
New City of Saskatoon Procurement Policy

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Purchasing Policy with an effective date of December 1, 2018 be approved;
2. That Council Policy No. C02-030, Purchase of Goods, Services, and Work, be rescinded; and
3. That the City Solicitor be directed to bring back the required changes to The City Administration Bylaw as outlined in the report of the CFO/General Manager, Asset and Financial Management Department, dated October 1, 2018.

Topic and Purpose

The purpose of this report is to receive City Council approval of the new Purchasing Policy for the City of Saskatoon (City).

Report Highlights

1. Consultation has been undertaken with internal and external stakeholders.
2. The Administration recommends that Council Policy No. C02-030 be rescinded and that the new Purchasing Policy be adopted by City Council with an effective date of December 1, 2018.

Strategic Goals

Under the Strategic Goal of Continuous Improvement, this report supports the long-term strategies of increasing productivity by being more efficient in the way the City does business, and ensuring the City's approach to citizen and stakeholder communications is integrated, proactive and professional.

This report also supports the long-term strategy of creating a business-friendly environment where the economy is diverse and builds on the city and region's competitive strengths under the Strategic Goal of Economic Diversity and Prosperity.

Background

At its January 29, 2018 meeting, when considering a report from the City Solicitor's Office regarding revisions to the City's Procurement Policy, City Council resolved, in part:

- “1. That the draft Purchasing Policy be adopted in principle and be brought back for approval following consultation with relevant stakeholders.”

Report

Based on feedback from engagement efforts with external and internal stakeholders, the following revisions were made to the draft policy:

- diversity provisions in the policy were expanded to include a wide range of potential groups that have been historically underrepresented in the City's supply chain, including Indigenous suppliers;
- approvals required to cancel a competitive procurement following close of bids were clarified;
- approvals required to terminate a contract were clarified; and
- minor editing and formatting changes.

Attachment 1 is a summary of the proposed changes to the new Purchasing Policy. The new policy will enable best value rather than lowest price in the procurement of civic goods and services, and provides the delegation to the Administration in the awarding of contracts and purchase orders that are within the authority of the policy provisions. The Administration is recommending that the new Purchasing Policy replace the current Council Policy No. C020-030, Purchase of Goods, Services, and Work.

Based on the draft Purchasing Policy and protocols regarding procurement, the Administration prepared a draft Procurement Manual. This Procurement Manual, along with the draft suite of new templates and draft standard contracts, was used to engage both external and internal stakeholders.

A section within the City's website dedicated to engagement feedback included the draft Procurement Manual, draft Purchasing Policy, new solicitation templates and new contracts.

To create awareness of the City's new procurement framework, notices were sent to each external stakeholder listed in Attachment 2. The Administration also offered to meet with stakeholders if they wanted to discuss the new procurement framework.

A similar process was undertaken with internal stakeholders.

Stakeholders have indicated their appreciation for the level of clarity and transparency the new Purchasing Policy provides, as well as the suite of protocols which make up the Procurement Manual. Stakeholder feedback was considered and revisions have been incorporated to the Purchasing Policy as appropriate (Attachment 3).

The Administration will continue to consult and engage with stakeholders to improve the City's purchasing process going forward.

The Administration is recommending a December 1, 2018 effective date to allow for implementation of the Purchasing Policy during a slower construction period. This timing is intentional to allow staff to become familiar with the templates and to be trained on the new policy before the busy construction season begins in early 2019.

Options to the Recommendation

City Council can choose not to adopt the new Purchasing Policy, or request further amendments. The Administration does not recommend this option as the new Purchasing Policy reflects best practices for public procurement and brings the City's policy into compliance with trade treaty obligations.

Public and/or Stakeholder Involvement

Phase 1 engagement has been undertaken with external and internal stakeholders as outlined in the report.

Communication Plan

A communications plan was developed to encourage internal and external stakeholders to participate and provide their feedback on the proposed new Purchasing Policy and framework of supporting documents via online opportunities and in-person educational opportunities offered to interested groups seeking additional information. Once the new Purchasing Policy is approved, a news release will be issued and the City's website, saskatoon.ca, will be updated.

Policy Implications

If approved, the new Purchasing Policy will be implemented effective December 1, 2018.

Other Considerations/Implications

There are no financial, environmental, privacy, or CPTED considerations or implications.

Due Date for Follow-up and/or Project Completion

The Administration will continue to monitor and make amendments to various protocols as required. Any required amendments to the Purchasing Policy will be presented to City Council for approval.

In order to implement the new Purchasing Policy, changes are required to Bylaw No. 8174, The City Administration Bylaw, 2003. In particular, The Administration recommends the repeal of sections 10, 11 and 13 of Bylaw No. 8174, which are the current delegation and reporting sections (Attachment 4). A new section will replace the sections which currently delegate the award of contracts.

The award of contracts will then be governed in accordance with the Purchasing Policy as required by Section 154 of *The Cities Act*.

Public Notice

Public Notice was required for initial consideration of this matter, pursuant to Section 3 of Policy No. C01-021, The Public Notice Policy and has been provided.

Attachments

1. Summary of New Purchasing Policy
2. External Stakeholder List
3. Policy No. XXX, Purchasing Policy
4. Proposed Changes to the City Administration Bylaw

Report Approval

Written by: Scott Eaton, Director of Materials Management
Cindy Yelland, Solicitor

Reviewed by: Kerry Tarasoff, CFO/General Manager, Asset and Financial
Management Department

Approved by: Jeff Jorgenson, City Manager

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