

Best Value Procurement Policy



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Introduction

The Government of Saskatchewan is committed to the use of a best value approach in its procurement practices. A best value approach means the public entity structuring and conducting procurements in a fashion which allows consideration of factors beyond price in determining which vendor proposal provides the greatest overall benefit to the public entity. While price remains a fundamental component of any procurement, public entities are encouraged to consider other applicable factors, such as those set out in this policy, 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.

This policy sets out the Government of Saskatchewan's goals with respect to best value procurement.

Definitions

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

"public entity" means a ministry, agency, board, commission, or Crown Corporation of the Government of Saskatchewan.

Application

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

Application of this Best Value Procurement policy is subject to legislative requirements that may apply to certain procurement activities by ministries including section 55 of The Highways and Transportation Act, 1997, and section 9(3) of The Public Works and Services Act.

Achieving Best Value

Best value is achieved through analyzing the needs of a particular procurement. In determining best value, public entities should consider 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 market sounding); 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;
 - potential use of outcome and performance based requirements over prescriptive technical specifications;
 - deliverables and performance commitments;
 - delivery;
 - 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;
 - public policy objectives as relevant to the problem and solution sought;
 - 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;
 - price of additional features, enhancements, upgrades, etc.;
 - 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 should be 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 Government of Saskatchewan encourages the joint procurement of goods and services used by various levels of the public sector when the arrangement results in best overall value or other advantages. Crown corporations and organizations in the municipalities, academic, schools and health (MASH) sector are encouraged to participate when such an arrangement will benefit both their organization and the government. 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 this Best Value Procurement policy may be directed to the relevant public entity or Priority Saskatchewan.