In order to solicit competitive and responsive pricing during a Competitive Process, it is essential that Bidders know all material information relating to the Procurement Project.

Only the Division’s subject area experts will be in a position to know what information should be disclosed in the material disclosures section of the Solicitation Document. The material disclosures section should be reviewed by the subject area experts for every Procurement Project since failure to do so could expose the City to legal, financial and reputational risk.

Material disclosures include information such as:

- Reports relating to the Procurement Project, including engineering, consulting, environmental or site reports;
- Unusual conditions that may affect price (e.g. soil conditions, delivery restrictions, timing requirements or restrictions);
- Contractual performance terms;
- Indemnity, performance security and insurance requirements; and
- Specific processes or procedures expected of the successful Bidder that are outside standard industry practice.

6. Evaluation Methodology Development

The City is committed to the use of a Best Value approach in its Procurement practices. A Best Value approach means that the City will structure and conduct Procurements in a fashion which allows for consideration of factors beyond lowest price in determining which Bid provides the greatest overall benefit to the City. While price remains a fundamental component of any Procurement, the Division is encouraged to consider other applicable factors in developing the evaluation methodology.

a) General Principles

In order to run a defensible Competitive Process, the City must fully disclose in the Solicitation Document the evaluation methodology that will be used to determine the successful Bidder. Failure to fully disclose the evaluation methodology, including all factors to be considered in determining the successful Bidder, can constitute hidden criteria that could expose the City to legal, financial and reputational risk.

All eligibility or threshold criteria (also referred to as “mandatory requirements”) must be fully disclosed and be capable of review upon submission of a Bid. Mandatory requirements should be kept to a minimum and should only be used for those eligibility requirements that are absolutely essential to the Procurement Project. If a requirement is something that the successful Supplier must do if awarded the contract, then that requirement should be included as a performance term in the requirements for Deliverables section or the Contract and should not be used as a mandatory requirement. If a requirement is something that needs to be confirmed prior to the award of the Contract but is not absolutely essential to the evaluation then that requirement should be included as a pre-condition of award.

b) Basic Methodologies

There are two basic evaluation methodologies:

- Low price; and
- Evaluated criteria where price and specified qualitative factors are allocated a certain weighting (also referred to as “high score”).

c) Low price evaluations

When the Bids are being evaluated only on price, this must be clearly set out in the Solicitation Document and no other factors can be used to determine the successful Bidder. If a Division wants to select the preferred Bidder based on lowest price, while also considering other qualitative factors such as previous experience, then it should consult with Supply Chain Management about using a different format or issuing an RFSQ to prequalify Bidders.

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

d) Evaluated criteria (high score) evaluations

When the evaluation criteria include price and non-price factors, the relative weighting for each category of evaluation (e.g. price, quality, delivery time, experience, etc.) must be disclosed in the Solicitation Document.

When an evaluation category includes several different factors that will be evaluated, the sub-weightings for each category should also be disclosed.

Details of the evaluation criteria that will be used to evaluate the different rated categories also need to be disclosed.

When interviews or presentations are requested, the weight, value and impact on the evaluation and selection process must be set out in the Solicitation Document. Interviews should only be considered as part of the evaluation and selection process after consultation with Supply Chain Management.

When price and non-price factors are both being evaluated, the method for evaluating price must be disclosed. Generally, price is scored by dividing the price(s) submitted by each Bidder into the lowest price submitted during the Competitive Process and then multiplying that value by the weighting allocated to price (lowest proposed price / Bidder's proposed price X weighting). The scores for qualitative factors and the score for price are combined and Bidders are ranked based on highest total score.

In addition to the most commonly used “high score” evaluation method described above, examples of other recognized methods include:

- **Price per Point** – In this method, all factors except price are considered and scored according to the established criteria. Once this is completed, the price evaluation is completed by dividing the proposed price by the total points awarded to the proposal (price / point). In this method, a value is presented in the form of a price per point. The Bid with the lowest price per point represents the Best Value and is the successful Bidder.
- **Lowest Evaluated Price Meeting Evaluated Criteria Threshold** – In this method, all qualitative factors are scored to get a total evaluated criteria score. Those Bidders who obtain a score above the disclosed threshold are advanced to the second stage of the evaluation process where the Bidder with the lowest price is successful.

e) Evaluation in RFSQ for Prequalification Process

When using an RFSQ as part of a two-stage Competitive Process, only qualitative factors should be evaluated at the RFSQ stage. The Solicitation Document must disclose the basis on which Bidders will be considered eligible to proceed to the subsequent stage of the Procurement process. Eligibility could be determined by obtaining a threshold score (e.g. Bidders with a score of 65% or greater will be prequalified) or by being ranked within the specified number of top-scoring Bidders (e.g. the top 3 Bidders will be prequalified).

7. Pricing Structure Selection

a) General Principles

It is essential that each Solicitation Document include a clear pricing structure, since the pricing structure will form the basis for the Contract with the successful Bidder. The pricing structure must be clearly set out in the Solicitation Document so that Bidders know exactly how to submit pricing and so that pricing can be evaluated fairly and defensibly.

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

Regardless of the pricing structure employed, the Solicitation Document must clearly state what is included or not included with respect to pricing (e.g. is the submitted pricing “all-in” or are certain expenses allowed to be charged in addition, such as delivery charges). The pricing structure must also clearly state whether taxes should be included in the total price or separately stated.

In addition to setting out the selected pricing structure clearly, the Solicitation Document must also include the payment structure. For example, will the entire

amount owed be paid at the end of the Contract or will the Supplier be able to bill at regular intervals, upon completion of phases or at specific payment milestones? The payment terms that will apply to the payment of invoices should also be set out in the Solicitation Document.

b) Choice of Pricing Structures

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

- i. **Lump Sum** (also referred to as “flat fee”, “firm price”, “total price”) – The Bidder submits a total price to provide the Deliverables, which is not subject to adjustment after the Contract is awarded. This model is only appropriate where all specifications are known in advance, all conditions affecting price are known, the terms of the Contract are clear and all of that information is disclosed in the Solicitation Document.
- ii. **Unit Prices** – The Bidder submits a per item price for the Deliverables and that unit price is then multiplied by the required quantity. Similar to the lump sum pricing structure, this pricing structure requires exact specifications for the Deliverables required. In order to get the most competitive pricing and meet disclosure obligations, it is important to ensure that historical or accurately estimated volumes of the required Deliverables are disclosed in the Solicitation Document. All unit prices must be set out with clear metrics in the Solicitation Document (e.g. hourly rates, price per unit or per kilogram).
- iii. **Lump Sum or Unit Prices with Price Adjustments** – Where an industry is subject to potential increases in pricing for products or labour, but a firm estimate on pricing is required, the lump sum or unit price model can be used in conjunction with a pre-determined price adjustment. In order to be defensible, the price adjustment should be tied to objective criteria in the marketplace or subject to an objective, predetermined formula.
- iv. **Time and Materials** – This pricing structure is used to solicit competitive pricing when it cannot be estimated in advance how much time or materials will be required to complete the project. This pricing structure allows some flexibility in pricing. However, in order to avoid costly budget overruns, this pricing model must include clearly described Deliverables and requires careful project management to ensure efficient use of resources. The time and materials pricing components should each have clear metrics (e.g. hourly or per diem rates, set pricing for required materials). This pricing model can also be used for longer-term service contracts where a service or good is required on an as-needed basis. When a time and materials pricing structure is used for these types of Contracts, the term of the Contract must be set out in the Solicitation

Document. If options to extend the Contract are included, any price increase for the extension terms must either be set out clearly in the Solicitation Document or be subject to an agreed-upon formula (e.g. indexed to inflation).

- v. **Time and Materials with Upset Limit** – A time and materials pricing structure, as described above, can be used in combination with a requirement that Bidders set an “upset **limit**” that represents a total cost that will not be exceeded for the specified scope of work. For example, the pricing could be based on an hourly rate that will be charged for actual time spent with a total dollar value that will not be exceeded for the completion of the project.
- vi. **License Fees** – Common in the software industry, this pricing structure involves a set license fee tied to specific rights of use (e.g. number of users, number of computers on which software can be installed).
- vii. **Budget-Based Bidding** – A less common form of pricing structure for use when there is a set amount of money budgeted for a project and the Division wishes to get the most value for that budget amount. The total budget is disclosed in the Solicitation Document and Bidders propose solutions that provide the most Deliverables they can within the set budget amount. This pricing structure can be a useful method where there is concern that the scope of the project may otherwise result in Bids that exceed the available budget.
- viii. **Life Cycle Cost (“LCC”)** – This pricing structure is an analysis that considers the initial purchase price, warranty and duration of useful life, shipping, conversion, and installation and all reasonable operating costs such as fuel/energy use, water use, routine maintenance, consumable supplies, parts and repairs, etc. The Solicitation Document must describe the method that will be used to calculate the LCC and specify the information that must be submitted by the Bidder for the purposes of the LCC analysis. Typical elements of a LCC analysis include:
 - Purchase price
 - Life span of products
 - Transportation and handling
 - Installation and associated costs
 - Staff training
 - Operation and supplies (including any costs associated with disposal of waste/spent supplies)
 - Energy and fuel costs

- Maintenance and repairs
- End of Life Disposal costs

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

8. Integration of Components

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

9. Version Control – Reviewing and Revising

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

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

Competitive Process Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for conducting a competitive Procurement process. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Preparing the Solicitation Document

The appropriate Solicitation Document format must be determined in consultation with Supply Chain Management using the Format Selection Protocol. The information contained in the Procurement Plan and the template for the selected format will be used to assemble the Solicitation Document.

When preparing a Solicitation Document to establish a Qualified Supplier Roster, refer to the Qualified Supplier Roster Protocol.

The principles and guidelines in the Solicitation Document Drafting Protocol should be followed. All items in the Solicitation Document Checklist in Appendix D of this protocol must be confirmed before the Solicitation Document is finalized.

3. Approval of Solicitation Document

Both the Division and Supply Chain Management must review the assembled Solicitation Document to ensure that all of the requirements in the Solicitation Document Checklist in Appendix D of this protocol are met and must approve the final Solicitation Document prior to issuance.

4. Procurement Notice

For all Open Competitions, Supply Chain Management is responsible for posting notice of the Procurement on the SaskTenders website. Suppliers must be able to access the notice free of charge. The Procurement Notice Checklist in Appendix E of this protocol must be used to ensure all required information is included in the notice.

5. Issuance of Solicitation Document

For an Open Competition, Supply Chain Management is responsible for posting the Solicitation Document on the SaskTenders website and/or City of Saskatoon website.

For an Invitational Competition or a Limited Competition, Supply Chain Management is responsible for issuing the Solicitation Document to the invited Suppliers.

6. Time Period for Bid Submission

Suppliers must be provided sufficient time to prepare and submit responses to the Solicitation Document. For all Open Competitions, Suppliers should be given a

minimum of 15 calendar days to respond to the Solicitation Document, and a longer response time should be provided for Procurements of high complexity, risk, and/or dollar value. Suppliers in Open Competitions for Construction over \$1,000,000.00 in Procurement Value should be given a minimum of 20 calendar days to respond to the Solicitation Document. In the case of an Invitational Competition or a Limited Competition, a shorter response time may be considered, where necessary and appropriate.

If the Procurement is covered by CETA, the following minimum time-periods apply. These minimum time-periods require that both the notice of Procurement and the Solicitation Document are posted and available to Suppliers electronically in accordance with sections 4 and 5 above:

If responses are accepted by electronic means, Suppliers must be given a minimum of 25 calendar days to respond to the Solicitation Document. A longer response time may be considered reasonable based on the nature and complexity of the Procurement.

If electronic submission of responses is not permitted, a minimum time period of 30 calendar days must be provided.

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

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

In any of the above cases, the minimum time period must not be less than 10 calendar days.

7. Communication with Potential Bidders and Addenda Process

- a) All communications with potential Bidders after issuance of the Solicitation Document must be made in writing through a single contact person designated in the Solicitation Document. The designated contact person must be a representative of Supply Chain Management.

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

8. Receipt of Bids

- a) Procedures for the receipt, opening and treatment of Bids must guarantee the fairness and impartiality of the Procurement process and the confidentiality of Bids.
- b) Bids must be received by Supply Chain Management in the manner set out in the Solicitation Document. Supply Chain Management is responsible for opening the Bids in accordance with the process established in the Solicitation Document.
- c) Physically submitted Bids must be time- and date-stamped and initialed upon receipt, even if received after the submission deadline. Bids received prior to the

submission deadline must be kept confidential until the submission deadline has passed.

- d) If Bids are received electronically, the system must establish time of receipt and Bids must not be accessed until the submission deadline has passed.
- e) Suppliers must not be penalized for the late submission of a Bid if the delay in receiving the Bid is due solely to mishandling on the part of the City.

9. Review of Mandatory Submission Requirements

- a) To be considered for an award, a Bid must be submitted in writing, be compliant with the essential requirements set out in the notices and Solicitation Document and be from a Supplier that satisfies any conditions for participation.
- b) Once the Bids have been opened, Supply Chain Management must review all Bids to ensure compliance with the mandatory submission requirements set out in the Solicitation Document. Where no rectification period has been allowed for in the Solicitation Document, those Bids that do not meet the mandatory submission requirements are disqualified and must not be evaluated further.
- c) If the Solicitation Document provides for a rectification period, Supply Chain Management will send any Bidder that did not meet a mandatory submission requirement a rectification notification informing them that it will have the opportunity to meet the mandatory submission requirement within the specified rectification period. After the expiration of the rectification period, any Bidders that have failed to meet all mandatory submission requirements are disqualified and must not be evaluated further. The Bids that have satisfied the mandatory submission requirements will be provided to the Division for evaluation. Note that a “rectification period” is only applicable if provided for in the Solicitation Document and may never be included in a legally binding, “Contract A” Solicitation Document.

10. Evaluation of Bids

The evaluation process must be fair, defensible and transparent and must comply with the evaluation methodology disclosed in the Solicitation Document. Divisions are responsible for establishing the evaluation team and conducting the evaluation process in accordance with the Evaluation Process Protocol. A representative of Supply Chain Management will serve as an observer and advisor to the evaluation team unless a fairness monitor is used as part of the evaluation process.

A. Assessment of Mandatory Technical Requirements

- a) The Division will assess whether the Bids satisfy any mandatory technical requirements set out in the Solicitation Document. Bids that do not satisfy the mandatory technical requirements will be disqualified and must not be evaluated further.

- b) Where there is any uncertainty with respect to whether or not a Bid satisfies a mandatory technical requirement, the Division must consult with Supply Chain Management to determine the appropriate course of action.
- c) Where it is clear that a Bid fails to satisfy any mandatory technical requirement, the Division must notify Supply Chain Management.
- d) Supply Chain Management is responsible for notifying a Bidder that their Bid has been disqualified. Under no circumstances is the Division to communicate directly with Bidders regarding the evaluation process.

B. Low Bid Evaluation

- a) In a low Bid evaluation process, the Contract is awarded to the Bidder that submitted the compliant Bid with the lowest price.
- b) Once the mandatory requirements have been reviewed, the Division and Supply Chain Management will review the compliant Bids and determine the lowest submitted price. The Bids must be reviewed by at least one representative from the Division and at least one representative from Supply Chain Management.

C. Evaluated Criteria (High Score) Evaluation

- a) Where the Competitive Process involves the evaluation of price and other evaluated criteria, the Contract is awarded to the highest scoring Bidder.
- b) The evaluation team must be selected and approved by Supply Chain Management before the deadline for the submission of Bids. In the case of an Open Competition, a minimum of three evaluators must participate in the evaluation process and a representative of Supply Chain Management will serve as a facilitator and advisor to the evaluation team. More than three evaluators may be required depending on the type of Procurement Project being evaluated and based on its size and complexity. The evaluation team must ensure that the evaluation plan as indicated in the Solicitation Document is followed, and scoring of the Bids is defensible.
- c) All evaluation team members must sign a declaration stating that they have no conflicts of interest in respect of the Procurement process and agreeing to keep the content of Bids and the evaluation confidential.
- d) Once the mandatory requirements have been reviewed, the evaluation team should evaluate the compliant Bids in accordance with the following steps:
 - i. Each individual evaluator should review each Bid individually. Bids should not be compared to one another during the evaluation process, but each should be evaluated on its own merits. During this preliminary

evaluation process, individual evaluators should make notes, including their scores and any comments supporting their scores based on the established evaluation criteria. Preferably evaluators should make their notes only on the scoring sheets prepared for the evaluation process. Evaluators must remember that all evaluation notes are potentially subject to public release under access to information legislation and therefore all written comments must be fair, defensible and transparent. Evaluators must evaluate using the pre-established evaluation criteria and weightings as set out in the Solicitation Document and must only evaluate the materials included in the Bidder's Bid.

- ii. If an evaluator believes clarification is needed in respect of information contained in a Bid, they should make a note of it for discussion with the evaluation team. Under no circumstances should an evaluator attempt to contact or communicate directly with a Bidder.
- iii. Once all evaluators have conducted their individual evaluations, the entire evaluation team should meet to finalize their scores in accordance with the Enhanced Consensus Scoring Protocol. A representative of Supply Chain Management will serve as an observer and advisor to the evaluation team unless a fairness monitor is used as part of the evaluation process.
- iv. If the evaluation team wishes to seek clarification from a Bidder in respect of information contained in its Bid, the evaluation team must consult with Supply Chain Management. The evaluation team should prepare a draft of the clarification questions it proposes to ask the Bidder for review by Supply Chain Management. If determined to be appropriate, Supply Chain Management will send the clarification request to the Bidder. The Bidder's response will be provided to Supply Chain Management. Supply Chain Management will review the response from the Bidder and, if it is determined to be appropriate, will provide it to the evaluation team.
- v. Once the evaluation of non-price factors has been completed and the scores for the non-price factors have been totaled, the evaluation team should factor in the evaluation of price in accordance with the method set out in the Solicitation Document.

D. Evaluation Guide

The Division, in consultation with Supply Chain Management or the City Solicitor, or designate, should consider developing an evaluation guide setting out further details on the evaluation process for use by the evaluation team, which may include governance and negotiation protocols and must be consistent with the evaluation and selection process set out in the Solicitation Document. The

evaluation guide must be developed and be approved by Supply Chain Management or the City Solicitor, or designate, prior to the Bid submission deadline.

E. Interviews and Presentations

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

F. Best and Final Offer Process

Where expressly set out in the Solicitation Document, the evaluation process may include a process for engaging in negotiations or discussions with a short-list of Bidders followed by the submission of “best and final offers”. In such cases, the evaluation team will evaluate the original Bid submissions in accordance with this protocol and will create a short-list based on the results of those evaluations and the process set out in the Solicitation Document. The Bidders that are included on the short-list will be invited to engage in discussions and negotiation of their Bids before submitting a best and final offer. The best and final offers must then be evaluated in accordance with this protocol and the process set out in the Solicitation Document. Divisions involved in this type of evaluation process must consult with Supply Chain Management and develop an evaluation and negotiation guide prior to the Bid submission deadline.

11. Selection of Preferred Bidder(s)

- a) The Division will select the preferred Bidder(s) based on the results of the evaluation process in accordance with the Solicitation Document.
- b) Where the competition is intended to result in the award of a Contract to the selected Bidder, the Division is responsible for obtaining the required approvals and submitting a recommendation to award the Contract to the preferred Bidder to Supply Chain Management for approval, and must obtain such approvals prior to proceeding with the finalization of the Contract in accordance with the Purchasing Policy. If applicable, all individual evaluator score sheets, the summary score sheet and any applicable notes in support of the scores must accompany the recommendation to award. Supply Chain Management will notify Bidders of the outcome of the evaluation process.
- c) Where the competition is intended to result in the prequalification of Bidders that will be eligible to participate in a second stage Competitive Process, the Division is responsible for submitting a recommendation to prequalify the preferred

Bidders to Supply Chain Management for approval. Supply Chain Management will notify the Bidders of the outcome of the pre-qualification process.

- d) Where the competition is intended to result in a Qualified Supplier Roster, Supply Chain Management is responsible for establishing the Roster.

12. Negotiation of Contract Process

Where the Solicitation Document provides for Contract negotiations with the preferred Bidder, the Division is responsible for conducting the negotiations in consultation with Supply Chain Management and, where appropriate, the City Solicitor, or designate.

13. Cancellation of Competitive Process

Where the deadline for submission of Bids has passed and Bids have been received, a Competitive Process must not be cancelled without the approval of Supply Chain Management, in consultation with the City Solicitor, or designate, and the approval of the General Manager of the Division.

14. Notice of Award

For all Contracts awarded through an Open Competition, a notice of award must be published on the SaskTenders website and must remain readily accessible for a reasonable period of time. The Procurement Notice Checklist in Appendix E of this protocol must be used to ensure all required information is included in the notice.

Appendix D: Solicitation Document Checklist

The following must be confirmed before the Solicitation Document is finalized:

- ☐ The most up-to-date template is used.
- ☐ All material information relevant to the Procurement has been disclosed, including:
 - ☐ a complete description of the Procurement, including the nature and the quantity of the Goods, Services or Construction to be procured; or if the quantity is not known, the estimated quantity and any requirements to be fulfilled, including any technical specifications, requirements for servicing or warranty; transition costs, if applicable; and applicable conformity assessment certification, plans, drawings or instructional materials;
 - ☐ any conditions for participation of Suppliers, including a list of information and documents that Suppliers are required to submit in connection with the conditions for participation;
 - ☐ a clear description of the method that will be used to evaluate Bids and select the successful Bidder(s);
 - ☐ all evaluation criteria, and, unless price is the sole criterion, the weighting of the criteria;
 - ☐ submission instructions, including any authentication and encryption requirements or other requirements related to the submission of information by electronic means;
 - ☐ any dates for the delivery of Goods or the supply of Services and any dates required for the completion of Construction, which must take into account such factors as the complexity of the Procurement, the extent of subcontracting anticipated, and the realistic time required for production, de-stocking and transporting of Goods from the point of supply or for supply of Services, or Construction of the project; and
 - ☐ other material terms and conditions, including terms of payment.
- ☐ The Solicitation Document does not include:
 - ☐ conditions for participation that are not essential to ensuring that a Supplier has the legal and financial capacities and the commercial and technical abilities to provide the Goods, Services or Construction;
 - ☐ biased or branded technical specifications;

- ☐ local content or other economic benefits criteria that are designed to favour suppliers from a particular geographic location (region, territory, province or nation) or Goods, Services or Construction of a particular geographic location; or
- ☐ requirements that Bidders have previously been awarded contracts by the City or have prior experience in a particular geographic location.
- ☐ The terms and conditions of the Contract are appropriately contained in the term sheet or form of agreement.
- ☐ There is alignment between the technical requirements and specifications, the pricing structure (where applicable) and the Contract terms and conditions.
- ☐ In the case of a Solicitation Document to establish a Standing Offer, the Solicitation Document indicates how subsequent purchases will be made from under the Standing Offer.

Appendix E: Procurement Notice Checklist

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

Summary Notice

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

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

Notice of Intended Procurement

This detailed notice must include all of the following information:

- ☐ procuring entity's name and address;
- ☐ contact information (phone and/or email) of contact person;
- ☐ information on how to obtain all relevant documents relating to the procurement;
- ☐ the cost and terms of payment, if any for the Procurement documents;
- ☐ a description of the Procurement;
- ☐ the nature and the quantity of the Goods, Services or Construction to be procured or, if the quantity is not known, the estimated quantity;
- ☐ the time-frame for delivery of Goods, Services or Construction or the duration of the Contract;
- ☐ a description of any options;
- ☐ the Procurement method that will be used and whether it will involve negotiation or electronic auction;
- ☐ the language(s) in which submissions will be accepted;
- ☐ the date and time of the Bid submission deadline;
- ☐ the location for submission;

- ☐ if there will be a public opening, the date and time of the public opening; and
- ☐ an indication that the Procurement is covered by Chapter 19 of the CETA and/or Chapter 5 of the CFTA.

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

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

Notice of Contract Award

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

The notice must include at least the following information:

- ☐ the name and address of the procuring entity;
- ☐ the name and address of the successful Supplier;
- ☐ a description of the Goods or Services procured;
- ☐ the value of the successful Bid or the highest and lowest offers taken into account in the award of the Contract;
- ☐ the date of award; and
- ☐ the type of Procurement method used.

Enhanced Consensus Scoring Protocol

1. Purpose and Interpretation

The purpose of this protocol is to describe a scoring method that evaluation teams may choose to follow for the evaluation of Bids in a Competitive Procurement. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Objectives

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

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

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

3. Overview of the Enhanced Consensus Scoring Method

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

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

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

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

4. Setting the Variation Tolerance

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

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

5. Scheduling and Preparing for the ECS Sessions

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

ECS sessions should be facilitated by one or more moderators; a representative of Supply Chain Management who is not a member of the evaluation team will act as the moderator. Prior to the scheduled ECS session, any evaluation criteria with scores outside of the variation tolerance should be identified by the moderator. Manual spreadsheets may be used when the evaluation process is relatively simple; automated Bid-evaluation tools are recommended for more complex processes.

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

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

necessary, on the basis that all of the identified evaluation criteria will be discussed before the ECS session(s) conclude.

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

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

6. Conducting the ECS Sessions

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

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

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

7. Finalizing the Scores

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

8. Recordkeeping

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

Appendix F: Example Scenario

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

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

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

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

Identification of Criteria for Discussion

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

Prioritization of Criteria for Discussion

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

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

Rules of Order for Discussion

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

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

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

Non-Standard Procurements Protocol

1. Purpose

The purpose of this protocol is to set out the procedures and requirements for acquiring Deliverables through a Non-Standard Procurement process. This protocol should be read in conjunction with the City's Purchasing Policy.

2. Interpretation

Defined terms used in this protocol have the meaning assigned in the Policy. For ease of reference, the following defined terms are repeated here:

"Non-Standard Procurement" means the acquisition of Deliverables through a process or method other than the process or method normally required for the type and value of the Deliverables. Non-Standard Procurement processes include:

- a) A **"Non-Competitive Procurement"**, where the Deliverables are acquired directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required including consideration of unsolicited proposals; or
- b) A **"Limited Competition"**, where Bids are solicited from a limited number of Suppliers when an Open Competition would normally be required.

3. Authorization and Approval of a Non-Standard Procurement Process

To obtain authority for a Non-Standard Procurement of Deliverables with a Procurement Value over \$25,000.00, the Division must complete and submit the Non-Standard Procurement Approval Form in Appendix G (the "Approval Form"). Non-Standard Procurements will only be permitted if one or more of the reasons in the Approval Form apply to the Procurement.

The completed Approval Form must be accompanied by:

- a) sufficient evidence to support the selected reason(s); and
- b) detailed requirements, specifications and pricing structure for the required Goods, Services, and Construction.

The completed Approval Form must be approved and signed in accordance with the City's Schedule of Delegated Procurement Approval and Signing Authorities prior to engaging in a Non-Standard Procurement process. Approval will not be given if the Approval Form is incomplete or does not include sufficient supporting evidence and all required documentation.

4. Advance Contract Award Notice (ACAN)

Where the Division is requesting the approval of a Non-Competitive Procurement on the basis that the required Goods, Services, and Construction can be supplied only by a particular supplier, Supply Chain Management may require the public issuance of an ACAN to confirm that no competition exists for the specified Goods, Services and Construction before the request can be approved.

An ACAN is a public notice indicating to the Supplier community that the City intends to award a Contract to a pre-identified Supplier, believed by the City to be the only one capable of providing the required Goods, Services or Construction. The ACAN is intended to allow other Suppliers an opportunity to signal their interest in competing for the Contract by submitting a statement of capabilities.

An ACAN can be used only when there are sufficient grounds for the belief that no competition exists. ACANs are not to be used to when it is clear that more than one Supplier exists that can provide the required Goods, Services or Construction. An ACAN is not a tool to be used to avoid conducting an Open Competition.

Where an ACAN is to be issued, Supply Chain Management, with the cooperation and assistance of the Division, will prepare the ACAN using the template in Appendix H. The Division is responsible for providing detailed information regarding the requirements for inclusion in the ACAN. Supply Chain Management will post the ACAN on SaskTenders for a minimum time period of 15 calendar days.

Supply Chain Management, with the cooperation and assistance of the Division, will review and assess the Statements of Capabilities received in response to the ACAN. If the ACAN process confirms that there is evidence of competition for the Goods, Services and Construction, a competitive Bidding process will be required. If a Statement of Capabilities is rejected, Supply Chain Management must advise the Supplier of the decision to reject their Statement of Capabilities and provide the reason for that decision.

If no acceptable Statement of Capabilities is received, the Division will proceed with obtaining authority for the Non-Competitive Procurement and include the ACAN with the Approval Form when seeking the appropriate approvals.

5. Conducting a Non-Standard Procurement

a) Limited Competitions

A Limited Competition involves the solicitation of Bids from a limited number of Suppliers instead of an Open Competition where the value of the Procurement would normally require an Open Competition. A Limited Competition should be used where the circumstances surrounding the Procurement do not allow for an Open Competition, in accordance with one or more of the justifications set out below, but where the circumstances could allow for the solicitation of Bids by invitation to more than one Supplier.

When a Limited Competition is authorized through the approval of a Procurement Project Plan, Supply Chain Management will conduct the Limited Competition in accordance with the Competitive Process Protocol and the Contract with the selected Bidder will be finalized in accordance with the Purchasing Policy.

b) Non-Competitive Procurements

When a Non-Competitive Procurement is authorized through the approval of a Procurement Project Plan, the Division is responsible for negotiating and finalizing the Contract, in consultation with the City Solicitor or designate, for the Deliverables in accordance with the Purchasing Policy.

6. Non-Standard Procurement Recordkeeping

In addition to the general recordkeeping requirements under the Procurement Policy, a written report must be prepared for each Contract awarded through a Non-Standard Procurement, including the value and kind of Goods, Services or Construction procured and a statement indicating the circumstances and conditions that justified the use of a Non-Standard Procurement. The report and any supporting documentation, including the approved Non-Standard Procurement Approval Form must be maintained for a minimum of three (3) years from the Contract award date, or such longer period as may be required under the City's document management policies.

7. Notice of Award

Within 72 days of the Contract award, Supply Chain Management must publish the notice of award on the SaskTenders website. The notice must include at least the following information:

- a) a description of the Goods, Services or Construction procured;
- b) the name and address of the procuring entity;
- c) the name and address of the successful Supplier;
- d) the date of award; and
- e) a description of the circumstances justifying the use of a Non-Standard Procurement.

Appendix G: Non-Standard Procurement Approval Form

Division:	
Requestor Name:	
Requestor Title:	
Date:	
Signature:	
	I have accurately described the circumstances and reasons for this request for approval of a non-standard procurement.

Recommended Supplier:	
Description of Goods, Services, or Construction Provide a brief description and attach detailed requirements, specification and pricing structure for the required Goods, Services or Construction.	
Estimated Total Value:	
Procurement History:	Has the recommended Supplier previously received a non-competitive Contract award? YES / NO Has the requestor previously requested a Non-Standard Procurement for these Goods, Services or Construction? YES / NO

Identify the reason(s) for the Non-Standard Procurement:
<input type="checkbox"/> A competitive Procurement process was conducted for the required Goods, Services or Construction and did not result in the receipt of any valid Bids.
<input type="checkbox"/> The Procurement is being conducted on behalf of an entity that is not covered by the BPS Procurement Directive or any trade agreement.
<input type="checkbox"/> Unforeseeable events have resulted in a situation where extreme urgency exists and the Goods, Services, or Construction could not be obtained in time through a competitive process. * The requestor must clearly identify and explain the unforeseeable events that brought about the urgency. Failure to plan for and proceed with a Procurement in a timely manner will not be considered a valid reason for a Non-Standard Procurement .
<input type="checkbox"/> The Procurement is for additional deliveries by the original Supplier of Goods, Services or Construction that were not included in the initial Procurement if a change of Supplier for such additional Goods, Services or Construction: <ul style="list-style-type: none"> (a) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, Services or installations procured under the initial procurement; and (b) would cause significant inconvenience or substantial duplication of costs for the City. * <i>The issuance of an ACAN may be required to support this reason.</i>
It can be demonstrated that the Goods or Services can be supplied only by a particular Supplier and no alternative or substitute exists for the following reason(s): <ul style="list-style-type: none"> <input type="checkbox"/> There is an absence of competition for technical reasons. <input type="checkbox"/> The protection of patents, copyrights or other exclusive rights. <input type="checkbox"/> The supply is controlled by a Supplier that is a statutory monopoly. * <i>The issuance of an ACAN may be required to support any of these reasons.</i>

The Procurement is for:

- ☐ a work of art
- ☐ a subscription to a newspaper, magazine, or other periodical.
- ☐ maintenance of specialized Goods that must be maintained by the manufacturer.
- ☐ work to be performed under a warranty or guarantee.
- ☐ work to be performed on leased property and may be performed only by the lessor.

The Procurement is for:

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

The Procurement is for:

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

The Procurement is for:

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

The Goods and/or Services are to be procured from:

- ☐ Public body
- ☐ Philanthropic institution
- ☐ Prison labour
- ☐ Persons with disabilities
- ☐ Non-profit organization [Not applicable to Procurements that are covered by CETA]

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

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

Insert details to support the identified reason(s) and explain the circumstances leading to this request for a Non-Standard Procurement. Add additional pages, as needed, and attach any relevant documentation.

Requirements, Specifications and Pricing Structure:

Attach the detailed requirements, specifications and pricing structure for the required Goods, Services and/or Construction.

Approval:

Approval must be obtained prior to proceeding with any Procurement process or the acquisition of any Goods, Services or Construction.

APPROVED BY:	
Name:	Date
Title:	
Name:	Date
Title:	

Appendix H: ACAN Template

Advance Contract Award Notice (ACAN)

This Advance Contract Award Notice (the “ACAN”) is issued by the City of Saskatoon (the “City”) to notify the Supplier community that the City intends to award a Contract to a pre-identified Supplier, believed to be the only one capable of satisfying the City’s requirements.

The ACAN is intended to allow other Suppliers an opportunity to signal their interest in competing for the Contract by submitting a statement of capabilities that clearly demonstrates the Supplier’s ability to satisfy the requirements. If no Supplier submits a statement of capabilities that meets the requirements set out in the ACAN, on or before the submission deadline stated in the ACAN, the City may proceed to award a Contract to the pre-identified Supplier.

1. City Contact

Inquiries and Statements of Capabilities are to be directed to:

[insert name of contact person]

Delivery Address: [insert address for delivery of responses]

Email Address: [insert email address for submission of responses]

2. Statement of Capabilities

Suppliers who consider themselves fully qualified and available to fulfill the requirements described in the ACAN may submit a Statement of Capabilities to the City Contact no later than [insert date and time] local time.

Statements of Capability may be submitted to the City Contact in hard copy to the Delivery Address or in electronic format to the Email Address.

Submissions in hard copy to the Delivery Address should be in a sealed envelope addressed to the City Contact and prominently marked “ACAN – Statement of Capability”.

Submissions in electronic format to the City Contact Email Address should include the subject line “ACAN – Statement of Capability”.

The Statement of Capability must be in in writing, in English only, and must include:

- the full legal name and address of the supplier;
- the name, title, email address and phone number of the supplier’s contact person; and
- sufficiently detailed information to clearly demonstrate the supplier’s ability to satisfy the requirements.

Suppliers are advised that the City is governed by Saskatchewan's *Local Authority Freedom of Information and Protection of Privacy Act* ("LAFOIP") and information submitted to the City, even if identified as confidential, may be subject to disclosure under LAFOIP, or if otherwise required by law or by order of a court or tribunal. If a Supplier has questions about the collection and use of information, questions are to be submitted to the City Contact.

Any Statement(s) of Capability received by the submission deadline will be assessed by the City. If a Statement of Capability is accepted, the City may conduct a competitive Procurement process for the requirements. If a Statement of Capability is rejected, the City will notify the Supplier of the rejection and the reason for that decision.

3. City Requirements

Describe the requirements in sufficient detail to allow potential suppliers to determine their ability to satisfy them.

The City requires:

[Describe the required Goods and services.]

The required [product/equipment/system] must meet the following requirements:

[Summarize the essential specification and functional requirements. If applicable, refer to recognized Canadian or international standards, specifications, and/or regulations.]

The Supplier must meet the following requirements:

[Summarize essential Supplier qualifications to provide the required goods/Services— e.g. specific credentials, specialized knowledge, experience, professional designation/certification.]

Time-Frame for Delivery or Term of Proposed Contract

Include one or more of the following statements, as applicable, and delete the others.

The [product/system/equipment] must be delivered by [insert delivery date].

The Services must be performed by [insert completion date].

It is anticipated that the proposed Contract will commence on [insert anticipated date of commencement] and will be for a term of [insert number of months or years] with an option to extend for an additional term of up to [insert length of additional optional term].

4. Pre-Identified Supplier

The City has identified the following Supplier as the only one Supplier capable of satisfying the requirements:

[insert name of the pre-identified supplier]

[insert address of the pre-identified supplier]

5. Reason for Non-Competitive Procurement

Indicate the applicable reason from Non-Competitive Procurement Approval Form and explain why the pre-identified Supplier has been identified as the only Supplier capable of satisfying the requirements.

Low Value Purchase Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for making Low Value Purchases. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Responsibility for Low Value Purchases

Divisions may make Low Value Purchases without the involvement of Supply Chain Management where the required Deliverables have a Procurement Value of less than \$25,000.00 and they are not covered by an existing Standing Offer or Qualified Supplier Roster.

It is the responsibility of the Division to determine if there is an existing Standing Offer or Qualified Supplier Roster for the required Deliverables before making a purchase. When available, the Deliverables must be purchased in accordance with the terms of the Standing Offer or in accordance with the Qualified Supplier Roster Protocol.

If a Division anticipates making multiple Low Value Purchases of the same Deliverables and the total value of those purchases may exceed \$25,000.00, the Division must contact Supply Chain Management to discuss the possibility of setting up a Standing Offer or Qualified Supplier Roster. Divisions should review the Procurement Project Planning Protocol and the definition of Procurement Value in the Purchasing Policy. Of particular note, if multiple contracts are entered into for the same Deliverables, the Procurement Value is the total value of all of the Contracts for the same Deliverables entered into on an annual basis whether awarded to one or more Suppliers.

The Director is responsible and accountable for Low Value Purchases and must ensure that they are made in accordance with this protocol. Section Managers within the Division are authorized to make Low Value Purchases. To obtain authority to make Low Value Purchases not in accordance with this protocol, the Division should reference the Non-Standard Procurement Protocol. The Director must approve any Low-Value Purchases not made in accordance with this protocol.

Supply Chain Management is available to assist Divisions with Low Value Purchases and Divisions are encouraged to consult with Supply Chain Management if there are any questions or concerns about the process and requirements described in this protocol.

3. Process for Low Value Purchases under \$10,000.00

For Low Value Purchases under \$10,000.00, the Division is only required to obtain one quote for the Deliverables. However, Divisions are encouraged to obtain multiple competitive quotes to ensure they are obtaining Best Value. Quotes for Low Value Purchases under \$10,000.00 may be solicited by contacting the potential Supplier(s) by telephone or email, but the Supplier(s) must provide the quote in writing by email or fax. Divisions should use the Simplified RFQ template to obtain those quotes. Alternatively, Divisions may solicit quotes for any Low Value Purchase by using the Invitational RFQ template in accordance with the process set out below for purchases over \$10,000.00.

Low Value Purchases under \$10,000.00 may be made using automatic payment vouchers, a corporate Purchasing Card or the issuance of a departmental Purchase Order. The City's Purchase Order Terms and Conditions will be referenced in the departmental Purchase Order.

4. Process for Low Value Purchases between \$10,000.00 and \$25,000.00

For Low Value Purchases between \$10,000.00 and \$25,000.00, Divisions must obtain competitive quotes from a minimum of three Suppliers. The Division is encouraged to invite more than three qualified Suppliers, where available. If the lowest quote that meets the Division's requirements exceeds \$25,000.00, the Division must consult with Supply Chain Management to obtain authorization to proceed with the purchase. The following steps must be followed for obtaining quotes between \$10,000.00 and \$25,000.00:

a) Inviting Suppliers

The Simplified RFQ or Invitational RFQ template, as maintained by Supply Chain Management, must be used to solicit quotes unless a different format has been approved by the Director of Supply Chain Management. Invited Suppliers must be given a reasonable period of time to submit their quotes. The Simplified RFQ template can be used to solicit quotes for low risk or simple standard Services, or Goods on the basis of lowest price. The Invitational RFQ template should be used to obtain quotes for Construction or where the Division wants to use a relatively simple evaluation of price and non-price factors.

b) Communication with Invited Suppliers

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

c) Responding to Supplier Questions

If questions are received from any invited Supplier during the RFQ process, the questions and their corresponding answers should be consolidated into a "Q&A" document that is issued to all of the invited Suppliers. The Q&A document should not identify which Supplier asked which question.

d) Issuing Addenda

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

e) Receipt of Quotes

Quotes may be submitted by electronic mail or other electronic submission method specified in the RFQ document. Quotes must be in writing. Quotes may not be solicited or obtained by telephone. Quotes received prior to the submission deadline must be kept confidential until the submission deadline has passed.

f) Review of Quotes

All quotes must be reviewed and evaluated in a fair, defensible and transparent manner and must comply with the evaluation process described in the RFQ document. Quotes must be reviewed and evaluated by at least two representatives of the Division.

g) Selection of Preferred Supplier

The Division will select the preferred Supplier based on the results of the evaluation process in accordance with the RFQ document.

h) Contract Finalization

A Contract must not be entered into unless all required Procurement approvals have been obtained. A departmental Purchase Order must be created and issued to the Supplier prior to the delivery of the Goods or the commencement of the Services. The City's Purchase Order Terms and Conditions will be referenced in the departmental Purchase Order and form the basis of the Contract. In consultation with Supply Chain Management or the City Solicitor, or designate, a more formal Contract should be considered for more complex Goods, Services or Construction.

i) Notification of Unsuccessful Suppliers

After the Contract with the selected Supplier has been finalized, the Division must notify the unsuccessful Suppliers of the outcome.

j) Communication with Suppliers regarding Outcome

Formal debriefings are not generally offered to Suppliers in a Low Value Purchase process. When communicating with Suppliers, the Division must not discuss or disclose any information about quotes submitted by other Suppliers or the evaluation of quotes. If Suppliers are questioning or raising complaints about the process or its outcome, the Division should consult with Supply Chain Management about how to respond.

k) Documentation

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

- the final version of the Simplified RFQ or Invitational RFQ document that was issued to Suppliers;
- records of any communications with invited Suppliers;
- copies of all addenda that were issued to Suppliers;
- all quotes received from Suppliers;
- any notes with respect to the review and evaluation of quotes;
- documented approval for the Contract award; and
- the Purchase Order and any other Contract documents.

Upon request, the Procurement file must be provided to Supply Chain Management for review.

Qualified Supplier Rosters Protocol

1. Purpose

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

2. Interpretation

Defined terms used in this protocol have the meaning assigned in the Policy.

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

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

“Roster Competition” means an expedited, Invitational Competition between Suppliers that have been included on a Qualified Supplier Roster for the selection of a Supplier to perform a discrete work assignment during the term of the roster.

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

In this protocol, the following additional term has the meaning set out below:

“RFSQ” means a Request for Supplier Qualifications.

3. Establishing a Qualified Supplier Roster

In situations where a Division or multiple Divisions require the same type of Goods, Services or Construction on a regular or recurring basis, it may not be efficient or cost effective to initiate a new open Procurement process each time that particular Goods, Services or Construction is required. In such cases, a Qualified Supplier Roster of pre-qualified Suppliers should be established.

Supply Chain Management is responsible for establishing Qualified Supplier Rosters in cooperation with Divisions. A qualification process is conducted through the public issuance of an RFSQ, and Suppliers are pre-screened based on the qualification criteria and evaluation process set out in the RFSQ.

The evaluation process must specify the minimum threshold or ranking and conditions that must be met in order for a Supplier to be considered qualified. Due to the variability of requirements, Qualified Supplier Rosters do not generally include

firm pricing for all items in scope. In some cases the RFSQ may include a requirement to provide “ceiling prices”, maximum hourly rates or unit prices which the Supplier agrees not to exceed when submitting a Bid in response to a Roster Competition during the term of the Qualified Supplier Roster or for a shorter specified period of time.

The qualified Suppliers meeting all of the requirements and conditions in the RFSQ process will be invited to enter into a Master Framework Agreement. Supply Chain Management and/or the Office of the City Solicitor is responsible for entering into and managing Master Framework Agreements on behalf of the City.

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

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

4. Preparing the RFSQ

The Solicitation Document for the qualification process to establish a Qualified Supplier Roster should be prepared using the RFSQ (Roster Framework) template. The following information must be addressed in the RFSQ:

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

The RFSQ must not include:

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

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

- The process by which new Suppliers will be given the opportunity to qualify for inclusion on the Roster;
- The process by which Suppliers may be removed from the Roster; and
- The process for conducting Roster Competitions.

5. Conducting the RFSQ Process

The RFSQ process is an Open Competition and should be conducted in accordance with the following:

a) Procurement Notice

Supply Chain Management is responsible for posting notice of the opportunity on the SaskTenders website. Suppliers must be able to access the notice free of charge. The notice inviting interested Suppliers to apply for inclusion in a Qualified Supplier Roster must include:

- ☐ procuring entity's name and address;
- ☐ contact information (phone and/or email) of contact person;
- ☐ information on how to obtain all relevant documents relating to the list;
- ☐ a description of the Goods, Services or Construction, or categories thereof, for which the Qualified Supplier Roster may be used;
- ☐ the conditions for participation to be satisfied by Suppliers for inclusion on the list and the methods that the procuring entity will use to verify that a Supplier satisfies the conditions;
- ☐ the period of validity of the list and the means for its renewal or termination, or if the period of validity is not provided, an indication of the method by which notice will be given of the termination of use of the list; and
- ☐ an indication that the list may be used for Procurement covered by Chapter 19 of the CETA and/or Chapter 5 of the CFTA.

b) Posting of Solicitation Document

Supply Chain Management is responsible for posting the RFSQ document on the SaskTenders website. The RFSQ document should be posted at the same time as the notice.

c) Time Period for Bid Submission

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

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

d) Ongoing Application Process

During the term of the Qualified Supplier Roster, both the notice inviting interested Suppliers to apply for inclusion in a Qualified Supplier Roster and the RFSQ document should be made continuously available and Suppliers must be permitted to apply for inclusion in the Qualified Supplier Roster at any time.

The same qualification requirements, evaluation process and Master Framework Agreement that were included in the original RFSQ will apply for the purpose of qualifying new Suppliers for inclusion on the Qualified Supplier Roster.

Applications for qualification must be considered on a quarterly basis and Suppliers must be promptly notified of the outcome. If an application is rejected, the Supplier must be provided with a written explanation of the reasons for the decision. A Supplier that applies for qualification and is not selected for inclusion on the Qualified Supplier Roster will not be permitted to reapply for a minimum period of one (1) year.

6. Removal of Suppliers from a Roster

Suppliers that fail to perform Contracts awarded through a Roster Competition in a satisfactory manner, as determined in accordance with the Supplier Performance Evaluation Protocol and Supplier Suspension Protocol, will be removed from the Roster, and will no longer be eligible to participate in Roster Competitions.

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

- a) bankruptcy or insolvency;
- b) false declarations;
- c) final judgments in respect of serious crimes or other serious offences; or
- d) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the supplier.

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

Suppliers that are removed from the Qualified Supplier Roster will not be eligible to reapply for inclusion on the Qualified Supplier Roster for a period of three (3) years or the term of the Roster, whichever is shorter.

7. Roster Competitions

The Suppliers on the Qualified Supplier Roster should be invited to compete for discrete work assignments during the term of the Qualified Supplier Roster. The successful Supplier selected from a Roster Competition will provide the required Deliverables for the price quoted in their Bid in accordance with the general terms and conditions contained in the Master Framework Agreement and any specific terms and conditions included in the Solicitation Document used for the Roster Competition.

If the Procurement Value of the required Goods, Services and Construction associated with the work assignment is below the Open Competition Threshold, an invitational quote process may be used to solicit quotes from the Suppliers on the Qualified Supplier Roster, in accordance with the Master Framework Agreement and any applicable procedures established by Supply Chain Management. A publicly posted notice is not required.

If the Procurement Value of the required Goods, Services and Construction associated with the work assignment is at or above the Open Competition Threshold, Supply Chain Management is responsible for conducting the Roster Competition in accordance with the following:

- a) The notice of intended Procurement must be publicly posted on SaskTenders and must indicate that inclusion on the Qualified Supplier Roster is a condition of participation in the Roster Competition.
- b) The time-period for submission of Bids must not be less than 10 calendar days. Longer time-periods of up to 25 days should be provided whenever possible.
- c) If a Supplier that is not included on the Qualified Supplier Roster submits a request to participate in the Roster Competition and submits all required information necessary to apply for inclusion on the Qualified Supplier Roster, Supply Chain Management should consider the application if there is sufficient time to do so within the time-period allowed for the submission of Bids.

8. Mandatory use of Qualified Supplier Rosters

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

In some exceptional cases, the Divisions may purchase the Deliverables outside an established Qualified Supplier Roster. If the Division's requirement for Deliverables is not satisfied by the standard specifications available on the Qualified Supplier Roster, the Division must obtain the approval of Supply Chain Management to proceed with a purchase outside of the Qualified Supplier Roster.

Negotiation Protocol

1. Purpose and Interpretation

The purpose of this protocol is to establish guidelines and procedures for negotiating with Bidders or Suppliers. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Negotiation with Supplier in a Non-Competitive Process

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

3. Negotiation with Bidders in a Competitive Process

a) The Solicitation Document

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

▪ Consecutive Negotiation (Rank and Run) Process

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

you should extend the negotiation period and attempt to finalize the agreement with the top-ranked proponent. However, if at any time following the expiration of the negotiation period the negotiations break down and it is clear that a satisfactory agreement cannot be reached, the right to terminate negotiations and move on to the next ranked proponent can be exercised.

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

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

- b) Purpose and Scope of Negotiations in a Competitive Process**

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

It is expected that the terms and conditions in the standard form of agreement included in the RFP will be a starting point for the negotiations. However, the negotiation process is intended to enable commercially reasonable adjustments and clarifications to the legal terms and conditions contained in the standard form of agreement, so that the awarded Contract is better tailored to fit the nature of the Deliverables and the circumstances of the project. Substantive changes to your standard terms and conditions should only be made in consultation with the City Solicitor or designate.

The scope of the negotiation phase can vary greatly depending on the nature and complexity of the project. Not all negotiated Procurement processes require

extensive formal negotiations. In some cases, “negotiation” can be as simple as a teleconference with the selected proponent to confirm the details of their proposal and discuss any minor changes to the standard form of agreement. In such cases, some of the procedures set out in this protocol may not be applicable.

c) Parameters for Negotiating in a Competitive Process

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

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

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

(i) Ensuring No Preferential Treatment or Unfair Advantage

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

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

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

(ii) Protecting Confidentiality

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

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

(iii) Upholding the Rules and Requirements of the Process

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

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

- allowed other potential suppliers to participate in the RFP process, or another proposal to be accepted;
- changed the evaluation and scoring of proposals; or
- affected the ranking and potentially resulted in the selection of a different proponent.

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

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

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

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

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

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

Trade treaty violations may occur if the scope of work or project requirements are changed so much that other Suppliers could reasonably

claim they were not given an opportunity to compete for the Contract that is ultimately awarded.

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

4. Planning for Negotiations

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

- a) Consult with Supply Chain Management and/or the City Solicitor or designate;
- b) Establish the negotiation team and roles and responsibilities of the team members;
- c) Ensure the negotiation team has the authority to negotiate and understand any limits on that authority;
- d) Confirm the availability of expert advisors, including legal, financial and technical, as necessary;
- e) Ensure all team members have a clear understanding of the project requirements and objectives and, in the case of a Competitive Process, have thoroughly reviewed the RFP document and the proponent's proposal;
- f) Compile a list of all issues that need to be addressed in the negotiations, including any questions or concerns about the proposal;
- g) Identify and prioritize the objectives of the negotiations;
- h) Identify any non-negotiable items; and
- i) Prepare a "bargaining binder" that consolidates all of the documents you will need to refer to during the negotiations (RFP, proposal, issues list, etc.)

5. Initiating Negotiations

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

6. Conducting Negotiations

When conducting negotiations, it is important to:

- a) Identify key issues at the outset of the negotiation process;
- b) Ensure that everyone involved in the negotiations is aware that any agreements that are reached are subject to approval and no legally binding commitments are made until the final agreement is signed;
- c) Ensure that information given in confidence by Bidders or Suppliers is not revealed to others;
- d) Take a collaborative approach and avoid being defensive or aggressive;
- e) Take time to consider all information presented and verify and confirm information as necessary; and
- f) Clearly document areas of agreement as the negotiations progress to avoid revisiting issues multiple times.

7. Record Keeping

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

8. Finalizing the Agreement

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

Bidder Debriefing Protocol

1. Purpose and Interpretation

The purpose of this protocol is to provide assistance and direction to individuals involved in conducting debriefings requested by Bidders in respect of a Procurement Project. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Bidder's Right to a Debriefing

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

Debriefings are an important component of a Competitive Process and provide an opportunity to:

- a) Recognize the efforts Bidders make in responding to Solicitation Documents issued by the City;
- b) Provide constructive criticism and suggestions for improvements so that unsuccessful Bidders have a better opportunity at winning future Bids and the City has access to more qualified Bidders that are better able to compete for the City's business; and
- c) Address questions and concerns in a non-confrontational manner, which may assist in mitigating the risk of unsuccessful Bidders pursuing litigation or initiating Procurement protests.

3. Responsibility for Conducting Debriefing

Debriefings in connection with an Open Competition must be conducted by representatives of both Supply Chain Management and the Division responsible for the Procurement Project. The Division representative should be a member of the evaluation team and be knowledgeable in all aspects of the Bid and the evaluation process. Where the Procurement Project involves more than one Division, additional representatives may attend, but attendance should generally be limited to two or three individuals.

Debriefings in connection with an Invitational Competition that was managed by the Division must be conducted by the Division and should be attended by two representatives of the Division who are familiar with all aspects of the Bid and the evaluation process. A representative of Supply Chain Management will attend the debriefing upon request by the Division.

4. Initiation and Scheduling of a Debriefing

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

The contact person is responsible for communicating and scheduling the debriefing with the Bidder’s representative. Debriefings may occur in person at the City’s offices or by way of teleconference, depending on the location of the requesting Bidder. Supply Chain Management and Divisions should be as flexible as possible, within reason, with respect to scheduling Bidder debriefings.

When scheduling the debriefing, the following should be addressed with the Bidder’s representative:

- a) Confirm the time and location of the debriefing or dial-in information if the debriefing is being conducted by way of teleconference; and
- b) Explain the purpose of the debriefing; and
- c) Confirm who will be attending the debriefing to represent the Bidder.

5. Preparation for the Debriefing

Prior to the debriefing, the Division should prepare the necessary materials, including obtaining a copy of the Bidder’s Bid for reference purposes and preparing discussion points based on the suggestions for conducting a debriefing set out below. The materials for the meeting must be distributed in advance to all Division and Supply Chain Management representatives who will be attending the debriefing.

For major projects or where there is reason to believe that the Bidder requesting the debriefing may be considering legal recourse against the City in connection with a Competitive Process, Supply Chain Management and the Division should consult with the City Solicitor, or designate, to discuss any additional considerations.

6. Conducting the Debriefing

- a) The following is a suggested structure for conducting a debriefing:
 - Introductions and reiteration of the purpose of the debriefing;
 - Overview of the Bidder’s Bid, including where the Bidder lost significant points in the City’s evaluation process;

- Discussion of suggestions on how the Bidder could improve their Bid for future opportunities; and
- Questions and answers.

b) The following may be discussed in a debriefing:

- General overview of the evaluation process;
- The name, address, and total price of the successful Bidder;
- Specific evaluation information related to the criteria used to evaluate the Bids;
- The Bidder's evaluation score and strengths and weaknesses of the Bidder's Bid in relation to the evaluation criteria and the relative advantages of the successful Bidder's Bid;
- The Bidder's evaluation ranking (e.g., 3rd out of 5);
- Suggestions on how the Bidder could improve a future response to a Competitive Process issued by the City;
- Specific questions and issues raised by the Bidder in relation to the above topics;
- Feedback from the Bidder on the City's Procurement processes and practices; and
- Any information that was shared publicly as part of the Competitive Process.

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

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

d) If a Bidder requests access to Procurement-related records in the City's custody or control, and the individuals conducting the debriefing are not sure whether or not that information is subject to protection under access to information legislation, the Bidder should be informed that the request will be considered and they will be notified of the response within a reasonable period of time. Following the debriefing, Supply Chain Management must consult with the City Clerk's Office regarding the Bidder's request. If the record is directly related to the Procurement process and would normally be disclosed in response to a formal

access to information request, the record should be provided to the Bidder as soon as reasonably possible without requiring the Bidder to make a formal access request. If the record does not relate to the Procurement process or would not be disclosed in response to a formal access to information request, the Bidder should be informed that the requested information will not be provided. If the Bidder has further questions or concerns about access to the information, they should be directed to contact the City Clerk's Office.

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

7. Debriefing Follow-up

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

If, following the debriefing, there are concerns that a Bidder is contemplating legal action in respect to the Procurement process, Supply Chain Management and the Division should consult with the City Solicitor, or designate.

Procurement Protest Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the process for Suppliers to make a formal complaint about a particular Procurement process. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Scope of the Procurement Protest Process

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

3. Restrictions

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

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

4. Dispute Resolution under Trade Agreements

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

5. Procurement Protest Process

- a) A Supplier that wishes to challenge a Procurement process must do so by submitting a request for review in writing within sixty (60) days from notification of the outcome of the Procurement process. Requests for review will not be addressed under this protocol until after the City has publicly posted or otherwise provided formal notification of the outcome of the Procurement process.
- b) A request for review of a Procurement process must be directed to Supply Chain Management and must contain the following:

- A clear statement as to which Procurement the Supplier wishes to challenge;
 - A clear explanation of the Supplier's concerns with the Procurement, including specifics as to why it disagrees with the Procurement process or its outcome; and
 - The Supplier's contact details, including name, telephone number and email address.
- c) Once a Supplier's request for a review has been received by Supply Chain Management, it should be initially reviewed by the Division responsible for the Procurement.
- d) The Division must coordinate with Supply Chain Management to send an acknowledgement of receipt of the Supplier's concerns within five (5) business days of receipt of the Supplier's request for review. This correspondence must also set out a date by which the City anticipates contacting the Supplier with a response to its Procurement protest. This date must be within twenty (20) business days of receipt of the Supplier's request for review.
- e) The Division should prepare an internal memo outlining the background and history of the Procurement at issue.
- f) Once finalized, the memo, together with the Supplier's correspondence, must be submitted to the Procurement Review Committee (the "PRC"). The PRC is established in accordance with the Purchasing Policy.
- g) The PRC must convene a meeting and, as a group, review the correspondence outlining the Supplier's concerns, together with the internal memo setting out details of the Procurement. The PRC should consult with the City Solicitor, or designate, as required.
- h) Upon review of the materials, the PRC has two options:
- If the PRC is satisfied that the Supplier's rationale for requesting a review of the Procurement process does not have merit and that the City proceeded in accordance with its Purchasing Policy and acted in an open, fair and transparent manner that reflects its values as a public institution, then the PRC will instruct Supply Chain Management to write to the Supplier and indicate that the PRC has reviewed its concerns and that the PRC is of the opinion that the Procurement process was conducted properly; or
 - If the PRC finds that the Supplier's concerns in respect of the Procurement process have merit, then it will instruct Supply Chain Management to write to the Supplier setting out the PRC's response, including any changes that will be made to the City's policies and

practices to help prevent similar issues arising in future Procurement processes. In this case, the City Solicitor, or designate, should be consulted in the preparation of the response and the response should be provided on a “without prejudice” basis.

- i) If the Supplier is not satisfied with the response of the PRC, the Supplier may consider its other options, including challenges under the applicable trade agreements and/or governing laws.

Supplier Suspension Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the process for suspending Suppliers from participation in the City's Procurement processes. This protocol should be read in conjunction with the City's Purchasing Policy. Defined terms used in this protocol have the meaning assigned in the Policy.

2. Overview

In order to ensure that the City is receiving quality Deliverables and value for public money, and is dealing with Suppliers that conduct business in a professional and ethical manner, the City may suspend Suppliers from participating in its Procurement processes for a period of up to five (5) years for any of the following reasons:

- a) The Supplier was convicted of serious crimes or other serious offences, including bid-rigging, price-fixing or collusion, fraud or other statutory offenses.
- b) The Supplier gave false declarations, including making misrepresentations in Bids or failing to disclose conflicts of interest in connection with a Procurement process or Contract.
- c) The Supplier had significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior Contract or Contracts.
- d) The Supplier engaged in professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier.

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

3. Reasons for Suspension

a) Crimes or Offences

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

b) False Declarations

If a Supplier includes false or misleading information in its Bids the City may suspend that Supplier from participating in future Procurement processes.

If a Supplier fails to disclose a conflict of interest in connection with a Procurement process or during the performance of a Contract with the City, and

the City subsequently discovers that such a conflict of interest exists, the City may suspend that Supplier from participating in future Procurement processes.

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

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

c) Poor Performance

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

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

d) Professional Misconduct or Lack of Commercial Integrity

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

- unethical Bidding practices, such as inappropriate offers of gifts to the City's officials, officers, employees or agents and inappropriate in-process lobbying or prohibited communications during a Procurement process;
- failing to perform Contracts in a professional and competent manner in accordance with the duty of honest performance and all applicable laws, including safety and labour codes; and
- a history of litigious conduct or bringing frivolous or vexatious claims in connection with the City's Procurement processes or Contracts.

4. Process for Suspension

- a) Any decision to suspend a Supplier must be supported by a written Suspension Recommendation Report that contains all details connected with the analysis of factors set out above.
- b) The Suspension Recommendation Report must also include the recommended length of the suspension. The maximum suspension period is five (5) years. However, the length of the suspension period should be proportional to the reasons for the suspension and the full five-year suspension should only be applied in the most serious of cases.
- c) A suspension can be either a blanket suspension for all Procurement processes or a suspension limited to Procurement processes for specific Deliverables. The Recommendation to Suspend must clearly set out the scope of the suspension.
- d) All decisions to suspend a Supplier must be approved by the Procurement Review Committee. The Procurement Review Committee is established in accordance with the Purchasing Policy.
- e) If the Suspension Recommendation Report is approved, a notification must be provided to the Supplier in question informing that Supplier that it is suspended from participation in the City's Procurement processes for the prescribed time period. The notification letter must contain:
 - Full details as to the reasons for the suspension, including copies of any documents or correspondence to support such a suspension;
 - The length of the suspension period and the scope, if applicable; and
 - The Supplier's right to re-apply for eligibility within the prescribed time period and the process for requesting such a reinstatement.

5. Review of Suspension

- a) A suspended Supplier may apply for reinstatement upon the completion of half of the original suspension period. For example, if the original suspension period was two years, the Supplier may apply for reinstatement after one year. In order to be re-eligible for participation in the City's Procurement processes, the Supplier must submit a written case for reinstatement, including supporting documentation if necessary, that provides reasons why the original reason for the suspension would no longer prove a risk for the City.
- b) Applications for reinstatement are to be reviewed by the Procurement Review Committee. If the Procurement Review Committee determines that allowing the Supplier the opportunity to participate in the City's Procurement processes would no longer expose the City to risk, then the application for reinstatement may be approved.

- c) The Supplier must be notified, in writing, of the final decision for reinstatement made by the Procurement Review Committee.

6. Suspended Suppliers List

Supply Chain Management must maintain an up-to-date and current list of all suspended Suppliers. Any Supplier that is owned or controlled by the same individual(s) that owned or controlled a suspended Supplier at the time it was suspended is also considered suspended.

The list should contain, at a minimum:

- the full name of the Supplier;
- the names of the directors and officers of the Supplier;
- the reasons for the suspension;
- the file number where the Suspension Recommendation Report is filed;
- the scope of the suspension (i.e. blanket suspension or specific deliverables); and
- the length of the suspension period and the date of the expiry of the suspension period.

For any Competitive Process, Supply Chain Management must check the suspended Suppliers list to ensure that Bids are not accepted from suspended Suppliers.

Contract Management Protocol

1. Purpose

The purpose of this protocol is to provide guidelines and set out the roles and responsibilities for the management of all Contracts with Suppliers for the provision of Deliverables procured by the City. This protocol should be read in conjunction with the City's Purchasing Policy and the Supplier Performance Evaluation Protocol.

2. Interpretation

Defined terms used in this protocol have the meaning assigned in the Policy. For ease of reference, the following defined term is repeated here:

“Contract Administrator” means an employee assigned to the management of a Contract.

3. General Principles

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

a) Scope Management

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

b) Contract Amendments and Scope Changes

If a Contract change results in a net increase to the Contract value previously approved, the change must be approved in accordance with the City's Purchasing Policy.

c) Contract Disputes

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

d) Early Termination

A Contract can only be terminated prior to its expiry date with the involvement of the Director of Materials Management, the City Solicitor, or designate, and the

Director of the Division, in consultation with the General Manager and in accordance with the terms and conditions outlined in the Contract.

e) Risk of Legal Action

The City Solicitor, or designate, must be promptly advised if a Supplier initiates or threatens legal action against the City at any time throughout the life of the Contract or if there are signs that a Supplier is experiencing financial difficulty (for example, the Supplier fails to pay its employees, suppliers or subcontractors).

4. Roles and Responsibilities

a) Role of Directors and their Designates

It is the role and responsibility of the Director or designate to:

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

b) Role of Contract Administrator

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

- be familiar with and understand all of the terms and conditions of the Contract;
- create a file for the retention of all documentation related to the Contract, as further described in Section 5 of this protocol;
- facilitate and maintain a professional working relationship with the Supplier;
- ensure all Contracts are complete and accurate and executed prior to the commencement of any work or deliveries;
- ensure all invoices are complete and accurate prior to approving payment;
- review invoices in a timely manner and ensure approved payments are made in accordance with the payment terms in the Contract;

- track renewal or extension dates and appropriately exercise discretion in respect of options to renew or extend Contracts;
- anticipate and respond to changes in circumstances that may impact Contract performance, such as: unseasonable weather; labour disruptions; unforeseen site conditions; indications of changes in the Supplier's financial stability, etc.;
- meet with the Supplier at appropriate intervals to discuss any performance issues or concerns;
- formally evaluate the Supplier's performance in accordance with the Supplier Performance Evaluation Protocol;
- document all communications related to the Supplier's performance of the Contract;
- consult with the City Solicitor, or designate, as necessary, with respect to interpretation of the terms and conditions of the Contract; and
- seek advice from the City Solicitor, or designate, as necessary, with respect to compliance issues and Contract disputes.

c) Role of the City Solicitor

It is the role and responsibility of the City Solicitor, or designate, to:

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

d) Role of Supply Chain Management

Contract management is the responsibility of the Division that is receiving the Deliverables under the Contract. With the exception of Contracts managed by Supply Chain Management on its own behalf, Supply Chain Management is not responsible for and should not be involved in the day-to-day management of a Division's contracts. Supply Chain Management should be advised of serious performance issues or Contract disputes that may result in early termination of a Contract and must be provided with copies of all Performance Evaluation Reports in accordance with the Supplier Performance Evaluation Protocol.

It is the role and responsibility of Supply Chain Management to:

- provide assistance to Divisions and the City Solicitor, or designate, in connection with the possibility of early termination of a Contract;
- advise on options and strategies for maintaining stability and supply of the Deliverables in the event of early termination of a Contract;
- maintain detailed documentation of all communications related to Supplier performance; and
- retain copies of all Performance Evaluation Reports, in accordance with the Supplier Performance Evaluation Protocol.

5. Document Retention and Procurement Project File

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

Contract Administrators must ensure the City retains originals or copies of the following documents and records:

- Authorization of the award of the Contract to the Supplier;
- Contracts and all related documentation, including, but not limited to, Solicitation Documents, the Supplier's Bid, customized agreements, related drawings, plans, purchase orders, schedules, specifications, etc.;
- Warranties and/or documented certifications, such as ISO ratings, fitness certificates, compliance with electrical safety standards, etc.;
- Insurance certificates, as required by the Contract;
- Surety bonds or other forms of performance guarantees, if required by the Contract;

- Relevant dates, such as delivery dates (this notation may be as simple as a checkmark beside an expected receipt of Goods date, and should be initialed and dated by the person doing the review);
- Details of any extenuating circumstances that had an impact on Contract compliance (e.g. extreme weather, labour disputes, power outages, accidents, etc.);
- The date, nature, and outcome (positive or otherwise) of informal performance reviews;
- Bills of lading, work orders, service records, invoices, cheque requisitions, etc.;
- Change orders detailing new terms that have been negotiated into the Contract, if applicable;
- Notes of all verbal discussions regarding Contract compliance;
- Written communications, Performance Evaluation Reports completed in accordance with the Supplier Performance Evaluation Protocol and notices to and from the Supplier;
- Notes or minutes of any face-to-face and/or site meetings;
- Records of any dispute resolution performance issues and actions taken; and
- Any other relevant communications or documents related to the Contract and/or the Supplier's performance under the Contract.

Supplier Performance Evaluation Protocol

1. Purpose and Interpretation

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

2. Performance Evaluation

Supplier performance is critical to the success of Procurement projects. Poor workmanship, unnecessary Contract delays and unsafe work practices will not be tolerated.

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

a) Interim Evaluation

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

b) Final Evaluation

The Contract Administrator will formally evaluate the Supplier's performance and complete a Final Performance Evaluation Report upon completion, expiration or termination of the Contract.

3. Interim Performance Evaluation Report

a) Notification of Supplier

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

b) Performance Issues

If the Supplier receives a "Below Standard" rating on any of the rated criteria in the Interim Performance Evaluation Report, the Contract Administrator will meet

with the Supplier to clearly identify and discuss the performance issues, determine the corrective action that will be taken to rectify and avoid recurrence of the performance issues and obtain the Supplier's agreement to take the corrective action within a specified time period. Following the meeting, the Contract Administrator will confirm the details and outcome of the discussion in writing to the Supplier, and will attach a copy of the written record of the meeting to the Interim Performance Evaluation Report. The Contract Administrator will inform his or her Director of the performance issues. If the performance issues are not rectified or there is a recurrence of the performance issues, the Contract Administrator will consult with his or her Director, Supply Chain Management and the City Solicitor, or designate, to determine next steps.

4. Final Performance Evaluation Report

a) Performance Issues

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

b) Recommendation Based on Performance

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

- allow the Supplier to continue participating in future Procurement processes; or
- suspend the Supplier from participating in future Procurement processes for a period of up to five (5) years in accordance with the Supplier Suspension Protocol.

c) Recommendation for Continued Participation

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

d) Recommendation to Suspend

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

i. Review by Director

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

ii. Notification of Supply Chain Management

The Contract Administrator will inform Supply Chain Management of the recommendation and provide the Director of Supply Chain Management with a copy of the Final Performance Evaluation Report.

iii. Notification of Supplier and Supplier's Right to Dispute

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

e) Decision to Suspend and Consideration of Statement of Dispute

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

5. Retention of Evaluation Reports

The Contract Administrator will retain all original Performance Evaluation Reports and will provide Supply Chain Management with a copy of each Performance Evaluation Report. Supply Chain Management will retain copies of all Performance Evaluation Reports.

6. Disclosure of Results to Others

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

7. Consideration of Performance in Evaluation of Bids

The City may consider past performance evaluation results in the evaluation of future Bids from the Supplier, whether or not the past performance resulted in suspension in accordance with the Supplier Suspension Protocol.

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

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

General Comments - Describe the Supplier's overall performance to date:
Below Standard Ratings - Comments must be provided to explain and substantiate any "Below Standard" rating on any of the criteria:
Above Standard Ratings - Comments must be provided to explain and substantiate any "Above Standard" rating on any of the criteria:
SECTION 4 CONTRACT ADMINISTRATOR'S CONFIRMATION
I _____ have evaluated the Supplier's performance in accordance with the Supplier Performance Evaluation Protocol and have assigned a fair and objective rating to each of the criteria in Section 2 of this Performance Evaluation Report. <div style="display: flex; justify-content: space-between; width: 100%;"> _____ _____ </div> <div style="display: flex; justify-content: space-between; width: 100%;"> Contract Administrator Date </div>
SECTION 5 NOTIFICATION OF SUPPLIER
I _____ notified the Supplier of the overall performance rating and provided the Supplier with a copy of this Performance Evaluation Report on _____. <div style="display: flex; justify-content: space-between; width: 100%;"> _____ _____ </div> <div style="display: flex; justify-content: space-between; width: 100%;"> Contract Administrator Date </div>

***THIS SECTION IS TO BE COMPLETED IF THE SUPPLIER RECEIVED A
“BELOW STANDARD” RATING ON ANY OF THE CRITERIA IN SECTION 2***

SECTION 6 MEETING WITH SUPPLIER

I met with the Supplier on _____ to discuss the performance issues that resulted in the “below standard” rating, determined the corrective action that will be taken by the Supplier to rectify and avoid recurrence of the performance issues and obtained the Supplier’s agreement to take the corrective action in a specified time period.

I provided the Supplier with a written record of the above-noted meeting dated _____, which I have attached to this Performance Evaluation Report.

Contract Administrator

Date

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

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

SECTION 3 COMMENTS AND EXPLANATIONS

General Comments - Describe the Supplier's overall performance under the Contract:

Below Standard Ratings - Comments must be provided to explain and substantiate any "Below Standard" rating on any of the criteria:

Above Standard Ratings - Comments must be provided to explain and substantiate any "Above Standard" rating on any of the criteria:

SECTION 4 MEETING WITH SUPPLIER

This section to be completed if the Supplier received a “below standard” rating on any of the criteria in section 2.

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

SECTION 5 CONTRACTADMINISTRATOR'S CONFIRMATION AND RECOMMENDATION

I have evaluated the Supplier's performance in accordance with the Evaluation Process and have assigned a fair and objective rating to each of the criteria in Section 2 of this Performance Evaluation Report.

Based on my evaluation of the Supplier's performance, I make the following recommendation:

☐ I recommend that the Supplier be permitted to continue participating in the City's Procurement processes.

☐ I recommend that the Supplier be suspended from participating in the City's Procurement processes for a period of _____ [enter period of 1 to 3 years] years in accordance with the City's Supplier Suspension Protocol.

Contract Administrator

Date

SECTION 6 NOTIFICATION OF SUPPLIER

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

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

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

SECTION 7 DIRECTOR REVIEW

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

Director

Date

SECTION 8 NOTIFICATION OF SUPPLY CHAIN MANAGEMENT

The Director of Supply Chain Management was notified of the recommendation to suspend the Supplier and was provided with a copy of this Performance Evaluation Report on _____.

SECTION 9 NOTIFICATION OF SUPPLIER

The Supplier was notified of the recommendation, was provided with a copy of this Performance Evaluation Report and was advised that any statement of dispute in respect of the recommendation must be made in writing to the Director of Supply Chain Management within 10 business days of the notification. Notification was given on _____.

Director of Supply Chain Management

Date

Version Number	Publication Date	Description of Revisions	Name, Title of Authority
1.0	2018-12-1	Initial version	Scott Eaton, Director Materials Management
1.1	2023-09-27	Minor revision to remove decision trees to internal document	Scott Eaton, Director Supply Chain Management