

THE MUNICIPAL CORPORATION OF THE CITY OF IQALUIT, NUNAVUT

PROCUREMENT BY-LAW 1014

WHEREAS Council (“Council”) of the Municipal Corporation of the City of Iqaluit (“City”) has the authority to pass by-laws regulating City expenditures and the control of the same pursuant to section 10(1) of the *Cities, Towns, and Villages Act*, S.Nu. 2003 (“*Act*”);

AND WHEREAS this By-Law is intended to address all processes by which goods and services are purchased;

AND WHEREAS City employees and Council members have a responsibility to put the interests of the public ahead of their own and ensure they are free of bias and not influenced by outside factors so that purchasing decisions can be shown to be fair and objective;

AND WHEREAS it is important that all City employees and Council members – regardless of level of experience with purchasing goods and services on behalf of the City – know what is expected of them when carrying out such responsibilities so that the Public interest and confidence is maintained;

AND WHEREAS Canadian Statutes and Case Law has established provisions involving the conduct of the solicitation process where the integrity of the solicitation process must be upheld, and by establishing principals that are relevant to public procurement;

NOW THEREFORE PURSUANT to the provisions of the *Act*, City Council, in regular session duly assembled, enacts this By-law to provide for the purchase of goods and services as follows:

SHORT TITLE

1. This By-Law, shall be cited as the “Procurement By-Law.”

STATEMENT

2. Preference will be given to local suppliers throughout all aspects of procurement process within the City.

DEFINITIONS

3. In this By-Law,

“Agreement” means any obligation between the City and at least one other party expressed in writing at the conclusion of Purchasing activity;

“Award” means the authorization to proceed with the purchase of deliverables;

“Best Value” means, in relation to a purchase of a deliverable, that the purchase represents the greatest overall benefit to the City of Iqaluit by considering the most advantageous combination of price, quality, and support for local and Inuit businesses—not solely determined by the lowest price but by evaluating multiple factors;

“Bid” means a submission received in response to a Call, and includes a proposal;

“Bidder” means any legal entity that submits a qualified bid in response to a call for bids and includes a Proponent;

“Call” means a formal request or solicitation for bids and includes a Request for Quotations, a Request for Tenders, a Request for Proposals and a Request for Expression of Interest, and includes any clarifications and Addenda issued for these documents;

“Chief Administrative Officer” (“CAO”) means the Chief Administrative Officer of the City of Iqaluit as appointed from time to time;

“Chief Financial Officer” (“CFO”) means the Senior Executive Director primarily responsible for the finances of the City;

“Contractor” means any legal entity to whom a contract is awarded and includes a vendor, supplier, service provider and consultant;

“Cost” means the total sum of all cost components including, without limitation, purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, operating and disposal costs for determining the lowest compliant Submission. For further clarity, the definition of “Cost” excludes all and any disbursement(s), including sea, air and ground transportation costs, transportation insurance and freight costs by sea, air, or truck (and related insurance costs, if any);

“Council” means the Council of the Municipal Corporation of the City of Iqaluit established pursuant to the *Act*;

“Deliverables” means goods, services, and construction;

“Director” means the head of a department within the city of Iqaluit organizational structure;

“Emergency” means an actual situation or threatened impending situation that creates unexpected conditions that pose a threat to health, safety or welfare of the public, maintenance of essential city services, the city’s physical assets or other public property, the city’s financial interests, or security of the city;

“High Value Procurement” means a procurement for which the estimated monetary value, including a contingency allowance, is \$150,000.00 or more;

“Information and Expression of Interest” means a Submission by a Supplier in response by a call to determine the marketplace interest for providing the City with goods or services;

“Local Purchase Order” means a written offer to a local supplier stating the terms and conditions on which the City shall purchase goods or services whose costs fall within the applicable purchasing limit;

“Local Supplier” means a person who satisfies all of the following criteria:

- (a) maintains a current City business license; and
- (b) operates from a location within the boundaries of the city;

“Lowest Compliant Bid” means a Bid which:

- (a) will provide the City with the desired Goods and/or Services at the lowest Cost,
- (b) is not a Non-Compliant Bid, and
- (c) meets all the mandatory requirements of the Bid solicitation, and
- (d) was submitted by a Bidder who meets the qualifications and requirements set out in the Call document;

“Non-compliant Bid” means a Bid which fails to comply substantially with the Bid solicitation, and “Non-compliance” has a corresponding meaning;

“Performance Bond” means a written guarantee from a third-party guarantor (usually a bank or an insurance company) submitted to the city by a Bidder upon Award and which ensures payment of a sum of money in case the Bidder fails in the full performance of the contract and contains terms and conditions acceptable to the City;

“Pre-Qualification Submission” means the submission of qualifications by a supplier in response to a call as part of a process to determine those suppliers who would qualify to be solicited in a subsequent call;

“Proponent” means a supplier who submits a proposal or a pre-qualification submission prior to a proposal;

“Proposal” means an offer by a supplier to furnish goods, services or construction, including professional consulting services, as a basis for negotiations between the City and the supplier before entering into an agreement;

“Purchasing activity” means the purchase of goods or services on behalf of the City, with or without bids, from external sources;

“Purchasing activity without bids” means a purchasing method where there are no bids and negotiations are entered into with one or more than one Vendor;

“Purchasing Advisory Committee” means a committee composed of the Senior Executive Directors to provide recommendations to the CAO on all aspects of the procurement process as outlined in this by-law. The Senior Executive Director responsible for procurement shall be the chair of the committee and responsible for providing the committee’s written recommendations to the CAO;

“Purchasing Limit” means the maximum cost associated with each form of purchasing activity as set out in this By-Law;

“Purchase Order” means an agreement between the City and a supplier to supply goods or services where a need is anticipated for a specific purpose and for which convenience and location are major factors but the actual demand is not known at the outset;

“Quotation” means an offer by a supplier to supply goods or services at a price fixed as to the total amount or on a unit basis, or both;

“Request for Expression of Interest” means a non-bidding solicitation made to the marketplace, which will be used to determine the interest of the marketplace in providing goods and or services which the city is considering procuring;

“Request for Proposal” means a Bid solicitation that requires technical expertise, specialized capability, or where the product or service being requested does not yet exist, and the proposal may require research and development to create what is being requested. The Request for Proposal may also dictate to varying degrees the exact structure and format of the supplier’s responsive bid;

“Request for Quotations” means a Bid solicitation, made to select potential Bidders, for informal quotations for supplying goods and or services, based on defined requirements, including specifications where a clear solution exists;

“Request for Tenders” means a Bid solicitation made to the marketplace or to selected potential Bidders, for tenders for supplying goods or services, based on defined requirements including specifications where a clear solution exists;

“Standing Offer Agreement” means a binding offer from a potential supplier to provide well-defined, readily available goods or services, as and when requested by the City, at

prearranged prices or on a prearranged pricing basis, which can be established at the onset, under set terms and conditions, and for a specific period of time;

“Sole Source Procurement” means

- a) engaging in a purchasing activity with a sole supplier because it is the only known source of supply of the deliverable because of one or more of the reasons set out in section 10, or
- b) engaging in a purchasing activity with a sole supplier even though the deliverable may be available from more than one supplier because of one or more of the reasons provided in section 10;

"Special Circumstance" means an event or circumstance that may reasonably be described as one or more of the following:

- (a) an event or circumstance that is a threat to the health, safety or welfare of the public; or
- (b) an event or circumstance that will disrupt or has disrupted essential city services; or
- (c) an event or circumstance that requires immediate action by the city and may not reasonably be addressed through bids;

“Supplier” means a person who makes a submission to the City or who supplies goods or services to the City in accordance with this By-Law and its related procedures;

“Tender” means a bid by a supplier in respect of goods and services, including construction at a price fixed as to total amount or on a unit basis, or both, and where all of the material terms, conditions and specifications to be met for the construction project are contained in the Call and determined at a time a bid is opened; and

“Vendor” means an individual or organization that may offer goods, services or construction to the City including but not limited to contractors, consultants, suppliers and service organizations.

GUIDING PRINCIPLES

4.

- (1) Except as otherwise provided in this By-law, the following Guiding Principles shall govern the City’s procurement of Deliverables:
 - (a) Fairness;
 - (b) Transparency;
 - (c) Accountability;
 - (d) Best overall value
 - (e) Competitive Bidding;
 - (f) Conflict of interest;
 - (g) Environmental Sustainability;

- (h) Ethics;
 - (i) Fair Trade; and
 - (j) Compliance with Codes of Conduct.
- (2) To maintain the integrity of the procurement process, and to protect the interests of the city, of persons participating in the procurement process and of the public, the city shall, except as provided otherwise in this By-law, apply these guiding principles in:
- (a) Conducting procurements pursuant to this By-law;
 - (b) Making decisions and awards pursuant to this By-law; and
 - (c) Interpreting this By-law.

SPECIFIC GUIDING PRINCIPLES

5.

(1) Fairness

- (a) The City shall generally utilize standard documents (instructions to Bidders, terms and conditions, bidding forms, etc.) to ensure consistency of content and format, but these documents are subject to change as required in particular circumstances.
- (b) The City shall clearly specify all details regarding closing dates, times and locations of particular procurements.
- (c) The City shall apply the requirements of Bid acceptance consistently.
- (d) The City shall treat all Bidders and all Bids equally, objectively and without bias or favouritism at all times, except as provided otherwise in this By-law.
- (e) The City shall not give preference to Suppliers who provide unsolicited products, samples or demonstrations of Goods and Services.
- (f) If the City answers Bidder questions about a procurement, raised during the procurement, it shall provide, to the extent possible, such answers to all Bidders and potential Bidders in that procurement.
- (g) The City may appoint a Fairness Monitor to confirm that a procurement is conducted in a way that is procedurally fair and to communicate to external observers, including prospective and actual Bidders, that fairness, objectivity, impartiality, clarity, openness and transparency are of concern to the City and have been maintained throughout the entire procurement.

(2) Transparency

- (a) The City shall communicate its needs to Bidders clearly.
- (b) The City shall specify the method of evaluating Bids and the evaluation criteria at the outset of each procurement.
- (c) The City shall include definitions and interpretations of the terminology used in Competitive Bidding documents.
- (d) In Bid solicitation documents, the City shall set out clearly the method and format for submitting Bids.
- (e) When appropriate and practicable, the City shall advertise its methods for exploring the marketplace on an acceptable Internet website.

(3) Accountability

- (a) The City shall ensure that all Bids in each procurement are kept secure prior to the closing date, during the evaluation period and following Award.
- (b) The City shall maintain confidentiality of all Bids and proprietary information submitted in confidence.
- (c) The City shall ensure that its Service Area Evaluation Committees are representative, allowing for various perceptions and opinions.
- (d) The City shall review its procurement procedures on a regular basis to ensure that they are clear, logical, current, and in accordance with accepted industry standards.
- (e) The City shall ensure that the City's procurement procedures, facilities, resources and staff are employed for the procurement of Goods and/or Services for only the City, and not for any officer, employee or member of Council of the City.

(4) Best overall value

- (a) The City shall seek the best overall value for the City and for the taxpayers, which value will ordinarily be obtained through the use of Competitive Bidding methods, but in some circumstances, may only be obtained through the use of other means or processes.
- (b) The City shall protect its financial interests in implementing this By-law.
- (c) To ensure best overall value for the City in public procurements, the City shall, despite the other provisions of this By-law, employ a Performance Evaluation Program whereby the performance of Suppliers is evaluated, in order to avoid entering future Contracts with Suppliers whose performance was previously unsatisfactory.
- (d) The City may use Purchasing Cards as a payment method to reduce the number of acquisitions of Goods and/or Services of low monetary values that would otherwise require the full Purchase Order procedures and would be subject to this By-law.

(5) Competitive Bidding

- (a) The City shall ordinarily use the Competitive Bidding methods, except when other methods are allowed under this By-law.
- (b) The City shall, whenever possible, develop Specifications that are not restrictive and allow for open competition from the marketplace.
- (c) When appropriate and practicable, the City shall advertise its Competitive Bidding opportunities on an acceptable Internet website.
- (d) The City shall, where applicable, comply with relevant International, National and Inter-Provincial Trade treaties and agreements.
- (e) The City shall not ordinarily consider unsolicited proposals. However, if a legitimate need exists for the Goods and/or Services offered, then the City may commence a procurement process in accordance with this By-law.

(6) Avoidance of Conflict of Interest

- (a) The City shall include conflict of interest guidelines in all Competitive Bidding documents to minimize the risk of Bidders trying to influence officers, employees or members of Council of the City during the bid evaluation process.
- (b) Unless prior Council approval has been provided, the City shall not purchase any Goods and/or Services from any member of Council or employee of the City, or any associate or family member of any member of Council or employee of the City.

(7) Environmental Sustainability

- (a) The City shall show community leadership by having due regard to Environmental Sustainability and by considering lifecycle costs of Goods and/or Services in its procurement processes.
- (b) Whenever possible and economically feasible, the City shall ensure that Specifications provide for consideration of environmental characteristics.
- (c) The City shall endeavour to increase the use by the City of Environmentally Responsible Goods and/or Services.

(8) Ethics

- (a) The City shall insist upon adherence by all Bidders and Suppliers to a strict morally correct standard.
- (b) The City shall require that all Bidders and Suppliers become knowledgeable of, and adhere to, any ethics policies adopted by the City.
- (c) No officer or employee of the City shall divide the quantity of the Goods and/or Services being purchased, with the sole intent of avoiding the requirements, including the monetary limits, of this By-law.

(9) Fair Trade,

- (a) The City shall show community leadership by supporting Fair Trade purchasing principles and considering Fair Trade in its procurement processes.
- (b) Where possible, the City shall consider the procurement and use of Fair-Trade certified Goods and/or Services.

(10) Compliance with Code of Conduct

- (a) In respect of the procurement of Goods and/or Services, all members of Council shall comply with the Code of Conduct for Council.
- (b) In respect of the procurement of Goods and/or Services, all employees of the City shall comply with the Code of Conduct for employees.

GENERAL PROVISIONS

6.

- (1) The City shall evaluate bids and make awards based on criteria set out in the Call documents.
- (2) In the absence of specific criteria in the Call document, the Award will generally be given to the Bid that provides the lowest compliant bid.
- (3) The lowest bid, or any bid, may not be accepted.
- (4) The City reserves the right to cancel a public procurement process at any time prior to an award if:
 - (a) The Competitive Bidding procurement document contains errors or omissions which would result in an unfair process if an Award were granted;
 - (b) The Goods and/or Services are no longer needed;
 - (c) No compliant bids have been received;
 - (d) Circumstances have changed and the procurement, in its current form, would be inappropriate;
 - (e) The Competitive Bidding procurement has been compromised; or
 - (f) All acceptable Bids received exceed either the budget for the acquisition or the fair market value of the Goods and/or Services.
- (5) In the Award of a contract for a Tender, "Contract B" (attached to the Tender) must be the same as included in "Contract A", it is not permitted after the award of "Contract B" for any further negotiating of a different contract, deliverables, scope change or any other part of "Contract B" that would differ from that attached to "Contract A".
- (6) No Award or Contract shall be made or entered into unless the following conditions are met:
 - (a) All Territorial or Federal Funding streams shall be in place, signed, and approved by authorized representatives of the City and the funding provider;
 - (b) Only allowable expenditures identified within a funding stream shall be permitted to be initiated and commence work and shall reflect all terms and conditions within the funding stream;
 - (c) The awarding of the contract must be compliant with s.139(1) of the *Cities, Towns and Villages Act*, which states that no person shall incur an expenditure on behalf of the municipal corporation that is not included in or is inconsistent with the budget for the fiscal year.

- (7) Any funding provided solely by the City shall be subject to the terms established by the city administration and council.
 - (a) There shall be no extension or reinitiation of a contract that has effectively expired.
 - (b) The City of Iqaluit, employees, contractors and any individual, organization or agent authorized to act on behalf of the city shall adhere to the requirements herein.

SIGNING AND SPENDING AUTHORIZATIONS

7. Signing and spending authorizations in respect of a Call or an Agreement shall adhere to the established signing and spending authorities established by the City by By-Law as amended from time to time.

STANDING OFFER AGREEMENTS

8.

- (1) The City is authorized to enter into Standing Offer Agreements with suppliers or contractors to provide well-defined goods or services, as and when requested by the City, at prearranged prices or on a prearranged pricing basis.
- (2) Standing Offer Agreement call up limits:
 - (a) Up to \$50,000, vendors on the SOA call up list can be engaged without requiring 3 quotes;
 - (b) Between \$50,000 and \$150,000: 3 quotes are required from 3 separate vendors on the SOA call list, procurement selection is based on the best quote;
 - (c) Over \$150,000: SOAs cannot be used for contract values that exceed \$150,000.
- (3) Assignment(s) to Vendors qualified under an SOA will be called up by the City of Iqaluit as follows:
 - (a) The City of Iqaluit will provide the Vendor with a description and scope of work to be performed.
 - (b) The Vendor will respond with a technical and financial proposal, in accordance with the unit/hourly pricing submitted in the RFP used to establish the SOA listing.
 - (c) If the technical and financial proposal is deemed acceptable to the City, a Service Agreement with email confirmation will be issued.
 - (d) The call-up proposal submission should include, but not limited to the

following:

- (i) Proposal Submission Date;
- (ii) Project Number (if revised);
- (iii) Vendor Name and Address;
- (iv) Vendor Billing Name and Address (if different from above);
- (v) Project Address or Addresses;
- (vi) Project Contact (City of Iqaluit contact who requested the proposal);
- (vii) Standing Offer number and Category number;
- (viii) Brief description of the project and the work;
- (ix) Description of the scope of services;
- (x) Provide a detailed schedule of tasks including key deliverables and dates;
- (xi) Attach copies of the scope of services description, checklists or other documents related to this proposal as provided by the City;
- (xii) Project Fee Schedule by project phase;
- (xiii) Level of Effort Table that includes number of hours and hourly rates broken down by milestone.

PROCUREMENT PHASES

9. Procurement by the City of deliverables shall follow these general phases.

(1) Pre-Contractual Phase

- (a) This phase includes activities related to requirement definition and preliminary procurement planning up to issuance of bid solicitation.
- (b) This phase is completed with the issuance by the City of a Call.

(2) Contracting Phase

- (a) This phase includes all activities from issuance of a Call, to evaluations of Bids, the issuance of an Award and the completion and execution of an Agreement.
- (b) This phase is completed with the execution of an Agreement.

(3) Contract Administration Phase

- (a) This phase includes activities such as progress monitoring, delivery follow-up, payment action and monitoring.

(4) Post-Contractual Phase

- (a) This phase includes final action activities under an Agreement and is completed with and contract closeout.

(5) Subject to the provisions of this By-Law, the City may use open, restricted and

negotiated procedures for the procurement of goods and services, including but not limited to:

- (a) Invitation to tender.
 - (b) No-Negotiation Request for Proposal.
 - (c) Invitational Request for Quotation.
 - (d) Open Request for Quotation
 - (e) Request for Supplier Qualification – Prequalification.
 - (f) Sole Sourcing
 - (g) Standing Offer Agreement
- (6) A Request for Proposal can and may be used for complex requirements, containing both financial and technical criteria.
- (7) A Request for Tender can and may be used for real property and construction.
- (8) A Request for Quotation can and may be used with soliciting for three quotes at minimum, however the City reserves the right to accept any and all quotes under the required minimum.
- (9) The City of Iqaluit shall have discretion on the choice of procurement procedures, with the exception of a broad restriction on sole sourcing unless certain limited exceptions exist.

SOLE SOURCING

10. The City may utilize Sole Source Procurement in certain circumstances to meet its procurement needs.

- (1) The approval for Sole Source Procurement is
 - (a) The Chief Administrative Officer, with a recommendation from the Purchasing Advisory Committee, if the sole source procurement is equal to or less than \$500,000.00; or
 - (b) A motion of Council if the Sole Source Procurement is greater than \$500,000.00.
- (2) Any Sole Source contract awarded with a value over \$500,000.00 shall require the signature of the Chief Administrative Officer and the Mayor.
- (3) One or more following criteria must be met in the case of Sole Source Procurement:
 - (a) Where there is more than one supplier capable of supplying the deliverable:
 - (i) An attempt to acquire the Goods and/or Services by use of the

Competitive Bidding process has already been made in good faith, but has failed to identify a willing, capable and compliant Supplier;

- (ii) It would not be in the public interest to use the Competitive Bidding process because of the confidential nature of the procurement;
- (iii) The selected Supplier is another public body, and it would be advantageous to the City to acquire the Goods and/or Services from another public body;
- (iv) The procurement relates to Goods and those Goods are purchased on a commodity market;
- (v) The Goods and/or Services include Construction, renovations, repairs or maintenance in respect of a building leased by the City from a landlord, and those Goods and/or Services may only be provided by the landlord in accordance with the lease;
- (vi) The Goods and/or Services can be purchased under circumstances which are exceptionally advantageous to the City, such as in the case of a bankruptcy or receivership;
- (vii) An outside party is funding, or substantially funding, the acquisition, and has selected the Supplier, and the provisions relating to the acquisition are acceptable to the City;
- (viii) The Goods and/or Services must be compatible with, or must maintain and support, a City standard, and:
 - (A) No reasonable alternatives, substitutes or accommodations exist, and/or
 - (B) The Goods and/or Services must not violate warranties and/or guarantees;
- (ix) The procurement relates to Services, and the Services are sought from instructors, coaches, or trainers for recreation programs and the Services are not readily suitable for Competitive Bidding;
- (x) An existing agreement for the purchase of Goods and/or Services has expired or is about to expire, and the City would benefit from extending that agreement, rather than commencing a new competitive bidding process, because:
 - (A) The City requires time to begin and proceed with a comprehensive and accurate Competitive Bidding process,
 - (B) The City requires time to fulfill all its obligations, such as making final payments, under the existing agreement for the Goods and/or Services, or
 - (C) The market conditions, such as timing and Specifications, are in flux;
- (xi) Funding and project completion timelines imposed by senior

government programs would not allow sufficient time for a Competitive Bidding process; and/or

(xii) The Goods and/or Services available from the selected Supplier would be compatible with existing Goods and/or Services or City facilities, and such compatibility is a paramount consideration.

(b) Where there is only one supplier capable of supplying the deliverable because of one of the following reasons:

(i) A statutory monopoly;

(ii) A market-based monopoly;

(iii) Exclusive rights, such as patent, copyright or licence;

(iv) A supply of the Goods and/or Services despite scarcity of supply in the marketplace; and/or

(v) The required Goods and/or Services comprise a grouping which is only available, as a complete grouping, from the sole Supplier, and no alternative or substitute grouping exists.

(c) The contract is for a low dollar figure not to exceed \$3,000 in value.

CONTRACTS AND AGREEMENTS

11.

(1) The City of Iqaluit shall not accept a Non-compliant Bid.

(2) In receiving and assessing Bids, the City shall:

(a) Act towards all compliant Bidders fairly and in good faith, particularly during the evaluation of Bids.

(b) Make decisions to award or reject Bid submissions based on criteria that are disclosed in the Call documents.

(3) Bidders cannot revoke or supplement their bid submission.

(4) The City of Iqaluit may include privilege clauses, which are recognized as fully enforceable. Such clauses allow the City of Iqaluit to reserve itself the right to award contracts to bids that may not be for the lowest price, the best value, or not to award contracts at all.

(5) No Award shall be issued to a compliant Bidder who does not provide the lowest cost unless the following approvals are first obtained:

(a) by the Chief Administrative Officer where it does not exceed the Chief

- Administrative Officer's signing and spending authority; or
- (b) from Council for approval in all other cases.

DUTIES AND CONDUCT OF PERSONS

12.

- (1) Any person involved in City purchasing activity has a duty to ensure:
- (a) that all purchasing activity is performed fairly and objectively and in service to the public interest ; and
 - (b) that they are aware of and comply with this By-Law.
- (2) The form of procurement shall comply with the City's procurement process and associated documents as well as applicable Federal or Territorial laws and policies.
- (3) No personal purchases shall be made by the City directly or indirectly for Council and Committee members or for any City officer or employee and all procurement shall be undertaken in accordance with applicable Codes of Conduct.
- (4) Council Members shall conduct themselves in accordance with Nunavut's *Conflict of Interest Act*, RSNWT (Nu) 1988, c. C-16, which may be amended from time to time.
- (5) No purchasing activity may be conducted in such a way as to avoid application of this by-law, and without limiting the generality of the foregoing, no purchasing activity shall be divided into two or more parts for the purpose or intent of, or with the effect of, avoiding or frustrating the application of this by-law.
- (6) The City may impose any number of criteria for the evaluation of Bidders and a Bid that the circumstances of the Call require, including but not limited to:
- (a) Prior similar work experience
 - (b) The absence of claims or prior litigation by the City or against the City
 - (c) Scheduling criteria
 - (d) Past performance
 - (e) Past project experience bringing projects in on time and under budget with minimal use of change orders
- (7) No works for any contract shall commence unless it reflects the criteria and requirements set out in the terms of the contract or funding agreement.
- (8) This by-law shall not apply to the acquisition or disposal of any real property or to any lease, right or permission relating to the use or occupation of real property.

- (9) When the procurement of Deliverables is required under any lease of real property and is provided for under the terms of such lease, including tenant improvements, equipment and fixtures, the terms of the lease shall govern to the extent of any conflict with this by-law.
- (10) The provisions of this by-law shall apply to the Property Procedures by-law. In the event of a conflict between the provisions of this by-law and the Property Procedures by-law, this by-law shall prevail.
- (11) This by-law shall also adhere to the established signing authority by-laws and their amendments, as well as the City's Conflict of Interest policy and procedures, including those relating to the use of the City's corporate credit card.
- (12) Where a Council member or City employee has, or may have, a personal pecuniary interest in purchasing activity or in an Agreement or a proposed Agreement, whether such personal pecuniary interest is either on his or her own behalf or while acting for, by, with or through another person, regardless of whether that pecuniary interest is direct or indirect, that Council member or City employee shall immediately disclose in writing the general nature of the pecuniary interest to the CAO and the Director of the City Department involved in the purchasing activity, and further.
 - (a) shall not take part in the bid evaluation, the decision to award the contract, or the making of an Agreement; and
 - (b) shall not attempt in any way to influence the evaluation, award, or the making of an Agreement.

RESPONSIBILITIES AND AUTHORITIES TO UNDERTAKE PURCHASING ACTIVITY

City Council

13.

- (1) In keeping with the City's best practices, the Mayor and Members of Council shall not be involved in specific purchasing activity, unless otherwise permitted in this by-law.
- (2) The Mayor and Members of Council who receive inquiries from bidders related to any specific procurement are required to advise the bidders(s) to communicate with the contact person listed in the specific procurement documents.

City officers and employees responsible for purchasing activity

14.

- (1) The CAO has authority to undertake purchasing activity in accordance with this by-law and may:
 - (a) place restrictions on purchasing activity where such restrictions are reasonably considered to be in the public interest; and

- (b) delegate their authority under this By-Law.
- (2) Each Director has the authority to undertake purchasing activity in accordance with this By-Law, and:
- (a) is accountable for achieving the specific objectives of the purchasing activity; and
 - (b) shall engage with the CAO and/or the Purchasing Advisory Committee as required by this By-law.
- (3) The Senior Executive Director responsible for Purchasing or delegate shall be responsible for:
- (a) providing procurement advice, including, but not limited to, overseeing calls for bids; administering calls for bids and ensuring compliance with the terms and conditions of the calls for bids;
 - (b) reviewing statements of work and specifications for compliance with the terms of this by-law;
 - (c) the development of co-operative purchasing agreements with other levels of government, municipalities, boards, agencies, commissions, or private sector entities, as the case may be, where such arrangements are determined to be in the best interests of the City;
 - (d) the standardization of all purchasing procedures; and
 - (e) providing written recommendations from the Purchasing Advisory Committee to the CAO.
- (4) Where any authority has been granted to any person under this by-law, such authority may be exercised by that person's authorized designate. The appointment of a designate shall be subject to the CAO's written approval.
- (5) Any person who has been designated to exercise authority under 14(4) cannot delegate that authority to another person.

PURCHASING ACTIVITY WITHOUT BIDS

15.

- (1) The authorized Purchasing Limit for Purchasing activity without Bids shall be as follows:

(a) Local Purchase	Up to a maximum of \$3000 using a Local Purchase Order Books.
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(b) Purchase Order	Up to a maximum of \$150,000 1) Up to \$50,000 without soliciting quotes. 2) Between \$50,000 and \$150,000, 3 quotes must be obtained from 3 different suppliers.
(c) Sole Sourcing	Up to \$500,000.00 (CAO Authorized)

PURCHASING ACTIVITY WITH BIDS

16.

(1) The authorized Purchasing Limit for Purchasing activity with Bids shall be as follows:

(a) Request for Quotations (“RFQ”)	\$50,000.00 up to but not exceeding \$150,000.00 in the total cost.
(b) Standing Offer Agreement	Up to a maximum of \$150,000 per call up.
(c) Request for Tenders (“RFT”)	\$150,000.00 or more
(d) Request for Proposals (“RFP”)	\$150,000.00 or more
(e) Request for Information and Expression of Interest	No Threshold

NON-BINDING PURCHASING ACTIVITY

Request for Quotations

17.

(1) Where the Cost of any Purchasing activity with Bids is equal to or less than one hundred and fifty thousand dollars (\$150,000.00), a Request for Quotations may be issued:

- (a) A minimum of three (3) written quotations shall be solicited, if available;
- (b) The Purchasing Advisory Committee shall make a recommendation to the CAO, which includes any dissent, regarding Award to the Bidder submitting a responsive bid with the lowest Cost. The Award may be made notwithstanding that fewer than three (3) quotations are received.

Pre-qualification: Request for Quotations Expressions of Interest/Request for Information

18.

- (1) Following the written recommendation by the Purchasing Advisory Committee to the CAO, including any dissent, the CAO may issue a Request for Expressions of Interest or a Request for Information for the purpose of determining the availability of any Deliverable:
 - (a) A Request for Expressions of Interest or a Request for Information may be conducted as a pre-condition to any Purchasing activity;
 - (b) The receipt of a submission in response to a Request for Expressions of Interest or a Request for Information shall not create any contractual obligation on the part of the City. The City is not required to proceed with any further purchase process following receipt of a Request for Expressions of Interest or a Request for Information.

Request for Pre-qualification

19. Following the written recommendation by the Purchasing Advisory Committee to the CAO, including any dissent, the CAO may issue a Request for Pre-qualification for the purpose of selecting qualified Bidders to respond to a Call for Bids:

- (1) When a Request for Pre-qualification is issued, a pre-qualification document shall be provided to potential Bidders setting out the criteria for pre-qualification, which may include:
 - (a) experience of similar work;
 - (b) references provided from other customers for similar work;
 - (c) verification of qualifications, licenses and permits, if applicable; and
 - (d) financial capability.
- (2) The selection of Bidders following a request for pre-qualification shall not create any contractual obligation between the City and a pre-qualified Bidder. The City is not required to proceed with any further purchasing process following Request for Pre-qualification.

PURCHASES EXCEEDING \$500,000.00

20.

- (1) Where the Cost of any Deliverable exceeds Five Hundred thousand dollars (\$500,000.00), following the written recommendation by the Purchasing Advisory

Committee to the CAO, including any dissent, the CAO may issue either a Request for Tenders or a Request for Proposal, in compliance with the following:

- (a) the scope of the Deliverables shall be set out in the Call for Bids;
- (b) the form of the Call for Bids shall, to the extent possible, use standardized documentation;
- (c) the Call for Bids shall be circulated and advertised in as wide and extensive a manner as will ensure the most comprehensive and most competitive response to the Call for Bids;
- (d) Bids shall be publicly opened on the specified date, at the specified time;
- (e) all Bid amounts shall be recorded;
- (f) each Bid shall be fairly and completely evaluated using an open, fair and transparent process;
- (g) the evaluation of each Bid shall be recorded using a standardized form of evaluation record;
- (h) any informality or irregularity shall be referred to the Purchasing Advisory Committee for recommendation to the CAO as to next steps.
- (i) The issuance of a Request for Tenders or a Request for Proposals shall be carried out in compliance with Sections 13 and 14 of this By-law, respectively.

REQUEST FOR TENDERS

21.

- (1) A Request for Tenders shall be issued by the CAO, on recommendation by the Purchasing Advisory Committee, including any dissent, where the following criteria apply:
 - (a) two or more sources are available to supply the Deliverables;
 - (b) the Deliverables can be clearly specified;
 - (c) the market conditions are such that Bids can be submitted on a competitive pricing basis; and
 - (d) it is intended that the lowest Cost responsive Bid may be accepted without negotiation.

- (2) Following the written recommendation by the Purchasing Advisory Committee to the CAO, including any dissent, the CAO may award the contract under a Request for Tenders provided that:
 - (a) the total Cost of the contract does not exceed Five hundred thousand dollars (\$500,000.00); and
 - (b) the Award is made to the Bidder submitting the bid that provides the lowest cost.
- (3) If the recommendation by the Purchasing Advisory Committee to the CAO is to Award a contract that does not exceed \$500,000 to a bidder that does not provide the lowest cost, and the CAO is in agreement with that recommendation, the award of the contract shall be subject to the approval of Council.
- (4) If the total cost of the contract awarded under a Request for Tenders exceeds Five hundred thousand dollars (\$500,000.00), the Award of the contract shall be subject to the approval of Council.
- (5) A report shall be submitted quarterly to Council to advise of the Award of any contract using a Request for Proposal.

REQUEST FOR PROPOSALS

22.

- (1) A Request for Proposals shall be issued by the CAO, on recommendation from the Purchasing Advisory Committee, including any dissent, where the Deliverables are not clearly specified, and it is anticipated that Bidders may propose a variety of alternatives to fulfill City requirements.
- (2) The Request for Proposals shall be conducted using a two (2) envelope system: one (1) envelope for the technical proposal and one (1) envelope for the financial proposal.
- (3) The CAO, following recommendation from the Purchasing Advisory Committee including the dissent, may award the contract under a Request for Proposals provided that:
 - (a) the total Cost of the contract does not exceed Five hundred thousand dollars (\$500,000.00); and
 - (b) the Award is made to the Bidder submitting the bid that provides the lowest cost.
- (4) If the recommendation by the Purchasing Advisory Committee to the CAO is to Award a contract that does not exceed \$500,000 to a bidder that does not provide the

lowest cost, and the CAO is in agreement with that recommendation, the award of the contract shall be subject to the approval of Council.

- (5) If the total cost of the contract awarded under a Request for Proposals exceeds Five hundred thousand dollars (\$500,000.00), the Award of the contract shall be subject to the approval of Council.
- (6) A report shall be submitted quarterly to Council to advise of the Award of any contract using a Request for Proposals.

SPECIAL CIRCUMSTANCES

23.

- (1) In the case of a Special Circumstance, the purchase of Deliverables may be authorized by the CAO, with a recommendation, where practicable, from the Purchasing Advisory Committee, including any dissent, without issuing a Call for Bids where the Cost for the Purchasing activity is \$500,000.00 or less and where one or more of the following circumstances are present:
 - (a) where a Special Circumstance may occur, has occurred or is ongoing; or
 - (b) where market conditions are such that required goods or services can only be delivered by a particular Supplier and no reasonable alternative is available; or
 - (c) where information disclosure through bids could compromise required confidentiality, cause economic disruption or be contrary to the public interest; or
 - (d) where Purchasing activity is not funded solely from the City.
- (2) Any waiver of the bidding process, where the Cost of the Purchasing activity exceeds \$500,000.00, shall be reported to Council by the Chief Administrative Officer or delegate.
- (3) Where a Special Circumstance exists, has existed or is existing, a director is required to forthwith inform the Chief Administrative Officer or delegate in writing of such Special Circumstance and the necessary Purchasing activity related action.
- (4) The City shall endeavor to obtain the best value for any deliverables purchased during the Special Circumstance, using as fair and transparent a process as is feasible having regard to the particular circumstances.
- (5) As soon as practicable upon the conclusion of the Special Circumstance, the Chief Administrative Officer shall submit a report to Council describing any expenditures made under this authority.

- (6) The CAO may authorize the purchase where the total cost does not exceed Five hundred thousand dollars (\$500,000.00).

CONTINGENCIES and SCOPE CHANGE / ADDITIONAL DELIVERABLES

24.

- (1) Where any purchase of Deliverables has been authorized under this By-law, the CAO may, upon being satisfied that a contingency has arisen, authorize expenditures that exceed the original approved contract amount, provided that any additional expenditure shall not exceed twenty five percent (25%) of the total cost of the contract at the time of Award and further provided that the additional expenditures are required to complete the Deliverables set out in the original contract.
- (2) If as a result of the additional expenditures the total Cost of any Deliverable exceeds the spending authority of the CAO the expenditure shall be approved by Council.
- (3) Following written recommendation by the Purchasing Advisory Committee to the CAO, including any dissent, the CAO may authorize the purchase of additional Deliverables under a contract, provided that the CAO is satisfied that a scope change necessitates the purchase of additional Deliverables and:
 - (a) the total Cost of the additional Deliverables, when added to the original Cost of the contract, does not exceed \$500,000.00; or
- (4) If a scope change requires the extension or renewal of an Agreement, any extension or renewal of the Agreement that would result in its term being in excess of five (5) years from the original effective date shall be subject to Council approval.
- (5) The CAO, after recommendation from the Purchasing Advisory Committee, including any dissent, may authorize the purchase of additional Deliverables provided that the authorization to purchase the additional Deliverables is required to prevent interruption in service delay or to avoid incurring extra costs.
- (6) A report shall be submitted quarterly to Council to advise of any expenditures made under this authority.

CO-OPERATIVE PURCHASING

25.

- (1) The City may participate with other government agencies or public authorities in co-operative purchasing where the CAO determines, after recommendation from the Purchasing Advisory Committee, including any dissent that it is in the best interests of the City to do so.

- (2) Any contract proposed to be entered into as a result of co-operative purchasing may be authorized in accordance with the authority limits set out in this By-law.

PURCHASING ADVISORY COMMITTEE

26.

- (1) The Purchasing Advisory Committee is established under his by-law and is composed of the Senior Executive Directors.
- (2) The Chair of the Purchasing Advisory Committee shall be the Senior Executive Director Responsible for procurement.
- (3) The recommendations of the Purchasing Advisory Committee shall be transmitted in writing to the CAO by the Chair.
- (4) The Purchasing Advisory Committee will provide recommendations to the CAO on the following procurement issues:
 - (a) If a bid contains an informality or irregularity,
 - (b) if there is a challenge to the call for bids process,
 - (c) Purchasing activity for the City, without issuing a call for Bids, that does not exceed Five Hundred Thousand Dollars (\$500,000.00) dollars;
 - (d) Awarding RFQs that are equal to or less than one hundred and fifty thousand dollars (\$150,000.00);
 - (e) The issuance of and the awarding of a Request for Tender or a Request for Proposal;
 - (f) The issuance of a Request for Expression of Interest, request for Information, and a Request for Pre-Qualification;
 - (g) The purchase of Deliverables under special circumstances, without issuing a Call for Bids where the Cost for the Purchasing activity is \$500,000.00 or less;
 - (h) The purchase of additional Deliverables under a contract, provided that the scope change necessitates the purchase of additional Deliverables;
 - (i) The purchase of additional Deliverables provided that the authorization to purchase the additional Deliverables is required to prevent interruption in service delay or to avoid incurring extra costs; and
 - (j) The participation of the City of Iqaluit with other government agencies or public authorities in co-operative purchasing where it is in the best interests of the City to do so.

REQUIREMENT FOR SPECIAL COUNCIL APPROVAL

27.

- (1) A report shall be submitted to Council prior to authorizing an Award in each of the following circumstances:
 - (a) where the term of a proposed Agreement is for a period greater than five (5) years, or where the renewal or extension of a contract would result in an aggregate term of greater than five (5) years;
 - (b) where a Request for Proposals has been issued under this By-law and the total cost of the contract exceeds two million dollars (\$2,000,000.00);
 - (c) where the purchase is prescribed by statute to be made by Council;
 - (d) where the purchase of any Deliverables is not authorized by this By-law; or
 - (e) where otherwise specifically provided in this By-law.

SEVERABILITY

28. If any provision of this By-law is declared invalid because of any word, phrase, clause, sentence, paragraph or section of this by-law or any documents, which form part of this By-law or an application thereof to any person, or circumstance is declared invalid, the remaining provisions shall not be affected thereby, but shall remain in force.

BY-LAW REVIEW

29. This By-law shall be reviewed and evaluated for effectiveness as and when needed from time to time, and prior to the end of each Council term within that calendar year of expiration of term.

EFFECTIVE DATE

30. This By-law shall come into effect on the Third and final Reading.

REPEAL

31. This By-law hereby repeals By-law No. 968 known as the Procurement By-law.

THIS BY-LAW READ a First Time this 25th day of March, 2025.



Solomon Awa
Mayor



Steve England
Chief Administrative Officer

THIS BY-LAW READ a Second Time this 8th day of April, 2025.



Solomon Awa
Mayor



Steve England
Chief Administrative Officer

READ a Third and Final Time this 8th day of April, 2025.



Solomon Awa
Mayor



Steve England
Chief Administrative Officer

