

Best Value Procurement Guidelines

City of Regina

Introduction

The City of Regina (City) is committed to the use of a best value approach in its procurement practices. A best value approach means the City structures and conducts procurements in a fashion which allows consideration of factors beyond price in determining which vendor response provides the greatest overall benefit to the City. While price remains a fundamental component of any procurement, the City also considers other applicable factors, such as those set out in these guidelines, in developing the evaluation components of procurement opportunities.

Best value in procurements may also be achieved through:

- procurements which are results oriented and which encourage and permit vendors to propose innovative and value added solutions, where appropriate; and
- seeking opportunities to participate in co-operative procurement opportunities with other public entities, MASH sector entities, or with other jurisdictions.

These guidelines set out the City's goals with respect to best value procurement.

Definition

“Best value” means structuring the specific procurement opportunity, as determined by the City, so that the evaluation and award to a successful vendor results in the greatest overall benefit to the City. For clarity, in appropriate cases, best value can be achieved on the basis of price alone.

Application

This document sets out guidelines and expectations for a best value approach to procurement for employees of the City who procure goods, services, or construction whether by purchase, contract, or lease.

Application of these Best Value Procurement guidelines is subject to legislative requirements that may apply to the City includes all Federal and Provincial laws, Municipal bylaws and all Canadian or International trade agreements.

Achieving Best Value

Best value is achieved through analyzing the needs of a particular project or purchase. In determining best value, the City considers matters such as:

Assessing the Problem:

- analyzing the nature of the problem to be addressed through the procurement;
- assessing market capacity and readiness (e.g., through Request for Information); and
- considering the degree of latitude possible for vendor innovation and creativity in proposing solutions.

Framing the Solution:

- there are many factors to consider in framing a solution to the problem. While not an exhaustive list, some of these may include:
 - the quality required in the goods and services;
 - budget, timing and resource considerations;
 - deliverables and performance commitments;
 - delivery times and shipping terms;
 - vendor experience, performance history and demonstrated ability to successfully perform the contract, including service, response time, and support capacity;
 - team and individuals required;
 - risk and compliance management, including safety practices and history;
 - demonstrated knowledge of local conditions such as geotechnical, environmental, local laws, codes and requirements, etc.;
 - environmental impact of the goods and services;
 - commercial or technical risks assumed by the vendor;
 - policy, legal and trade obligations;
 - total cost of ownership, which may consider factors such as:
 - purchase or contract price;
 - costs of delays or performance failures;
 - administration and contract management costs;
 - extensions, change orders, price change and cost escalation;
 - limitations associated with proprietary or patent rights or constraints;
 - cost to exit the contract if necessary;
 - legal or technical costs;
 - shipping and packaging;
 - transition and training costs;
 - licensing costs;
 - knowledge transfer;
 - regular and ongoing maintenance, asset performance, and life cycle costs;
 - warranty, parts, and repair; and
 - disposal and remediation costs.

Once a solution to the problem has been framed, evaluation criteria and methodology are developed that appropriately reflect the relevant factors that have been identified for measuring, and ultimately achieving, best value.

Other Consideration in Achieving Best Value

The City participates in joint procurement of goods and services with various levels of government and other public organizations when the arrangement results in best overall value or other advantages. Provincial Government, Crown corporations and organizations in the municipalities, academic, schools and health (MASH) sector participate in such arrangements when it will benefit both their organization's procurement goals. Public entities may, from time to time, enter into a joint procurement activity with other jurisdictions, particularly those within the New West Partnership Trade Agreement.

Questions

Questions and enquiries regarding these Best Value Procurement guidelines may be directed to Procurement and Supply Chain Branch, City of Regina.