

 <b>YUKON ENERGY</b>	<b>HUMAN RESOURCES POLICY</b> <b>HR-021</b>	<b>DEPARTMENT:</b>	<b>INQUIRIES TO:</b>	<b>TOPIC:</b>
		All	Corporate Services	Purchasing Policy
		<b>ISSUED:</b>	<b>REVIEW DATE:</b>	<b>APPROVED BY:</b>
		March 2006	February 2009	_____ President & CEO

## 1.00 Purpose

- 1.01 To control, manage and provide guidance to the various departments in the procurement of goods and services and to obtain optimum economic benefit for the corporation. These goals will be achieved through the promotion of ethical business practices, application of appropriate purchasing guidelines and compliance with all applicable legislation.
- 1.02 All purchasing activities will be executed in a confidential and timely manner with all legal, safety and risk management issues addressed.

## 2.00 Principles

- 2.01 To promote ethical business practices, accessibility and openness (as appropriate) throughout the purchasing process.
- 2.02 To promote favorable vendor and department relationships with the goal of long-term partnerships that achieves mutual long-term value.
- 2.03 To promote competitive bidding practices, when possible, while ensuring that vendors are provided an equal opportunity to offer their goods and services.
- 2.04 To promote and encourage the appropriate use of specific criteria and financial thresholds to determine the level of competition for the supply of goods and services. Under certain circumstances, non-competitive purchases may be justified.
- 2.05 To promote and ensure that evaluation criteria and standards used to evaluate bids and proposals are fully and clearly described in “Request” documents, and that only those evaluation criteria are used to evaluate any bids or proposals received.
- 2.06 To promote standardization where possible, to enable cost effectiveness through the volume amalgamation, and reduced support and maintenance costs.
- 2.07 To promote consistency of quality and added value in all purchases.

## 3.00 Policy

- 3.01 Corporate Services solicits competitive bids and makes the final award for purchases. All requestors are consulted on a purchasing partnership basis, as required, before any awards are made.

- 3.03 Corporate Services will make best efforts to purchase and/or contract for goods and services in the community in which they are used, to the extent that doing so reasonably conforms to the objectives of Yukon Energy’s Corporate Purchasing Guidelines, and to the extent that their needs can be met by community-based businesses.
- 3.04 Corporate Services requests pricing, product and market information through various “Request” documents.
- 3.05 All pricing and vendor information received will be kept confidential unless specified in the bid and in the case of the formal public bid process.
- 3.06 All purchases are made on credit terms (wherever possible) using a variety of methods such as: Contracts, Purchase Orders, Corporate Purchasing Cards, Local Purchase Orders, Standing Agreements, etc.
- 3.07 The Corporation will only honor purchases issued by Corporate Services or properly authorized delegated purchasing authorities.
- 3.08 a) The President & CEO may waive any provision of this policy when it would be in the best interest of Yukon Energy to do so.
- b) Directors may award non-competitive contracts up to a maximum value of \$25,000.00. The President & CEO must approve all other non-competitive contracts. The criteria as set out in the Non-Competitive Purchases Guideline (GS-010) shall be adhered to.
- c) In all other cases, competitive bidding will be applied as follows:

<i>Purchase Value Threshold</i>	<i>Competitive Bid Application</i>
Up to \$5,000	Competitive bids <b>not</b> required; delegated purchasing/contracting authorities may enter into a Purchasing Agreement (minor works contract, Consulting Contract, Purchase Order, LPO, VISA, Standing Agreement, etc.)
\$5,001 to \$25,000	Competitive bids required – a minimum of two (2) phone vendor quotations are required.
\$25,001 to \$50,000	Competitive bids required – a minimum of three (3) written vendor quotations are required
\$50,001 to \$100,000	Competitive bids required – Corporate Services solicits bids from a minimum of three vendors.
More than \$100,000	Competitive bids required – Corporate Services releases a Public bid where any number of vendors can compete. A minimum of three vendors must be invited.

## **4.00 Roles & Responsibilities**

### **4.01 Corporate Services:**

Corporate Services has the responsibility for the overall administration and performance of purchasing, bidding, tendering and contract awards and ensures adherence to Yukon Energy's purchasing policies and guidelines.

- Ensures that all vendor and cost information is kept confidential and not released to any other vendor, party or other employee unless specified in the bid;
- Oversees the procurement of goods and services;
- Develops and prepares purchasing documents such as: bids, tenders, addendums, evaluations, awards, contracts, amendments, etc.;
- Coordinates the evaluation of the bids in accordance with pre-established evaluation criteria. If necessary, arranges and coordinates vendor interviews and structures the process and evaluative selection methodology;
- Performs due diligence (i.e. legal, safety and risk management);
- Awards, issues, receives and manages all Purchase Orders for non-stock items;
- Maintains and monitors the procurement card system;
- Receives and ships goods or forwards the shipment to the appropriate individual for receipt and acceptance;
- Develops, maintains and monitors vendor alliances;
- Coaches and guides employees and client departments;
- Liaisons with the vendor community providing information and responding to their inquiries and requests for information.
- Oversees and maintains the pre-qualification process for vendors;
- Responsible for records management of contract documents, pre-qualification documents and contractor(s)/consultant(s) database; and
- Maintains and reconciles purchasing logs.

### **4.02 Requestor:**

- Ensures that all vendor and cost information is kept confidential and not released to any other vendor, party or other employee unless specified in the bid;
- Ensures that the proper approval for expenditure has been obtained prior to the work being bid;
- Provides a detailed scope for work to be bid;
- Provides any technical drawings or specifications that will need to be adhered to in the performance of the work;
- Provides timetable for start and completion of the work;
- Provides evaluation criteria for selection of vendor (if required); and
- Participates in the evaluation, vendor interviews or any other evaluative methodology used in determining the successful vendor.

#### **4.03 Corporate Services & Requestor will work in partnership to:**

- a) Decide the type of purchase agreement that is required. Determining factors to include:
  - Amount of risk
  - Dollar value for material, goods or services
  - Type of service or purchase agreement being requested
- b) Decide the appropriate type of “Request” document that will be sent out (e.g. Request for Bid; Request for Quote; Request for Proposal; Request for Information; Request for Expression of Interest, etc).
- c) Decide whether the bid should be competitive or non-competitive. See Competitive Bid Guideline GS-004 and/or Non-Competitive Purchases Guideline GS-010.
- d) Decide what type of evaluation criteria to use. See Evaluation Criteria Guideline GS-007.
- e) Evaluate the responses received.
- f) Negotiate new contracts.