



# ***SaskPower***

## **Procurement Policy**

Policy approved by the SaskPower Board of Directors

March 20, 2012

## TABLE OF CONTENTS

<b>Introduction .....</b>	<b>2</b>
<i>Objective .....</i>	<i>3</i>
<i>Definition.....</i>	<i>3</i>
<i>Policy Statement .....</i>	<i>3</i>
<i>Applicability .....</i>	<i>3</i>
<i>Prerequisites.....</i>	<i>4</i>
<i>Delegation Of Spending Authority .....</i>	<i>4</i>
<i>Exception Reporting .....</i>	<i>4</i>
<i>Procedures.....</i>	<i>4</i>

## INTRODUCTION

The purpose of these latest editions of the [Procurement Policy](#) and the Procurement Procedures is to simplify, clarify and modernize the rules governing the purchasing activities of SaskPower and its subsidiaries.

SaskPower's Executive is given the flexibility to encourage the use of innovative Purchasing Methods and practices and the responsibility for ensuring that established rules and methods are consistently followed by all business units, corporate groups, departments and subsidiaries.

The official versions of the [Procurement Policy](#) and the Procurement Procedures are the [EIN](#) versions.

## OBJECTIVE

The objective of this policy is to ensure SaskPower and its subsidiaries procure goods and services in a manner that maximizes value, competition and fairness, and results in the best possible balance of benefits to SaskPower's stakeholders and customers.

## DEFINITION

In this policy, "SaskPower" includes its subsidiaries.

## POLICY STATEMENT

SaskPower's purchasing activities must:

- Obtain best value for SaskPower's money by being innovative, efficient and flexible.
- Ensure every person who deals with SaskPower's purchasing system is treated fairly.
- Meet SaskPower's operational requirements.
- Comply with the Province of Saskatchewan's trade initiatives and obligations under trade agreements.
- Maintain the highest ethical business standards and comply with the law.
- Support the development of Saskatchewan's economy, including providing support to Aboriginal businesses in Saskatchewan.

## APPLICABILITY

This policy applies to all of SaskPower's procurement activities except:

- revenue-producing contracts;
- contracts related to buying rights in land;
- shared-cost programs in which SaskPower is not the contracting authority;
- employment contracts;
- procurement of energy, natural gas, and capacity pursuant to the SaskPower and NorthPoint Risk Management Manuals;
- procurement, grants and contributions made by the Corporate Relations department in keeping with the [Corporate Contributions Policy](#);
- Communication services purchased by Communications Coordination, Saskatchewan Executive Council under the Communication (Advertising) Policy in the Financial Administration Manual of the Treasury Board of the Government of Saskatchewan; and
- Any specific procurement conducted pursuant to a directive issued by the Crown Investments Corporation of Saskatchewan under *The Crown Corporations Act, 1993*.

No procurement activity may be done, and no policy statement or procedure may be interpreted or construed in any way that contradicts or undermines the objectives and principles of this policy.

## PREREQUISITES

Purchases to which this policy applies may be done only by the proper use of:

*Spending Authority* – the authority to internally approve capital spending and operating, maintenance and administration spending delegated to the Executive in the [Governance Manual](#);

*Signing Authority* – the authority to sign a legal document with an external party (such as a purchase order, contract, licence, resolution, etc.) granted in the *Signing Authority Policy*; and

*Purchasing Authority* – the authority to carry out the process of procuring goods and services.

## DELEGATION OF SPENDING AUTHORITY

In accordance with delegation limits and rules approved by the President & CEO and detailed in the procedures associated with this policy, Spending Authority\* granted to management in the [Governance Manual](#) may be delegated to other employees, as is required for them to carry out the procurement activities and responsibilities assigned to them.

Anyone who delegates Spending Authority remains fully accountable to ensure it is exercised in the best interest of SaskPower in accordance with all relevant corporate policies and procedures.

\* All procurement valued over management's Spending Authority limits (which the Board has approved) must be authorized by the President & CEO, unless the Board directs otherwise.

## EXCEPTION REPORTING

Exceptions to this policy will be reported to the Audit and Finance committee.

## PROCEDURES

The President & CEO and the Chief Financial Officer are jointly responsible for developing, managing, periodically reviewing and updating detailed written procedures to support the objectives and principles of this Policy.