

Procedure



Manage and Resolve Disputes

This Procedure falls under the Contract Management Administrative Policy.

Approved By: Deputy City Manager
Financial and Corporate Services

Date of Approval: 04/16/2020

Program: Financial Management
The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.

Next Scheduled Review: 04/16/2023

Purpose:

The purpose of this procedure is to prescribe the specific steps required to resolve a formal dispute between the City and a supplier.

Definitions

All definitions contained in the Contract Management Administrative Directive apply to this procedure.

In addition:

- **“formal dispute”** means a dispute between the City and a supplier that has become the subject of litigation or an alternative dispute resolution process, including a process set out in the contract between the City and the supplier.

Processes

1 Initiate the Formal Dispute Resolution Process

- 1.1 If a supplier initiates a formal dispute resolution process with regard to a contract (such as by serving a Notice of Dispute within the time required by the contract), the contract manager will immediately contact a Legal Services Branch solicitor and promptly acknowledge receipt of the supplier's notification prior to proceeding with step 1.3. The relevant branch manager will implement a legal hold on all records relevant to the formal dispute.
- 1.2 If the contract manager determines that the City should initiate a formal dispute resolution process under a contract, the contract manager will contact a Legal Services Branch solicitor and provide notice to the delegated authority who approved the contract, prior to initiating the formal dispute resolution process and proceeding with step 1.3. The relevant branch manager will implement a legal hold on all records relevant to the formal dispute at the time of formal dispute initiation.

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- 1.3 The contract manager will thoroughly research, identify, document, and summarize the issues and the respective positions of the City and supplier that resulted in the formal dispute.
 - 1.4 The contract manager will provide copies of the information from step 1.3 to all of the following in order to advise of the formal dispute and to seek guidance and support:
 - the relevant Legal Services Branch solicitor;
 - the Branch Manager, Corporate Procurement and Supply Services; and
 - the delegated authority who approved the contract.
- 2 Conduct the Formal Dispute Resolution Process**
- 2.1 The contract manager will consult with the Legal Services Branch to identify the best course of action. This action may include one or more of the following: negotiation, alternative dispute resolution (such as a referee process, mediation, or arbitration), or litigation. The course of action to be taken may be determined by the formal dispute resolution process set out in the contract.
 - 2.2 The contract manager, supported by the Legal Services Branch, will attempt to resolve the formal dispute with the supplier considering the recommended actions as well as non-legal considerations such as the City's reputation, stewardship of tax revenue, business needs, priorities and other strategic factors.
 - 2.3 The contract manager will, prior to agreeing to any proposed resolution to the formal dispute, obtain all necessary approvals for the proposed resolution. These may include one or more of the following:
 - approval from the employees with an appropriate delegated authority for a settlement; and
 - approval from the employee with the appropriate delegated authority to approve changes to the terms and conditions of the contract.
 - 2.4 If the formal dispute cannot be resolved by the contract manager before commencement of arbitration or litigation, the contract manager will provide the contract and all documentation to Legal Services Branch for resolution.

Additional Resources

The Branch Manager, Corporate Procurement and Supply Services may, after review by the City Solicitor, approve standards to support or provide further detail to the above processes, however any amendments to the processes contained in this procedure must be approved by the City Manager.