

Policy Title: Procurement Policy
Report Number: ALT2019-1469
Adopted by: Administrative Leadership Team
Effective Date: May 1, 2021
Last Amended: Not Applicable
Policy Owner(s): Procurement & Warehousing Service

1. POLICY STATEMENT

- 1.1. At all times, The City of Calgary (“The City”) and its employees are subject to public procurement law, trade agreements, City bylaws, delegations of authority, and Council and Administration Policies. Together these legal and guidance documents inform The City’s Procurement practices and Procurement Governance Framework . As a municipal government in Canada, public procurement law requires The City and its employees to maintain the integrity of The City’s Procurement practices and activities.
- 1.2. Public Procurement is the purchase of construction, consulting, goods and services, and information technology with public funds to enable the delivery of public services.
- 1.3. Public Procurement at The City is based on the principles of Transparency, Openness, Fairness, and Best Value. Competitive methods of Procurement will be used by The City whenever possible.
- 1.4. All City Procurement is covered by this Procurement Policy (“Policy”) and must follow a structured and fair approach.
- 1.5. For all Procurement, The City’s Procurement practices apply, including roles and responsibilities of the individual and management.
- 1.6. For all Procurements above trade agreement thresholds adherence to The City’s Procurement Governance Framework is mandatory, including, but not limited to the Procurement Planning, Procurement and Contract Life Cycle phases.
- 1.7. A City Procurement contract must be managed, throughout its life cycle, in accordance with its terms, conditions, and deliverables.
- 1.8. A Supplier must be managed, throughout the entire life cycle of its relationship with The City.
- 1.9. Procurement practices and activities will be monitored, documented and reported to the Administrative Leadership Team, Council, and the public.

1.10. This Policy is to be considered in its entirety and used in conjunction with The City's Procurement practices and The City's Procurement Governance Framework . Together, these provide context for all employees of The City covered by this Policy for decision making, clarification of accountabilities and responsibilities, activities and, context on navigating Procurement.

1.11. Public Procurement is critical to a modern municipal government. In addition to managing risk, the procurement policy supports a streamlined process. It will drive an efficient and effective process to support the Corporation in maximizing citizen value.

2. PURPOSE

2.1 The purpose of this Policy is to outline the principles that govern Procurement, and to provide all persons covered by this Policy with an understanding of the legal requirements and practices to protect the interests of The City in the delivery of public services.

3. DEFINITIONS

3.1 In this administration policy:

- a. **“Best Value”** means the optimized combination of price, technical merit, quality, and sustainability as determined by The City. Best value meets Calgarians' expectations and informs the evaluation and negotiation to arrive at an acceptable basis for a purchase;
- b. **“Compliance”** means meeting regulatory, legal and City policy requirements, along with internal and external expectations based on best practices and procedures;
- c. **“Contract”** means a binding legal relationship between The City and the Supplier obligating the Supplier to furnish supplies or services (including construction) and The City agreeing to pay for them;
- d. **“Contract Life Cycle”** means the proactive monitoring and management of the City contract until expiry (end date, termination or cancellation) in collaboration with the Procuring Entity and Procurement & Warehousing Service;
- e. **“Enabling Service”** means a resource or service offered within The City to support City-wide service delivery;
- f. **“Fairness”** means treating all interested Suppliers equally with unbiased Procurement actions and decisions, giving no preferential treatment of one Supplier over others;

- g. **“Openness”** means all eligible Suppliers that meet the essential requirements and characteristics for a specific Procurement shall be given the opportunity to submit a response;
- h. **“Procuring Entity”** means the group that is purchasing construction, consulting, goods and services, or information technology through The City’s Procurement & Warehousing Service. Examples of Procuring Entities include The City’s departments, business units, Special Committees of Council, Civic Partners, and public bodies and governments;
- i. **“Procurement”** means the process by which The City purchases construction, consulting, goods and services, and information technology;
- j. **“Procurement Planning”** means the process of deciding what to buy, when, how, and from what source or Supplier by outlining and documenting the purchasing requirements to meet the needs of the Procuring Entity;
- k. **“Supplier”** means a sole proprietorship, partnership, corporation, or other legal entity that offers construction, consulting, goods and services or information technology for sale;
- l. **“Supplier Life Cycle”** means the Supplier relationship with The City from identification, selection, on-boarding, performance management, information management, risk management, relationship management, to off boarding, and debarment where justified; and
- m. **“Transparency”** means timely, easily understood access to information. Transparency protects the integrity of the Procurement process and the interests of organizations, stakeholders, and the public.

4. APPLICABILITY

- 4.1 This Administration Policy applies to all acquisitions using public funds, competitive or non-competitive Procurements, all payment forms (e.g., purchase order, non-purchase order, or credit card), and all monetary amounts paid for construction, consulting, goods and services, and information technology.
- 4.2 This Administration Policy applies to the Chief Administrative Officer (City Manager); any person who directly or indirectly reports to the City Manager or provides services to The City under a contract of employment or in the capacity of agent or consultant (including contractors).
- 4.3 If any person not reporting to the City Manager chooses to use The City’s Procurement & Warehousing Service, this Administration Policy applies in its entirety to that Procurement.
- 4.4 This Administration Policy does not apply when The City is the provider or receiver of a donation or gift, or in the position of a seller, real estate, revenue and

commercial contracts which includes but is not limited to, commercial leases, advertising and sponsorship and naming rights (governed by *CP2016-01 Municipal Naming, Sponsorship and Naming Rights Policy*).

5. LEGISLATIVE AUTHORITY

- 5.1 Procurement at The City is grounded in public procurement law including all related trade agreements, decisions of applicable courts and quasi-judicial tribunals, common, administrative, and contract law, and applicable legislation and regulations. The City's Procurements and related decisions are publicly reviewable including judicially through the courts.
- 5.2 The trade agreements that apply to The City Procurements above value thresholds are the New West Partnership Trade Agreement (NWPTA), Canadian Free Trade Agreement (CFTA), and Canada – European Union Comprehensive Economic and Trade Agreement (CETA).
- 5.3 The Municipal Government Act, (Alberta), RSA 2000 M-26 provides authority for the City Manager to procure on behalf of Council to serve the best interest of Calgarians. Delegations authorizing the execution of contracts other than that delegated to the Director of Supply Management exist. Contracts executed subject to those delegations will be executed according to the authority delegation.
- 5.4 The authority to execute a contract or other Procurement document is delegated by the City Manager to the Director of Supply Management, pursuant to Bylaw 43M99 Section 3 and 5 Execution of Agreements.
- 5.5 Procurement practices and activities at The City must adhere to all Council Policies and Administration Policies, including but not limited to, the following:
 - a. *HR-LR-005 (A) Code of Conduct*;
 - b. *HR-LR-004 (B) Conflict of Interest*;
 - c. *CFO008 Sustainable Environmental and Ethical Procurement Policy (SEEPP)*; and
 - d. *FA-056 (A) Procurement Policy for a Party with a Dispute with The City*.

6. ROLES & RESPONSIBILITIES

- 6.1 All persons covered by this Policy are accountable and responsible for compliance with public procurement law, trade agreements, City bylaws, delegations of authority, and policies.
- 6.2 Procurement delegation of authority sets out the accountabilities to execute contracts and other related documents on the behalf of The City.
- 6.3 Employees are responsible to attend Procurement training and fulfill the requirements of The City's Procurement practices and The City's Procurement Governance Framework .

- 6.4 All persons covered by this Policy must fulfill the requirements of The City's Procurement Governance Framework .
- 6.5 Employees must plan for Procurement (regardless of the value) to establish the overall procurement strategy prior to procuring. All relevant Enabling Services and Internal Service Providers must be engaged to obtain service or approval of the procurement strategy.
- 6.6 The Director of the Enabling Service or Internal Service provider is responsible to inform Procuring Entities of service offerings, provide services or review and approve the procurement strategy as appropriate.
- 6.7 Management is responsible to ensure alignment and compliance with The City's Procurement practices and The City's Procurement Governance Framework .
- 6.8 Procurement & Warehousing Service is responsible to steward and deliver Procurement services. Specific responsibilities shall include, but are not limited to, the following:
 - a. Developing Procurement practices and activities in compliance with public procurement law, trade agreements, City bylaws, delegations of authority, and policies;
 - b. Developing and implementing The City's Procurement practices, Procurement Governance Framework , and training;
 - c. Providing Procurement advice to City management, employees, and agents or consultants; and
 - d. Monitoring, documenting and reporting on Procurement practices and activities.

7. CONSEQUENCES OF NON-COMPLIANCE

- 7.1 The City will take appropriate action in response to any breach of this Policy, the Procurement practices, and the Procurement Governance Framework . An employees' actions will be review and may result in disciplinary action being taken against the employee, up to and including dismissal from employment, seeking restitution, commencement of civil action, criminal prosecution, instructing the employee to divest themselves of the outside interest, transferring the employee to another position or any combination thereof.

8. ASSOCIATED PROCEDURES AND STANDARDS

- 8.1 Procurement Delegation of Authority
- 8.2 Procurement Practices
- 8.3 Procurement Governance Framework

9. **HISTORY**

Policy Action	Date	Report Number	Description
New Policy	12/10/2019	ALT2019-1469	Effective May 1, 2021