Winnipeg

CITY OF WINNIPEG POLICY NO. n/a

POLICY TITLE Materials Management Policy	**ADOPTED BY** City Council	**EFFECTIVE DATE** March 24, 2004
ORIGIN / AUTHORITY Executive Policy Committee	**CITY POLICY NO** F1-003	**MOST RECENT CONSOLIDATION** November 13, 2013

1. Purpose:

Revisions to the Materials Management Policy (Policy) are a result of recommendations included in various audits, e.g. the *New Fire Paramedic Stations Construction Project* Audit, as well as other revisions recommended and noted to bring the Policy up-to-date with current City practice.

2. Amendment to Materials Management Policy

B1. SCOPE OF POLICY

Repeal:

B1.1 (e) commodity tax management

Note: The responsibility was transferred to the Corporate Controller's Division in 2006

Repeal:

the last 2 lines of B1.2 that read:

"except to the extent that the Chief Administrative Officer shall by Administrative Standard determine otherwise."

Note: to eliminate wording that could be interpreted to grant the CAO unlimited authority to enter into private contracts for selling any type of service without seeking the approval of Council.

B2. DEFINITIONS:

Additions:

(b) **"**Agreement on Internal Trade**"** means the intergovernmental agreement between the federal government and the provinces and territories to reduce and eliminate barriers to free movement of people, goods, services and investments within Canada, which became effective July 1, 1995, and in particular Annex 502.4 Procurement Provisions for municipalities, which became effective April 17, 1999

(s) **"**revenue generating contract**"** means a contract where potential revenue is to be generated through the contract for payment to the City for the offer of goods or services

Note: Provides clarification to what *supply by (the City)* meant.
Throughout the Policy the words *supply by (the City)* are revised to read *revenue generating* contract.

Replace:

(e) "consideration" includes any amount that is payable for a supply by operation of law

With:

(g) **"**consideration**"** includes any amount that is payable for a supply, by contract or by operation of law

Replace:

(g) **"**cooperative contract**"** means a contract:

(i) arising through a solicitation conducted by another public sector body, or a group composed of two or more thereof; and

(ii) which includes the City as a party to the contract or allows the City to contract under the same terms and conditions

With:

(i) "cooperative contract" means a contract:

(i) arising through a solicitation conducted by the City which may include another public sector body or a group composed of two or more thereof; or

(ii) arising through a solicitation conducted by another public sector body, or a group composed of two or more thereof; which includes the City as a party to the contract or allows the City to contract under the same terms and conditions

Note: previous wording only dealt with the City using other co-op contracts e.g. Province of Manitoba. The City's cooperative contracts (Diesel Fuel) include other Municipalities and school divisions.

Replace:

(i) "Directive" means a written statement by the Chief Administrative Officer with regard to any matter governed by this Policy, having general or particular application, or present or future effect, which is designed to implement or interpret any thing or matter governed by this Policy

With:

(a) **"**Administrative Standard**"** means a written directive by the Chief Administrative Officer with regard to any matter governed by this Policy, having general or

particular application, or present or future effect, which is designed to implement or interpret any thing or matter governed by this Policy

Note: Where the word *directive* appears in reference to an Administrative Directive/Standard throughout the Policy, it is revised to read *standard.*

B3. SOLICITATION OF COMPETITIVE OFFERS

Additions:

B3.2 Solicitation of competitive offers may be either:

(a) Competitive-public:

(i) Issued by Materials Management and advertised on the Materials Management website;

(b) Competitive – modified competition:

(i) issued by Materials Management or a department to a number of bidders with approval of the Chief Administrative Officer; and

(ii) not to exceed Agreement on Internal Trade thresholds; and

(iii) may not be used where a funding agreement requires a public bid solicitation.

B3.3 Further to B3.2(a)(i), where all bids received for a particular Bid Opportunity are not in substantial compliance with the terms and conditions of that Bid Opportunity and the estimated contract value does not exceed $1,000,000, the Chief Administrative Officer may determine, in the best interest of the City, that an award may be made to the Bidder who has submitted the most advantageous offer as a result of that publicly tendered Bid Opportunity with due regard to the evaluation criteria.

B3.4 Any solicitation not in compliance with B3.2(a), B3.2(b) or B3.3, must be approved as a single source negotiation in accordance with B4 of the Policy.

B4. SINGLE SOURCE NEGOTIATIONS

Replace:

B4.1 A supply to be made to the City may be negotiated without the solicitation of competitive offers where the Chief Administrative Officer determines that, it is appropriate/necessary and that

With:

B4.1 Subject to B8, a supply to be made to the City may be negotiated without the solicitation of competitive offers where the Chief Administrative Officer determines that, it is in the best interest of the City, appropriate/necessary, and that

Addition:

B4.2 Notwithstanding B4.1, where based on the estimated value of the contract, the supply to the City would be subject to the Agreement on Internal Trade, approval by Executive Policy Committee is required for negotiations without the solicitation of competitive offers unless those single source negotiations would be permitted in accordance with Appendix C and Appendix D of Annex 502.4 of the Agreement on Internal Trade. Appendix C and Appendix D attached.

B4.5 Where the request for single source negotiation exceeds the thresholds of the Agreement on Internal Trade, $250,000 for construction/$100,000 for goods and services (other than construction), a cost/benefit analysis must accompany the request.

B6. ETHICS

Replace:

B6.2.1 (a) bidding upon or purchasing City property offered at a public auction

With:

B6.2.1 (a) bidding upon or purchasing City property offered at a public sale

Replace:

B6.3 Nothing herein shall be interpreted to abridge or affect any Criminal Statute, common law or equitable principle or to repeal any other ethical code approved by the City. The more stringent requirements shall apply

With:

B6.3 Nothing herein shall be interpreted to abridge or affect any Criminal Statute, common law or equitable principle or to repeal any other ethical code approved by the City, including the City's Employee Code of Conduct. The more stringent requirements shall apply.

B8. AUTHORITY OF THE CHIEF ADMINISTRATIVE OFFICER

Additions: to B8.1

(d) approve the termination of a contract, subject to such terms and conditions as he or she determines advisable, in consultation with Legal Services;

(e) approve amendments to terms of a contract, including those set out in the General Conditions, in consultation with Legal Services;

(i) approve single source negotiations in accordance with B4. where the estimated value of the contract to be negotiated does not exceed $1,000,000, except in the case of an emergency, pursuant to B4.1 (j), which contract amount is not anticipated to exceed the dollar limits set out in B8.2.

Note: Reduced from $5 million to $1 million as a result of Recommendation 1 contained in the *New Fire Paramedic Stations Construction Project* Audit.

(l) approve a Competitive – modified competition solicitation in accordance with B3.2(b)

Replace:

B8.2.1 In all other cases, the Chief Administrative Officer shall forward a recommendation to the appropriate Standing Committee including a recommendation, where appropriate, for funding the difference between the budgetary provision and the consideration to be paid by the City pursuant to the proposed contract.

With:

B8.2.1 In all other cases, the Chief Administrative Officer shall forward a recommendation to the appropriate Standing Committee which may approve an award of contract to be made by the Chief Administrative Officer where:

(a) there are sufficient funds for the monetary consideration to be paid by the City in a budget therefor approved by Council; or

(b) the Standing Committee identifies sufficient available funds in an alternative budget approved by Council to cover the difference between the budgetary provision and the monetary consideration to be paid by the City.

Note: to clarify the authority of a Standing Committee

E. ADDITIONAL REFERENCES

Replace:

Annex 502.4 of the Agreement on Internal Trade effective July 1, 1999

With:

Agreement on Internal Trade, effective July 1, 1995, Annex 502.4, effective April 17, 1999.

http://www.ait-aci.ca/en/ait/ait.pdf

Addition:

(c) City of Winnipeg Green Building Policy: New City-owned Buildings and Major Additions

F. REVIEW PROCESS

Replace:

The Policy and Information Systems Branch of the Materials Management Division manages any reviews

With:

The Materials Management Division manages any reviews.

Addition: Section H.

H. APPENDICES OF ANNEX 502.4 OF THE AGREEMENT ON INTERNAL TRADE

Appendix C attached

Appendix D attached

Note: As a result of repeals and additions to the Policy, numbering of existing clauses will change.

3. Appendices

3.1 Appendices C and D from Section H above.

Agreement on Internal Trade, Annex 502.4

APPENDIX C

Exceptions - Circumstances for Exclusions

The following are the exceptions for the purposes of paragraph I(1):

(a) where an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of open procurement procedures;

(b) where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest;

(c) where a contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the organization includes rules for awarding contracts that differ from the obligations set out in this Annex;

(d) where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads;

(e) where compliance with the open tendering provisions set out in this Annex would interfere with the entities= ability to maintain security or order or to protect human, animal or plant life or health; and

(f) in the absence of a receipt of any bids in response to a call for tenders made in accordance with this Annex.

Agreement on Internal Trade, Annex 502.4

APPENDIX D

Exceptions - Circumstances for Sole Supplier Procurement

The following are the exceptions for the purposes of paragraph I(2):

(a) to ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;

(b) where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;

(c) for the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;

(d) for the purchase of goods on a commodity market;

(e) for work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;

(f) for work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;

(g) for a contract to be awarded to the winner of a design contest;

(h) for the procurement of a prototype of 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;

(i) for the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;

(j) for the procurement of original works of art;

(k) for the procurement of subscriptions to newspapers, magazines or other periodicals;

and

(l) for the procurement of real property.