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## Procurement

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**References:** *Canadian Free Trade Agreement, 1 July 2017*  
*New West Partnership Trade Agreement, 1 July 2010*  
*Municipal Government Act, RSA 2000, c M-26*  
Strathcona County Policy HUM-001-001 (*Code of Ethics and Responsibilities*)

**Cross-reference:** Strathcona County Policy SER-013-001 (*Procurement Policy*)  
SOP 1 – Request Purchase  
SOP 2 – Create RFX  
SOP 3 – Non-competitive Selection  
SOP 4 – Select Respondent - ITT  
SOP 5 - Select Respondent - RFP  
SOP 6 - Select Respondent - RFQ  
SOP 7 - Select Respondent – RFSQ and RFPQ  
SOP 8 – Award and Contract Execution  
Procurement Procedures Glossary

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## Directive Statement

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The County is committed to acquiring goods, services, and construction:

- 1) in accordance with Trade Agreement Rules and applicable law;
- 2) in a consistent, open, fair, equitable, and transparent manner that achieves the best value for the County;
- 3) in a manner that promotes efficient and prudent use of County resources and delivery of County services;
- 4) providing due consideration of sustainable options and alternatives available to ensure the preservation of the natural environment where practical; and
- 5) in a manner that supports Council's strategic priorities.

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## Purpose

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The purpose of this Directive is to provide the governance framework for the purchase of Deliverables by the County to ensure the County:

- complies with Trade Agreement Rules and applicable law;
- acquires goods, services, and construction in a manner that is open, fair, equitable, and transparent, and that reasonably mitigates risk and encourages maximum competitiveness;
- prioritizes cost effectiveness and the achievement of best value (the most advantageous option for the County when considering cost, quality, and ancillary attributes of the available options), as well as encourage the efficient, economic, and prudent use of County resources;

- promotes business integrity, in order to maintain public trust and confidence in the stewardship of County resources; and
- adheres to consistent processes and standards regardless of which Department identified the need for the purchase and which County employees are involved.

Additionally, the purpose of this Directive is to mitigate risk including reputational damage, legal challenges, increased costs, inefficient use of resources, and delays in completing a Procurement Process.

## **Definitions**

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"Competitive Procurement Process" means a procurement process where Submissions are solicited from Suppliers by invitation or through a publicly posted Solicitation Document.

"Conflict of Interest" means any situation or circumstance where there is a conflict or incompatibility between personal interest and professional responsibility. A Conflict of Interest can arise where: the personal interests of a person impair their impartiality in or ability to fulfil their professional responsibility; or the person would be able to pursue their personal interest based on information acquired while fulfilling their professional responsibility.

"Deliverables" means any or any combination of goods, services, or construction.

"External Evaluator" means a Supplier who is party who is involved in conducting a Procurement Process pursuant to an existing Purchase Agreement or other arrangement with the County. External Evaluators typically include consultants engaged by the County to assist with preparing documents or participating in evaluations for a Procurement Process.

"Non-Competitive Procurement Process" means a procurement process where Deliverables are purchased without conducting a Competitive Procurement Process.

"Procurement Process" means the entire lifecycle of a purchase of Deliverables by the County. The Procurement Process commences upon the identification of the need for the purchase by a Department and ends upon the later of the execution of the Purchase Agreement and the completion of any debriefing obligations.

"Purchase Agreement" means a binding agreement between two or more persons that sets out the terms of a purchase, including but not limited to the description of the Deliverables being purchased, the pricing, and the timetable.

"Solicitation Document" means the document issued by the County to solicit Submissions from Suppliers.

"Standard Operating Procedures" or "SOP" means the documents developed and maintained by Procurement Services to outline and detail the responsibilities and procedures for conducting procurement activities.

"Submission" means a submission in response to a Solicitation Document, and includes bids, proposals, quotations, and responses.

"Supplier" means a person who supplies or may in the future supply Deliverables to the County.

"Trade Agreement Rules" means the *Canadian Free Trade Agreement*, the *New West Partnership Trade Agreement*, and any other international, national, and regional trade agreements that are applicable to the County or with which the County intends to adhere.

## **Guidelines**

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### **1. Application and Interpretation**

- 1.1 Subject to the exceptions set out in this Guideline, this Directive applies to all purchases of Deliverables by the County and to all County employees who participate in Procurement Processes.
- 1.2 This Directive does not apply to the following:
- (a) purchases, leases, or licences of land or existing buildings from another person. For clarity, a sale, lease, or licence by the County of its lands and buildings is not a 'purchase' and so is also exempt from the application of this Directive;
  - (b) acquisitions of infrastructure and municipal improvements pursuant to Part 17 of the *Municipal Government Act*;
  - (c) hiring and compensating County employees, as well as reimbursement of County employees for expenses related to their employment;
  - (d) purchases that are exempted from the application of Trade Agreement Rules based on the specific Deliverables being purchased (which for clarity is based on what is being purchased not the value of such purchase). For purposes of this Directive such exemption is applicable to all purchases of such specific Deliverable regardless of whether the total value would result in the application of such Trade Agreement Rules; and
  - (e) purchases of Deliverables otherwise exempted pursuant to direction from the Manager of PSB.
- 1.3 When used with reference to the estimated value of a purchase, the dollar amount set out in this Directive excludes GST and other applicable taxes.
- 1.4 References in this Directive to employees participating in a Procurement Process should be interpreted broadly, and for clarity includes employees giving approvals of certain activities or steps related to a Procurement Process.
- 1.5 In this Directive a County branch that is part of a division or the Chief Commissioner's Office is considered a 'Department' and the employee that manages that branch is considered a 'Director'.

### **2. Standards of Conduct for County Employees**

- 2.1 *Attend Procurement Training.* Before participation in any part of a Procurement Process by the County and otherwise as required by the Manager of PSB, County employees involved in Procurement Processes must attend the training prescribed by the Manager of PSB.
- 2.2 *No Circumvention of this Directive.* County employees must not engage in subdividing, splitting, or otherwise structuring a purchase in order to reduce the estimated total value or in any way circumvent the requirements or intent of this Directive. Without limiting the generality of the foregoing, County employees must

not pursue a Non-Competitive Procurement Process for the purpose of avoiding competition amongst Suppliers.

- 2.3 *Maintain Confidentiality of Information.* During and after the term of their employment with the County, County employees must maintain any information acquired as part of their participation in a Procurement Process as confidential in accordance with their employment agreements, County policies and directives, and applicable law, and County employees must not use that information for personal benefit.
- 2.4 *No Preferential Treatment of Suppliers.* County employees must act and communicate in a manner that promotes fair, equitable, professional, and respectful treatment of Suppliers and that is not intended to and does not provide an advantage or disadvantage to any Supplier. This includes refraining from imposing or considering criteria that are designed to favour or discriminate against a particular Supplier, Deliverable, or geographic location (region, Province, or Country), that unnecessarily favour local content or economic benefits (unless required for furtherance of social procurement objectives), or that include any practices that could be deemed to be discriminatory or non-compliant with Trade Agreement Rules.
- 2.5 *Disclose Conflict of Interest.*
- (a) Before and during participation in any part of a Procurement Process by the County by a:
    - (i) County employee, that County employee must determine whether they have, could have, or could be perceived to have a Conflict of Interest; and
    - (ii) External Evaluator, the Department must determine whether that External Evaluator (including any individual participating on behalf of an External Evaluator) has, could have, or could be perceived to have a Conflict of Interest.
  - (b) If a County employee determines they have, could have, or could be perceived to have a Conflict of Interest, then that County employee must disclose in writing that Conflict of Interest to their Director or to the Manager of PSB. If despite the Conflict of Interest the Director still desires that County employee to participate in any part of the Procurement Process, then the Director must disclose in writing that Conflict of Interest to the Manager of PSB.
  - (c) If a Department determines that an External Evaluator (including any individual participating on behalf of an External Evaluator) has, could have, or could be perceived to have a Conflict of Interest, then that Department must disclose in writing that Conflict of Interest to the Manager of PSB.
  - (d) Upon receipt of disclosure of a Conflict of Interest from a County employee, a Director, or a Department, the Manager of PSB (with assistance from LLS as necessary) will determine whether the Conflict of Interest prevents the participation of the person in the Procurement Process and, if not, the Manager of PSB (with assistance from LLS as necessary) will also determine whether any additional actions need to be taken in order to ensure the integrity of the Procurement Process.
- 2.6 *Disclose Non-Compliance with this Directive.* If a County employee is of the opinion that there has been or soon will be an event of non-compliance with this Directive,

then that County employee should disclose this to their Director or to the Manager of PSB. If that disclosure is made by a County employee to their Director, then the Director should disclose this to the Manager of PSB. Upon receipt of disclosure of an event of non-compliance, the Manager of PSB (with assistance from LLS as necessary) will determine whether actions need to be taken to mitigate risk to the County related to the event of non-compliance.

**3. Solicitation Documents and Purchase Agreements**

- 3.1 When use of a Solicitation Document is required by this Directive, the current versions of the County templates for that Solicitation Document and for other documentation related to the Procurement Process (such as for correspondence) must be used.
- 3.2 The current versions of the County templates for Purchase Agreements must be used in Procurement Processes, unless the use of another Purchase Agreement (such as a third-party purchase agreement) is approved by LLS. For clarity, review of any Purchase Agreement must be undertaken in accordance LLS procedures, which includes in some situations review of draft or proposed forms of Purchase Agreements in advance of a Solicitation Document being issued.

**4. Department Responsibility for Procurement Processes**

- 4.1 Departments may only conduct Competitive Procurement Processes:
  - (a) when the estimated value of the purchase does not exceed \$75,000 for goods and services or \$200,000 for construction; and
  - (b) by using the following Solicitation Documents: Request for Quote (Low Bid); or Request for Quote (High Score).

This guideline does not apply to PSB.

- 4.2 Departments must submit a request in accordance with applicable PSB procedures to engage PSB for all Competitive Procurement Processes when:
  - (a) the estimated value of the purchase exceeds \$75,000 for goods and services or \$200,000 for construction;
  - (b) the Department desires to use a Solicitation Document other than Request for Quote (Low Bid) or Request for Quote (High Score); or
  - (c) the Department desires to engage in any form of negotiations, demonstrations, or interviews as part of the short listing or selection process.
- 4.3 In addition to the above section, Departments must ensure that:
  - (a) if the purchase includes or pertains to security, CCTV systems, AV systems, the installation or maintenance of electrical, data, or low voltage systems in buildings or office furniture (which may also include the installation of such office furniture), then the Deliverables of that purchase must be approved by Facility Services; and
  - (b) if the purchase includes or pertains to computers, servers, digital equipment, software, has a geographic information systems component, or involves employee or County owned data, then the Deliverables of that purchase must be approved by Information Technology Services.

## **5. Types of Procurement Processes**

### **5.1 Existing Purchase Agreement.**

- (a) Whenever possible and provided there is not a compelling reason to do otherwise, the County should purchase Deliverables pursuant to an existing Purchase Agreement (such as a standing offer or on-demand arrangement for the supply of Deliverables).
- (b) A purchase made by way of an amending agreement to or change order pursuant to an existing Purchase Agreement must be considered by the Department to determine whether a Competitive Procurement Process or approval for a Non-Competitive Procurement Process is required. If a Competitive Procurement Process was conducted for the purchase of the Deliverables pursuant to the existing Purchase Agreement, then an amending agreement or change order that does not substantially change the scope of the Deliverables procured is unlikely to necessitate a Competitive Procurement Process or approval for a Non-Competitive Procurement Process (such as a change order to accommodate the difference between estimated and actual quantities provided new scope has not been added).

### **5.2 Competitive Procurement Process.** Unless the purchase may be conducted by way of a Non-Competitive Procurement Process in accordance with this Directive, the County must purchase Deliverables by way of a Competitive Procurement Process:

- (a) when the estimated value of the purchase is greater than \$10,000 (excluding GST and other taxes);
- (b) by using a Solicitation Document as permitted by this Directive or as approved by the Manager of PSB; and
- (c) that complies with the Trade Agreement Rules if the estimate value of the purchase would result in the application of Trade Agreement Rules.

### **5.3 Non-Competitive Procurement Process.**

- (a) The County may purchase Deliverables by way of a Non-Competitive Procurement Process in the following circumstances:
  - (i) when the estimated value of the purchase does not exceed \$10,000 (excluding GST and other taxes);
  - (ii) in accordance with exemptions enabling a Non-Competitive Procurement Process set out in Trade Agreement Rules (such as emergency needs or absence of receipt of any Submissions in response to a Competitive Procurement Process) as validated by the Manager of PSB; or
  - (iii) when approved by the Manager of PSB, an Associate Commissioner, or the Chief Commissioner.
- (b) If the County intends to purchase Deliverables by way of a Non-Competitive Procurement Process pursuant to section 5.3(a)(iii) and the estimated value of the purchase is greater than \$75,000 for goods and services or \$200,000 for construction, then before the Supplier and the County enter into the Purchase Agreement a notice of intent must be posted in accordance with PSB procedures. If a challenge is received in response to such notice of intent, the Manager of PSB will determine whether actions should be taken to mitigate risk to the County related to such challenge. Such recommended actions will be presented to the individual who approved the Non-Competitive Process

pursuant to section 5.3(a)(iii) so that such individual can determine whether to withdraw such approval.

**6. Procedures for Procurement Processes**

- 6.1 All County Procurement Processes must be conducted in accordance with the SOPs developed and maintained by the Manager of PSB, unless otherwise approved by an Associate Commissioner or the Chief Commissioner.

**Responsibilities**

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**1. Chief Commissioner**

- 1.1 Approve this Directive and all amendments to it.

**2. Chief Financial Officer (CFO)/ Associate Commissioner Financial & Strategic Management Division**

- 2.1 Support this Directive and all amendments to it;  
2.2 Support the implementation of this Directive; and  
2.3 Support and recommend any amendments to this Directive

**3. Associate Commissioners**

- 3.1 Support the implementation of this Directive; and  
3.2 Support and recommend any amendments to this Directive

**4. Manager of PSB**

- 4.1 Develop and maintain detailed procedures to support this Directive;  
4.2 Develop procurement strategies based on best practices and analysis of County requirements and spending patterns in order to identify opportunities for more strategic purchasing;  
4.3 Develop and provide appropriate training, tools, and advice to County employees involved in and related to Procurement Processes, which includes but is not limited to
- (a) developing, providing, and prescribing training for County employees as required by this Directive; and
  - (b) developing and maintaining the County templates for Solicitation Documents and other documentation related to Procurement Processes (such as for correspondence), and making those County templates available to County employees to the extent necessary to enable their Departments to fulfill their responsibilities for Procurement Processes in accordance with this Directive; and
  - (c) providing advice in order to address questions, issues, or concerns that arise during or related to a Procurement Process; and
- 4.4 Monitoring compliance with this Directive by County employees and reporting the results of that monitoring to Director(s), Associate Commissioner(s), or the Chief Commissioner (as appropriate).

**5. Managers and Directors**

- 5.1 Directors are responsible to ensure that Procurement Processes conducted in order for their Departments to purchase Deliverables are conducted in accordance with this Directive, that County employees of their Departments adhere to this Directive, and that Procurement Processes are not initiated unless sufficient funding by way of an approved Council budget is in place for the estimated value the County will be committed to spend as a result of the Procurement Process.

**6. Employees**

6.1 Employees are responsible to ensure that they conduct Procurement Processes in accordance with this Directive, and the applicable SOPs that outline and detail the process and responsibilities of each procurement activity.

**Policy Record**

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**Next Review Date:** April 6, 2025

**Policy No:** SER-014-001D

**Last Review Date:** April 6, 2022

**Replaces:** N/A

**Administrative Review:** Financial Services

**Approved by:**

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Signed - Darrell Reid  
Chief Commissioner

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April 6, 2022  
Date