

		RRC Policies and Procedures	
Department:	Finance and Administration	Policy #:	PUR.03.03
Section:	The Purchasing Cycle	Issued:	Nov 2015
Policy :	Procurement Policy	Effective:	Nov 2015
Issue to:	All RRC Employees	Revised:	V5
Approved by:	Maureen Gravelle	Total Pages	19

STATEMENT:

The Regional Recreation Corporation of Wood Buffalo (RRC) will procure all goods and services efficiently, fairly and in a cost effective manner, in a publicly accountable, open and transparent process. Procurement activities will be conducted in accordance with established procedures.

The RRC shall ensure that, in acquiring any materials of or services needed to accomplish the operations of the RRC or to fulfil a capital project, it adheres to the obligations of the Regional Municipality of Wood Buffalo to follow a public procurement process in accordance with the New West Partnership Trade Agreement and Agreement on Internal Trade.

PURPOSE AND OBJECTIVE

The objectives of this Policy are to:

1. initiate a centralized environment for operating departments to provide purchasing services;
2. establish the role and responsibilities of operating departments
3. establish responsibilities of *Procurement Services* – a work unit of the Finance division of Corporate Services;
4. re-inforce *Signing Authority* limits;
5. establish procedures for handling procurement and procurement-related documents; and
6. ensure objectivity and fairness of procurement practices for all operating departments involved directly or indirectly in the procurement function based on the requirements of the RRC.

PROCEDURE:

01 Definitions

NOTE: *Defined terms are italicized throughout this document.*

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- 01.01 *Approval Signature* – Signature by a person with *Signing Authority* that signifies that a specific purchase is approved and that the funds are allocated within the approval budget for that purchase.
- 01.02 *Certificate of Recognition* – Issued by Alberta Human Resources and Employment Workplace Health & Safety to employers who meet a pre-determined safety program Standard. A certificate of Recognition is valid for three years.
- 01.03 *Change of Order Request*- A form used to request and authorize extensions, additions or deletions to a *Purchase Order* or *Contract* that could not reasonably have been anticipated, defined, budgeted or otherwise contracted for originally.
- 01.04 *Commercial Analysis* – The analysis of the bids received on a *Tender Call*, including the determination of whether the bidders meet all requirements of the tender documents and whether the bid is a valid bid.
- 01.05 *Competitive Quotes Process* – The process by which at least three competitive quotes are obtained for a contemplated purchase from various *Suppliers* through processes that are not the *Tendering/Request for Proposal* process (e.g. phone calls, emails, meetings).
- 01.06 *Conflict of Interest* – A *Conflict of Interest* exists when the independence or impartiality of an employee’s decisions or actions are impaired or may reasonably be expected to be impaired because of outside employment, political, business or family interests.
- 01.07 *Confidential Information* – *Confidential information* means any information respecting the RRC, whether or not originated by an employee, whether in written, oral, electronic, mechanical or any other form, whether disclosed before or after the effective date of employment of an employee, whether or not specifically described as “confidential” and whether provided by the RRC or by anyone on behalf of the RRC. *Confidential Information* includes, but is not limited to, business, client, equipment, technical, accounting, financial, marketing and economic information, information from or concerning *Suppliers* (including information on contacts, employees, pricing and supply), information concerning quotes, *Emergency Need Purchases*, *Tendering*, *Contracts*, *Requests for Proposals*, *Request for Information*, and *Purchase Orders*, processes, data, drawings, designs, quality manuals, forms, procedures, methods of operation, computer records and software.

Confidential Information includes all notes, analyses or other documents prepared by or on behalf of the RRC

- 01.08 *Contract* – A written financial obligation arising from an agreement between the RRC and at least one (1) other party for the supply of goods and services.
- 01.09 *Contract Authority* – A person who is authorized by the RRC (as Per Chief Executive Officer and *Signing Authority* guidelines in this Policy) to enter into *Contracts* on behalf of the RRC.
- 01.10 *Digital Equipment* – Equipment used for the purposes of collecting, dissemination and transferring electronic information. (e.g. GPS devices, digital cameras, printers, copiers, scanners, telephones, personal digital assistants, desktop and laptop computers, peripheral equipment etc.).
- 01.11 *Electronic Tendering System* – A system capable of transmitting notices of tender and *Contract* awards through the internet.
- 01.12 *Emergency Need Purchaser* – The procurement of goods and services where the lack of immediate action to supply is likely to adversely affect operations, disrupt services to the public, or involve risk to the safety of persons and/or property.
- 01.13 *Freedom of Information and Protection of Privacy Act (FOIP)* – Provincial legislation that regulates the distribution of information and the privacy of such information,
- 01.14 *Local Purchase Authority (LPA)* – A form used to authorized immediate purchases (no back orders) of readily available goods and services with a total value of no more than \$1,000.
- 01.15 *Non Competitive Process* – A process of determining a *Supplier* for goods or services in which the *Competitive Quotes Process* or the *Tendering/Request for Proposal* process is not required.
- 01.16 *Procurement services* – A work unit of the Finance Department that includes purchasing and accounts payable functions.
- 01.17 *Progress Payment* – A payment made to a contractor for the work that has been completed on a *Contract*.
- 01.18 *Purchase Order* - A *Contract* between a supplier and the RRC for the supply of goods and services at an agreed price and delivery date, subject to the terms and conditions of the purchase agreement.

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- 01.19 *Purchasing Designate* – Area or person responsible for ensuring that orders for goods or services are placed and properly authorized.
- 01.20 *Receiving* – A receiving point for ordered purchases where goods are checked for damage, recorded as received in the system, and rerouted to the appropriate department. *Receiving* also retains an inventory of frequently used items.
- 01.21 *Release Form* – A form used to make a draw on *Standing Offer Agreement*.
- 01.22 *Request for Information (RFI)* – A process where information is requested from *Suppliers* regarding the feasibility and availability of specific goods and/or services in the market place.
- 01.23 *Request for Proposal (RFP)* – The solicitation for a proposal by invitation or public advertisement. This process may be used as an alternative to the *Tendering* process, normally for the provision of services, and allows the supplier an opportunity to bid on services that require unique skills. Specifications are general in nature with pre-established criteria and weighting factors, and the selection of the successful supplier is not necessarily based in the lowest cost to the RRC.
- 01.24 *Requisition* – A form used to initiate and approve a request for a purchase. This form is to contain details of the requested purchase, a financial account code for allocation to the financial records, and an authorized signature signifying approval.
- 01.25 *Signing Authority* – The maximum dollar amount an employee is authorized to approve the supply of goods and services.
- 01.26 *Software* – Computer programs used in conjunction with *Digital Equipment*.
- 01.27 *Sole-source Purchases* – Purchases that are obtained through one *Supplier* due to the existence of a non-competitive market for that purchase. In some instances the goods or services may be of a unique nature.
- 01.28 *Standing Offer Agreement (SOA)* – A pre-negotiated agreement for purchases of goods and services that can be used by departments to place an order for standardized, repetitive or commodity-type purchases.

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- 01.29 *Suppliers* – Those persons or companies who supply goods or services to the RRC.
- 01.30 *Technical Analysis* – The analysis of bids and bidders regarding the suitability with reference to the previously defined specifications and other technical requirements.
- 01.31 *Tender Call* – The distribution of tender documents in order to solicit bids for the supply of goods and services specified in the tender documents
- 01.32 *Tender/ RFP Request form* – A form used by *Procurement Services* to gather information necessary to begin a formal *Tendering/Request for Proposal* process
- 01.33 *Tendering* – A formal process of receiving bids for a supply of goods and services by which tender documents are requested, received, evaluated and a *Contract* is awarded through a process that promotes fairness and transparency.

02 Responsibilities

- 02.01 Senior Leadership Team:
- (a) support the implementation of this Policy; and
 - (b) support and recommend any amendments to this Policy.
- 02.02 Managers:
- (a) ensure the procedures for the RRC’s procurement functions are followed and accurately reported;
 - (b) ensure proper financial management and internal controls are implemented and adhered to; and
 - (c) consider and support amendments to this Policy.
- 02.03 Finance Department:
- (a) establish and maintain procurement procedures and practices;
 - (b) develop financial management processes and internal controls;

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- (c) ensure that all procurement documentation received is completed and properly authorized;
 - (d) provide support services to operating departments;
 - (e) provide training in purchasing activities;
 - (f) complete the *Commercial Analysis* of tenders;
 - (g) assist with the completion of the *Technical Analysis* of tenders;
 - (h) ensure the timely payment of *Suppliers'* invoices and other financial commitments; and
 - (i) recommend amendments to this Policy.

02.04

Operating Departments:

- (a) ensure that all purchasing activity is carried out in accordance with the Policy and procedures herein;
- (b) follow purchasing practices that promote efficient, effective, economic and prudent use of public funds;
- (c) identify the specific need for goods and services;
- (d) ensure purchases are recorded under the financial accountant code set up for that specific purpose;
- (e) ensure that funds are available within their operating/capital budget or take the appropriate steps to ensure funds are available;
- (f) work in conjunction with *Procurement Services* to provide clear and concise product specifications for the goods and services required and develop evaluation criteria and weighting factors for *Tender Calls* or *Requests for Proposal*;
- (g) Maximize competition in purchasing activity; and
- (h) Ensure the completion of the purchasing cycle (order goods or services, receive, goods or services, and complete relevant documentation).

02.05 **Procurement Services:**

- (a) manage all procurement activities;
- (b) act as the *Purchasing Designate* for all goods and services except those for which subsection 03.01, Subsection 03.03 and section 09 apply; and
- (c) prepare and maintain appropriate administrative procedures to ensure adherence to the Policy and procedures herein.

03 General

03.01 Application of Policy

The following items are not subject to this Policy:

- (a) Employee disbursements (advances, travel expenses, and miscellaneous business expenses);
- (b) Training and education, including memberships, periodicals, magazines and subscriptions;
- (c) General expenses limited to licenses, payroll related disbursements, real estate and freight charges; and
- (d) Utilities (including postage, electricity, gas, telephone and cable).

03.02 All dollar amounts provided herein are exclusive of any applicable taxes and are in Canadian currency.

03.03 All foreign purchases must be requested through *Procurement Services* due to Canada Revenue Agency's Guidelines in regard to these purchases.

03.04 All office furniture must be requested through *Procurement Services* in order to ensure that the "Work Station and Office Furniture Standard" is being followed and the shipping, receiving and installation of these products are coordinated to obtain best value.

03.05 All *Digital Equipment and Software* purchases must be requested through the Information Technology Division due to the specific requirements for standards and compatibility with the current environment.

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- 03.06 Requests for repairs or warranty coverage that involve shipping to a foreign country must be coordinated with *Procurement Services* in the view of rules and regulations in regard to shipping to foreign countries.
- 03.07 Employees shall pursue purchasing practices that promote efficient, effective, economic and prudent use of public funds. The *Competitive Quotes Process, Tender Calls, Requests for Proposals*, negotiations or other similar procedures is required prior to committing the RRC to any expenditure.
- 03.08 Gifts and gratuities – the RRC employees are expected to refrain from accepting gifts, gratuities, discounts or other favors as per the *Code of Conduct Policy*.
- 03.09 Equal treatment of *Suppliers* – the RRC employees must ensure that their dealings with *Suppliers* do no result in any advantage or disadvantage to any supplier or potential supplier.
- 03.10 *Suppliers* must hold a valid business license to operate within the Regional Municipality of Wood Buffalo (RMWB). Contact Business Licensing at RMWB to inquire as to whether a *Supplier* holds a valid business license.
- 03.11 Employees involved in purchasing activities must observe the following:
- (a) *Procurements Services* must be contacted for set up of any new *Suppliers* before a purchase can be made from this *Supplier*;
 - (b) All contractors must be made aware of and agree to follow all safety policies and procedures of the RRC;
 - (c) *Freedom of Information and Protection of Privacy Act* (FOIP) must be followed in all dealings with *Suppliers*; and
 - (d) Employees must satisfy their obligations concerning *Conflict of Interest* and *Confidential Information*.
- 03.12 Responsibility and accountability for purchases made by department employees remains with those delegated in the *Signing Authority* to approve these transactions.
- 03.13 Employees making or authorizing a purchase that is in contravention of the Policy and procedures herein will receive communications from *Finance Department* (e.g., *Procurement*

Services) giving the reason the Policy was contravened and the corrective action necessary. A copy of this communication will be forwarded to their respective Department Manager to ensure that corrective action is taken.

- 03.14 Subject to Subsection 03.13, any RRC employee who continues to be in contravention of the Policy and procedures herein is liable to disciplinary action.

Conflict of Interest

03.15 In conducting purchasing activities, where a *Conflict of Interest* exists or appears to exist, and employee must abide by the *Code of Conduct Policy* and more specifically must not put his or her personal interests in conflict with the best interests of the RRC. In particular, an employee must avoid any situation in which there is, or may appear to be, a potential conflict between the interests of the RRC and the personal interests of the employee. An employee must disclose to his or her supervisor and Department Manager all circumstances that could conceivably be construed as a *Conflict of Interest*. Situations which may involve a *Conflict of Interest* include, but are not limited to be the following:

- (a) a family, business or financial relationship with a *Supplier* or potential *Supplier*;
- (b) and employee or family member of an employee having an ownership or financial interest in any enterprise which conducts or seeks to conduct business with the RRC; and/or
- (c) any other arrangement or circumstance, including family or other personal relationships, which might dissuade the employee from acting in the best interest of the RRC.

Full disclosure of all circumstances that could be construed as a *Conflict of Interest* includes disclosing the existence of a relationship with a *Supplier* or potential *Supplier*.

Any disclosures of a *Conflict of Interest* will be dealt with in the manner detailed in the *Code of Conduct Policy*.

Confidentiality

03.16 Employees are in possession of and are and will be trusted with *Confidential Information*, the disclosure of which would be highly

detrimental to the best interests of the RRC. Employees are to recognize that the right to maintain the confidentiality of such *Confidential Information* is proprietary rights which the RRC is entitled to protect.

Employees shall not use any *Confidential Information* for their own benefit, nor disclose any *Confidential Information* to any person (person includes any corporation or other association), during their employment or after their employment ceases.

04 Purchasing Procedures

Guidelines

- 04.01 All purchases must be initiated by using a *Requisition*. *Requisitions* should contain all information to be used to identify need for goods and services and to authorize purchasing action by either *Procurement Services* or a department *Purchasing Designate*.
- 04.02 A *Purchase Order* is generated from a *Requisition*. The *Purchase Order* must clearly and precisely define the essential elements of the transaction.
- 04.03 All *Purchase Orders* are to be entered into the system prior to commitment to expenditure. Instructions on how to enter *Purchase Orders* in to the system are available from the Finance Department.
- 04.04 Once a *Purchase Order* number has been assigned to a *Requisition*, that *Purchase Order* can only be changed or cancelled by informing *Procurement Services*. Contact *Procurement Services* immediately to discuss possible options.
- 04.05 *Suppliers* must be supplied with *Purchase Order* numbers and must clearly identify this number on their invoices for goods and services. These numbers are used to identify THE RRC commitment and to ensure that proper accounting of the transaction has taken place.
- 04.06 In all purchasing transactions, without exception, *Suppliers* are to be notified that the billing address is:

Regional Recreation Corporation of Wood Buffalo
c/o Accounts Payable
1 C.A. Knight Way
Fort McMurray, AB T9H 5C5

and the shipping address is:

Regional Recreation Corporation of Wood Buffalo
c/o Receiving
1 C.A. Knight Way
Fort McMurray, AB T9H 5C5

- 04.07 In some situations, it is not practical for *Receiving* to be the receiving point for goods (i.e. gravel, trees and shrubs, etc.). In these circumstances, the person requesting the purchase must coordinate this purchase with *Receiving* to ensure that the goods are inspected for damage and properly recorded in the system.
- 04.08 *Receiving* will receive goods, update system records, and arrange pick-up or delivery with the departments. Departments are responsible for ensuring that all received goods, except those noted in 04.07 above, all purchases routed through *Receiving*. Payments cannot be issued for goods that are not recorded as received in the system.

05 Payment Methods

Petty Cash

- 05.01 Petty cash is to be used when other methods of payment are not practical or possible. Travel and miscellaneous business expenses are not to be administered through petty cash.
- 05.02 The RRC employees must ensure that proper supporting documents (i.e. actual receipts with GST registration #) are attached to petty cash reimbursement claims before submitting to Accounts Receivable Coordinator for payment. The petty cash limit is \$75 per reimbursement.

Credit Card Payments

- 05.03 Credit cards may be made available to the Chief Executive Officer, Chief Financial Officer, members of the Senior Leadership Team, and *Procurement Services* for miscellaneous business expenses. The Finance Department will, upon request, assess the need for any additional credit cards. Additional credit cards will only be issued when special circumstances exist and a necessity is demonstrated. These cards are to be used for the RRC expenditures only.
- 05.04 The RRC employee(s) who are in possession of credit card must ensure that proper supporting documents (including detailed

receipts that include a GST registration # and an itemized list of purchased goods and/or services – nit just credit card slips) are attached to the credit card statement when submitting to Accounts Payable Coordinator for payment. Credit card purchases must also include a description that indicates what was purchased and a brief explanation of the expenditure (e.g., a notation on the back of the receipt).

Accounts Payable

- 05.05 All payments, other than petty cash disbursements and credit card charges, are processed through Accounts Payable Coordinator by either cheque or electronic funds transfer.
- 05.06 In order to provide for the efficient and timely processing of payments made by cheque, Accounts Payable Coordinator requires that all payment documentation be provided as soon as possible; *Suppliers'* payment terms will be honored. Exceptions will be considered under emergency situations only.
- 05.07 Accounts Payable Coordinator also issues some payments by electronic funds transfer. This service is used only when the specific *Supplier* offers this option and this payment method creates efficiencies in issuing payments.

06 Procurement Processes

Guidelines

- 06.01 The following procurement processes apply:
- (a) *Non-competitive Process* – Although the RRC encourages the use of a competitive process for all procurement activities regardless of the amount of the purchase, purchases of goods and services up to \$10,000, or as noted in subsection 06.03 are **not** subject to the requirements of a competitive process. *Procurement Services* accesses a list of preferred *Suppliers*. Contact *Procurement Services* for advice on how to access these opportunities.
 - (b) *Competitive Quotes Process* – Purchase of goods and services with a cost between \$10,000 and \$75,000 (see exception in subsection 06.03).
 - (c) *Tendering/Request for Proposal* – All purchases of goods and services with a cost exceeding \$75,000, including pre-qualification of *Suppliers*, contractors, or consultants (see exception in subsection 06.06).

Competitive Quotes Process

- 06.02 *Competitive Quotes Process* is required for purchases of goods or services costing between \$10,000 and \$75,000. Three Competitive quotes must be obtained from *Suppliers* through an informal process (i.e. phone calls, emails, faxes or meetings). Two copies of the results of this process must be retained; one sent to *Procurement Services* attached to the Requisition and the other kept on file. The supplier whose quote is the lowest cost to the RRC will be chosen as the supplier for these goods or services unless documented information provides adequate reasons for not choosing such supplier (e.g. poor service, inadequate supply, poor quality products, etc.). Competitive Quote forms are available from *Procurement Services*.
- 06.03 Under some circumstances it is not practical to conduct a *Competitive Quotes Process* for goods or services. These circumstances would include:
- (a) *Emergency Need Purchases* – See Section 09;
 - (b) *Sole-source Purchases* as defined in this Policy. The determination of whether an item is a *Sole-source Purchase* will be made by *Procurement Services*;
 - (c) *Public body or non-profit organization*;
 - (d) *Purchase of services from lawyers or notaries*;
 - (e) *Purchase of goods for resale to the public*;
 - (f) *When the acquisitions is of a confidential or privileged nature; and*
 - (g) *When there is an absence of bids in response to a Procurement Call*
- 06.04 Competitive quotes can be utilized for repetitive purchases for a period of three (3) months from the initial purchase.

Tendering

- 06.05 The RRC will request pricing or tender all purchases exceeding \$75,000 through an open, transparent and non-discriminatory competitive *Tending* process. *Tendering* will comply with federal and provincial requirements for open tendering through an *Electronic Tendering System*.

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- 06.06 Under some circumstances it is not practical to conduct a *Tendering* process. The *Tendering* process does not have to be conducted under the following circumstances:
- (a) *Emergency Need Purchases* – See Section 09.
 - (b) *Sole-source Purchases* as defined in this Policy. The determination of whether an item is a *Sole-source Purchase* will be made by *Procurement Services*.
- 06.07 In order to begin the *Tendering* process all relevant information will be supplied from the Operating Department to the Finance Department using the *Tender/RFP Request Form* provided by *Procurement Services*.
- 06.08 All tender documents are either prepared or reviewed by the Finance Department/*Procurement Services* to provide consistency in the *Tendering* processes and to ensure that all tendering requirements are met (i.e. requirements of vendors, etc.).
- 06.09 Departments, in conjunction with *Procurement Services*, must provide specifications for the goods and services required and develop evaluation criteria and weighting factors for the *Tendering* process.
- 06.10 *Procurement Services*, or a consultant, in conjunction with the requesting department will analyze all bids received utilizing the evaluation criteria and weighting factors established in the tender documents. These criteria cannot be changed once the *Tender Call* has been issued.
- 06.11 Where the *Contract* to be awarded will have a price greater than \$75,000, and the bid meets the terms and conditions of the *Tender Call* is typically awarded to the bid with the lowest cost to the RRC, and there are sufficient funds available in the department budget, the bid may be accepted in accordance with the *Signing Authority* thresholds. An award may be made to the *Supplier* offering the lowest *Total Cost* bid and/or the highest rating score based on the pre-established evaluation criteria and meeting the requirements of the RFT.
- 06.12 *Procurement Services* will maintain and follow a standard set of procedures in dealing with tenders, including the instructions for the bidders, closing dates and times, rules regarding late bids, how bids are received, and the announcing of the bids.

Request for Information

- 06.13 *A Request for Information* can be used for any dollar value, and can also be used as a means of pre-qualification where information is requested regarding specific goods or services, company profile, qualifications, etc. Based on the information received, the RRC may solicit quotations, tenders or proposals consistent with the procedures prescribed in the Policy, at which time prices would be requested.

Request for Proposal

- 06.14 When the requirement for goods and/or services cannot be definitively specified (e.g. professional services) a *Request for Proposal (RFP)* can be used for any dollar value. This process may involve negotiation subsequent to the submission of proposals on any and all of the specifications, *Contract* terms and prices. Upon commencement of a *RFP* process, and prior to bids being opened, no bidder or prospective bidder may make an unsolicited proposal or presentation on this or any similar matter to the RRC.
- 06.15 In order to begin the *RFP* process all relevant information will be supplied from the Operating Department to the Finance Department/*Procurement Services* using the *Tendering/RFP Request Form*.
- 06.16 Departments may use the service of a consultant to carry out the *RFP* process. In order to provide consistency in the *RFP process* and to ensure that all *RFP* requirements are met consultants shall follow *RFP* procedures maintained by the Finance Department/*Procurement Services* as per subsection 06.20.
- 06.17 *RFP* documents are either prepared or reviewed by the Finance Department/*Procurement Services* to provide consistency in the *RFP* processes and to ensure that all *RFP* requirements are met (i.e. requirements of vendors, etc.).
- 06.18 Departments, in conjunction with *Procurement Services*, must provide specifications for the goods and services required and develop evaluation criteria and weighting factors for the *RFP* process.
- 06.19 *Procurement Services*, or a consultant, in conjunction with the requesting department will analyze all bids received utilizing the evaluation criteria and weighting factors established in the *RFP* documents. These criteria cannot be changed once the *RFP* has been issued.

06.20 *Procurement Services* will maintain and follow a standard set of procedures in dealing with *RFP*, including the instructions for the bidders, closing dates and times, rules regarding late bids, how bids are received, and the announcing of the bids.

When to Use a RFP or a Tender

06.21 As a general guideline, to determine whether to use a *RFP* or a tender, consider the following:

(a) Tender – Know What and How

Use a tender if you know what you want done and how it should be done:

- if the good or service is clearly defined; or
- if there is a detailed methodology, procedure, or material and performance specification.

(B) *RFP* – Know What, But Not How

Use an *RFP* if you know what you want done, but you do not know how it should be done, that is:

- if the good or services is not clearly defined; or
- if there is no detailed material or performance specification; or
- if the proponent's solutions are expected to be quite varied and/or difficult to evaluate.

07 Contracts and Standing Offer Agreement

Contracts

07.01 All procurement *Contracts* entered into by the RRC is bound by the guidelines and procedures herein.

07.02 No one other than a *Contract Authority* may enter into a procurement *Contract* that financially obligates the RRC.

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- 07.03 These regulations do not apply to *Contracts* of employment for employees of the RRC.
- 07.04 For construction *Contracts*, the RRC promotes the use of the construction *Contracts* provided by the Canadian Construction Documents Committee (CCDC). These documents provide balance, uniformity and standardization for construction *Contracting* procedures.
- 07.05 A *Contract Authority* may, in circumstances where all procurement procedures have been followed as per this Policy:
- (a) enter into a *Contract* under which the amount payable does not exceed the *Contract Authority's* signing authority; and
 - (b) change the amount payable under a *Contract* where the total amount payable under the revised *Contract* price does not exceed the *Contract Authority's* signing authority. A request for a change must be submitted to *Procurement Services*. A *Change Order Request* form, available from *Procurement Services*, may be used for this purpose.
- 07.06 A *Contract Authority* may enter into a *Contract* that provides for the making of *Progress Payments*. The aggregate amount of *Progress Payments* may not exceed the value of the services performed or goods supplied under a *Contract* at the time the payments are issued.
- 07.07 A *Contract Authority* will, before entering into any *Contract*, follow the guidelines of the *Tendering* process as provided in this Policy except in the case of an *Emergency Need Purchase* as per Section 09.

Standing Offer Agreements

- 07.08 *Standing Offer Agreements* (SOAs) can be used for the purchase of:
- (a) repetitive, specified services or good from the same supplier;
 - (b) standard materials or maintenance supplies which require numerous shipments; and
 - (c) when more favorable pricing can be realized through volume purchases.

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- 07.09 Generally, *SOAs* should not be used in either of the following situations:
- (a) when no benefit will be derived over and above regular purchasing process (i.e. competitive bids, tendering, etc.); or
 - (b) quality of supplier's products or services is questionable.
- 07.10 Policies in place governing procurement apply equally to *SOAs* including *Signing Authority* (Section 10) and Procurement Processes (Section 06).
- 07.11 *Procurement Services* will work with departments in preparation of all *SOAs*. Departments are to contact *Procurement Services* to discuss the potential to establish an *SOA*.
- 07.12 Once an *SOA* is in place, draws can be made on these agreements by providing applicable approvals. A *Release Form* can be used for this purpose. *Release Forms* are available from *Procurement Services*.
- 07.13 Procurement Services maintains a list of all current *SOAs* and will post this list.

09 **Emergency Need Purchases**

Guidelines

- 09.01 The following procedures are to be used only when the need exists to procure goods or services where the lack of immediate action to supply is likely to adversely affect operations, disrupt services to the public, or involve risk to the safety of personnel and/or property. To facilitate action by the RRC staff, exceptions to the general purchasing policies and procedures are necessary.

Procedures

- 09.02 When it is determined that an *Emergency Need Purchase* is necessary, procurement processes (Section 06) may not allow for a practical solution. Employees who face such a situation are able to make the required purchase immediately from a selected supplier who provides a viable solution.
- 09.03 *Emergency Need Purchases* should:

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- (a) Inform the supplier that this is an emergency purchase and that you will follow up with any required paperwork on the next business day.
 - (b) Immediately following the purchase, or as soon as practical, the employee making the emergency purchase is to prepare a *Requisition*.
 - (c) The *Requisition* will be endorsed “confirming” followed by the name and full address and telephone number of the supplier who supplied the materials and/or service, the contact person, the reason for the emergency and the agreed upon price.
 - (d) The *Requisition* will be signed as approved by the Department Manager and forwarded to *Procurement Services* or the department designate within five (5) working days following the emergency. At this time a *Purchase Order* number will be assigned to the *Emergency Need Purchase* and regular procurement procedures will continue as per this Policy.

09.04 To cover for vacation and other forms of leave, *Signing Authority* may be delegated. Delegation must be provided in writing and forwarded to the Finance Department.

09.05 *Signing Authority* limits apply to all financial transactions outlined within the procurement Policy and procedures.

10 Signing Authority

10.01 To allow for the efficient operational needs of departments, all *Signing Authority* is to follow RRC’s policy PUR.03.01 Delegation of Signing Authorities.