

DATE: December 29, 2017

FILE: 1790-00

TO: Chair and Directors
Comox Valley Regional District
(Comox Strathcona Waste Management) Board

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Updates To The Delegation Of Purchasing Authority Bylaw And Procurement Policy

Purpose

To bring forward to the Comox Strathcona Waste Management (CSWM) Board information regarding updates to the Comox Valley Regional District's (CVRD) Delegation of Purchasing Authority Bylaw and Procurement Policy.

Recommendation from the Chief Administrative Officer:

This report is presented for information only.

Executive Summary

On November 28, 2017 the CVRD Board gave first, second and third readings to a new Delegation of Purchasing Authority Bylaw and approval of a Procurement Policy. The bylaw is scheduled for final adoption at the CVRD's January 2018 Board meeting. The updated bylaw and policy reflect recent changes to trade agreements and best practices and are attached to this report as Appendix A and B. The following are the highlights of the changes recommended in the Bylaw and Procurement Policy:

- The incorporation of recommendations made by the Auditor General for Local Government (AGLG);
- Compliance with trade agreements;
- The removal of the limit requiring Board approval for contract awards, offering greater protection for the Board with the appropriate separation of roles and increased efficiency;
- Updated roles and responsibilities for regional district staff;
- Greater guidance for the vendor community on the CVRD's expectations of its vendors;
- Improved sustainability procurement provisions;
- Updated procurement thresholds;
- Separation of the Procurement Policy from the Delegation of Purchasing Authority Bylaw.

Prepared by:

Concurrence:

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Background/Current Situation

In 2003, the Comox Strathcona Regional District (CSRD) first adopted the Delegation of Purchasing Authority Bylaw that also includes the Purchasing Management Services Policy. Various amendments have been adopted over the years to reflect operational efficiencies and to amend position titles and authorization levels.

The bylaw delegates the authority for purchasing goods and services on behalf of the regional district, to staff at varying dollar levels representative of the position and responsibilities. The procurement policy that is referenced by the bylaw, sets out how procurement will be carried out at the CVRD. Currently the policy resides within the bylaw, requiring even minor policy updates to go through the bylaw amendment process.

The proposed bylaw and Board policy are the result of a review of procurement practices at the CVRD, consultation with staff, as well as research from the following sources:

- Reports and recommendations made by the AGLG;
- The Canadian Free Trade Agreement (CFTA), New West Partnership Trade Agreement (NWPTA), and Comprehensive Economic and Trade Agreement (CETA);
- Policies of member and neighbouring municipalities;
- Policies and best practices of BC local governments and others located in Canada, Great Britain and Australia.

The Auditor General for Local Government

The AGLG was established in British Columbia in 2012 to provide local governments with information and advice by carrying out performance audits and publishing its findings. In 2015, the AGLG published findings on CVRD operational procurement as well as published guidance booklets to improve local government procurement processes.

Based on the recommendations, the following concepts have been integrated into the policy:

- Updated and improved guidance to staff on conflict of interest and ethical considerations;
- Debriefing unsuccessful bidders;
- Vendor performance management;
- A separate purchasing card policy.

The Trade Agreements

The governments of British Columbia and Canada have negotiated trade agreements to ensure fair, open, transparent and non-discriminatory procurement between Canadian Provinces and Territories as well as the European Union. This has been done through the establishment of the NWPTA, the CFTA and the CETA. These agreements set the rules for procurement that public organizations must follow once the value of a procurement hits a threshold. The thresholds that impact local government follow:

Procurement Type	Local Government Thresholds		
	NWPTA	CFTA	CETA
General Goods and Services	\$ 75,000	\$ 100,000	\$ 340,600
Construction	\$ 200,000	\$ 250,000	\$ 8,500,000

The proposed policy and bylaw have been written to ensure the regional district will comply with all requirements under these trade agreements.

Updated Delegation Authority, Increased Efficiency and Insulating the Board

Research of member municipalities and other local governments in British Columbia has identified that for efficiency in the procurement process, many local governments rely on the approved Financial Plan to guide the procurement process and contract awards. This includes but is not limited to the following: City of Courtenay, Town of Comox, Cowichan Valley Regional District, City of Victoria, and District of West Vancouver. Currently the CVRD has a threshold for Board approval set at \$100,000.

Provided a purchase is in accordance with the Board approved Financial Plan, the new approach will be to have all purchases greater than \$100,000 approved by the Chief Administrative Officer and one other Executive Management Team member. This change will significantly reduce the time pressures on the procurement process and lead to accelerated contract award decisions. With the recruitment of qualified procurement staff in 2016, the Board has the ability to rely on staff expertise, training and resources to carry out the procurement process to its completion in compliance with contract law, trade treaties, the Delegation of Authority Bylaw and Board approved Procurement Policy. Another advantage is that it removes any political aspect to the contract award process. The Board has seen in the past where vendors have been motivated to lobby the Board to award in their favour. New language has been included in the policy and procurement documents to ensure vendors are aware of the repercussions of lobbying staff or the Board regarding contract award decisions.

All purchases will continue to be approved by the Board in advance of a procurement through the approval of the Financial Plan. When approaching the Board for approval of the Financial Plan, directors can expect to see a project summary presented in a similar format to Appendix C.

There will continue to be occasions where the Board will be approached for additional approval relating to procurement and contract awards. The following are scenarios where the Board will be approached for approval:

- The purchase of land;
- Agreements for service delivery with other local governments;
- Where staff feel a contract award should be brought before the Board due to a high degree of risk, value or is of significant interest to the community. (e.g. the regional compost facility);
- The Board has identified a procurement that requires additional approval (e.g. waste to energy consultant);
- Where the contract award exceeds the Financial Plan.

To ensure transparency is maintained, the CVRD will continue to publically post procurement opportunities, publically post contract awards, and begin semi-annual or annual reporting to the CSWM Board on contract awards.

Policy Analysis

Section 229(1) and 263 of the *Local Government Act* (RSBC 2015 c.1) states that the Board may, by bylaw, delegate its powers, duties and functions to its officers and employees.

Options

This report is presented for information only.

Financial Factors

There are no financial factors

Legal Factors

Trade agreements require that the regional district treat vendors residing within each participating region in a fair and non-discriminatory fashion for procurements above the imposed thresholds. Failure to do so, would infringe on a vendors right and could lead to legal action against the CVRD. Procurement is also subject to contract law in Canada which staff is required to follow and may, from time to time, require consultation with legal counsel.

Regional Growth Strategy Implications

The proposed bylaw and policy offers opportunities for meeting the goals and objectives of the regional growth strategy. The following policy areas could be positively impacted:

- Local economic development: Achieve sustainable, resilient and dynamic economic development that supports businesses and entrepreneurship;
 - By increasing procurement thresholds that fall below trade agreement requirements, staff will have an opportunity to limit the response to local qualified vendors.
- Public health and safety: Support a high quality of life through the protection and enhancement of community health, safety and well-being; and
 - By ensuring social value impacts are maximized during evaluation of best value procurements.
- Climate change: Minimize regional greenhouse gas emissions and plan for adaptation.
 - By ensuring negative environment impacts are minimized during the evaluation of best value procurements.

Intergovernmental Factors

The Procurement Bylaw, policy and practices must be in compliance with NWPTA, CFTA and CETA.

Interdepartmental Involvement

Financial Services has presented and reviewed the policy with the Executive Management Team and management staff of the regional district and incorporated feedback into this bylaw and policy.

Citizen/Public Relations

The Procurement Policy provides another level of accountability to the public and ensures the CVRD's procurement procedures are transparent, consistent and fair.

Attachments: Appendix A – “Draft Delegation of Procurement Authority Bylaw”
Appendix B – “Draft Procurement Policy”
Appendix C – “Sample of Project Summary in Financial Plan Staff Report”

COMOX VALLEY REGIONAL DISTRICT**BYLAW NO. 510****A bylaw to delegate the purchasing authority for the Comox Valley Regional District**

WHEREAS under sections 229(1) and 263 of the *Local Government Act* (RSBC 2015 c.1) the Board may, by bylaw, adopted by at least two thirds of the votes cast, delegate its powers, duties and functions, including those specifically established by an enactment, to its officer and employees;

AND WHEREAS the Board of the Comox Valley Regional District wishes to delegate to its officers and employees certain powers, duties and functions;

NOW THEREFORE the Board of the Comox Valley Regional District in open meeting assembled hereby enacts as follows:

Repeal

1. Bylaw No. 284 as “Comox Valley Regional District Delegation of Purchase Authority Bylaw No. 284, 2013”, and amendments thereto, is hereby repealed.

Definitions

2. In this bylaw:
 - a. **“Board”** means the Board of the Comox Valley Regional District
 - b. **“CVRD”** mean the Comox Valley Regional District

Procurement Transaction Authority Delegation

3. The Board hereby delegates to the CVRD’s officers and employees the powers, duties and function of the Board to enter into transactions relating to the CVRD’s activities, works or services, subject to the approved Financial Plan and the limitations on that delegated authority set out in this bylaw and the Procurement Policy adopted by the Board and as may be amended from time to time.

Delegation

4. A delegation of power, duty or function under this bylaw includes a delegation to a person who has, from time to time, been appointed to act on behalf of the delegate or is appointed by the Board to act in the capacity of the delegate in the delegate’s absence including, in the event of a state of emergency, the appointed Emergency Operations Centre Director.
5. In the absence of the delegate, the powers delegated under this bylaw may be exercised by a person who has been appointed to act in the capacity of the delegate, or the executive manager of that person’s branch. In the absence of an executive manager, the powers delegated under this bylaw may be exercised by the Chief Administrative Officer or the person designated as the acting Chief Administrative Officer.

Limits on expenditures

6. Despite the authority granted in section 4, an officer or employee of the CVRD must not enter into an agreement of a capital nature under which the CVRD would incur a liability payable after the end of the then current year for a term that is for more than five years, including all rights of renewal and extension.

- 7. An expenditure made by a person to whom the Board has delegated authority under this bylaw must be within the CVRD’s approved Financial Plan.

Land use agreements

- 8. With respect to land use agreements, the Board hereby delegates to the CVRD officers and employees the following powers, duties and functions to be exercised in accordance with the Procurement Policy adopted by the Board and as may be amended from time to time:
 - a) The power to acquire, amend or discharge a statutory right of way or easement on behalf of the CVRD in connection with the operation and maintenance of any works or service of the CVRD; and
 - b) The power to enter into a lease or license of a real property necessary or convenient for the operation and maintenance of any works or service of the CVRD where the value of the rent, licence fee or other consideration for the term is included in the approved financial plan and is within the amounts listed in the authorities and responsibilities section of the Procurement Policy.

Citation

This Bylaw No. 510 may be cited for all purposes as “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 510, 2018.”

Read a first and second time this	28th	day of	November	2017.
Read a third time this	28th	day of	November	2017.
Adopted this		day of		2018.

Chair

Corporate Legislative Officer

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 510 being “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 510, 2018” as adopted by the Board of the Comox Valley Regional District on the ____ day of _____ 2018.

Corporate Legislative Officer

Subject: Procurement Policy	
Category: Financial Services	Policy Reference: XXXX-00

1. PURPOSE

The purpose of the Procurement Policy is to set out the responsibilities and accountability associated with the effective, efficient and economical acquisition of goods and services. The policy applies to all Comox Valley Regional District (CVRD) services (functions) and includes all purchases, leases and rentals using operating, capital and restricted funds of the CVRD.

2. POLICY STATEMENT

It is the policy of the CVRD to acquire goods and services through a public process whenever practical that results in supply arrangements that offer best value with consideration towards total cost, quality, expertise, as well as environmental and social sustainability.

3. THE ROLE OF THE BOARD

3.1 Delegation of Authority

The Board has delegated the authority to execute contracts and purchase agreements to staff as outlined in Bylaw No. 510, being the “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 510, 2018” and this policy.

3.2 Separation of Roles

To ensure the need for a clear and transparent separation of political and administrative functions, the Board has established this policy and approved expenditures through the CVRD’s Financial Plan approval process.

To remove any potential or perceived appearance of political influence or bias, the Board recognizes the need to be removed from procurement processes from the time a procurement is issued to the market to the point where a contract has been awarded to the successful bidder, except where the Board is presented with a recommendation to approve the contract award in accordance with this policy.

The Board maintains the ability to identify specific procurements of interest that require additional Board approval for reasons such as those that are of a high value, involve significant risk or are of significant interest to the community. Staff maintain the ability to identify contract awards or procurements in which they feel Board approval is in the best interest of the CVRD.

When recommending contract awards for Low Bid Procurements, CVRD staff shall provide the Board with each compliant bidder’s tendered price. When recommending contract award approval for Best Value Procurements, staff shall provide the Board with the ranking of each compliant response. In all cases, when recommending contract award, the Board will be provided with a description of the procurement process undertaken, the number of responses received, and the value of the award.

4. EXCEPTIONS

4.1 Emergencies

In an unforeseen circumstance that requires immediate action, such that inaction would result in harm to a person or harm or damage to real or personal property of any type, the methods and procedures set out within this policy may be waived as approved expressly by the Chief Administrative Officer (CAO) or, in the event of a state of emergency, by the Emergency Operations Centre Director or designate; whether that be a designate from the CVRD or from a member municipality. A report summarizing the emergency procurement will be presented to the Board following the emergency.

4.2 Exemptions

All exemptions that exist in New West Partnership Trade Agreement (NWPTA), Canadian Free Trade Agreement (CFTA), Comprehensive Economic and Trade Agreement (CETA) or their successors shall apply to this policy. In general these exemptions include:

- Procurement of health, social and treasury services and services provided by lawyers and notaries;
- Purchases from philanthropic institutions, prison labour or persons with disabilities;
- Purchases from a public body or non-profit organization;
- Goods, services or construction are required to respond to an unforeseeable situation of urgency as laid out in section 4.1;
- Goods intended for resale to the public;
- In the absence of a receipt of any responses to a public competitive process.

5. AUTHORITIES AND RESPONSIBILITIES

5.1 Roles and Responsibilities

Procurement activities not requiring a public competitive process are the responsibility of each branch, which are delegated the authority for acquiring goods, equipment, services and construction for all operational and capital requirements per Bylaw No. 510 and this policy.

Procurement processes requiring a public competitive process are the responsibility of Financial Services which will ensure the procurement is conducted in accordance with this policy, common law and any trade treaty requirements.

The officer responsible for financial administration for the CVRD is responsible and accountable for the management of the acquisition of goods and services, protection and disposal of assets.

The purchasing officer for the CVRD is the Manager of Operating and Capital Procurement, who is responsible for the implementation of the day-to-day administration of the procurement policy, and will establish and employ such practices, processes, procedures or methods as are determined appropriate to the efficient and effective operation of procurement.

5.2 Authority for Procurement Transactions

Procurement transactions cannot be completed unless the need has first been identified, budgeted for and approved by the Board in the Financial Plan. The Board may wish to approve the method of procurement during the adoption of the Financial Plan, otherwise all procurement transactions shall be completed according to this policy.

Market research procurement methods may take place when the interest is to develop a budget and scope of work for approval by the Board.

Contract awards as well as change orders exceeding the Board approved Financial Plan will either be:

- (i) held until the Board approves a Financial Plan amendment, or
- (ii) cancelled due to insufficient budget and may be reissued under a refined scope of work.

5.3 Commitment Authority Thresholds

Subject to the terms of this policy, any statutory requirements, and CVRD Bylaw No. 510, the following positions have authority to execute contracts and change orders for procurement transactions up to the identified value limits excluding taxes:

- Assistant managers, supervisors, fire chiefs or executive assistant: \$10,000
- Managers: \$25,000
- Senior managers: \$50,000
- General or executive managers: \$100,000

Subject to the terms of this policy, any statutory requirements, and CVRD bylaws, the following positions have authority to execute contracts and change orders for procurement transactions beyond the identified value limits:

- CAO and one general or executive manager: \$100,000

Persons with spending, commitment and signing authority have the following responsibilities:

- a. Ensure the value of the contract or change order is within the approved Financial Plan.
- b. Ensure that the CVRD is able to meet its obligations within the terms of the contract and that it is likely the other party can meet their obligation.
- c. Ensure that the contract complies with WorkSafeBC legislation, labour legislation, employee collective agreements, tax legislation, and other legislative and regulatory requirements.
- d. Be aware of any financial and other benefits that are expected to flow to the CVRD as a result of the contract.
- e. Review intellectual property requirements and consider physical, bodily injury and personal injury indemnities and risk exposure.

5.4 Contract Management

The Executive Management Branch shall maintain a register of contractual documents as follows:

- a. A list of the contractual documents
- b. The name of other party or parties signing the documents
- c. The contact name, address and phone number of the other party or parties' representative
- d. CVRD function code and staff responsibility for administering the contract
- e. A brief description of the subject matter contained in the documents
- f. The date of execution
- g. The insurance requirements pursuant to the contract and confirmation note to indicate that they have been met
- h. The critical dates such as performance related requirements, if any
- i. Total contract commitment
- j. Available budget
- k. The payment terms

- l. Effective start and termination date and the actual or estimated amount of each contractual obligation
- m. Change order or amendment terms

5.5 Authority for Procurement Method

Where not outlined within this policy, staff of the CVRD will approach the Board with a recommendation to determine the method to be used to procure the goods or services required.

5.6 Responsibility for the Scope of Work or Specifications

User departments are responsible for defining the needs of the procurement in the scope of work or specifications.

User departments may seek assistance from consultants or procurement staff and may utilize market research techniques as defined in section 9.1.

Consultants assisting in the development of a CVRD procurement will not be permitted to compete for the resulting opportunity.

Direct contact with vendors should be avoided when preparing a scope of work or specifications.

Scope of works and specifications shall be generic and not specific to any one vendor to ensure competition is not reduced.

Scope of works and specifications substantially deviating from that which was presented and approved in the Financial Plan are to be reviewed by the Manager of Financial Planning to determine if an amendment to the Financial Plan is required prior to a public procurement taking place.

6. ETHICAL CONSIDERATIONS

6.1 Conflict of Interest and Confidentiality

Staff or anyone in a position that could influence the evaluation of bids, tenders, quotes and proposals shall conduct evaluations with the removal of bias, positive or negative, against both existing and potential vendors. Any and all qualified vendors within jurisdictions covered by trade treaties levied on the CVRD shall be treated transparently, fairly, equally and without discrimination.

CVRD staff with a real or perceived conflict of interest in a vendor or a potential vendor must report this interest immediately to Financial Services. Financial Services will review the interest and may remove the staff member from involvement in the procurement recommending a suitable staff member for replacement.

CVRD staff and non-staff evaluating quotes, offers, bids, tenders and proposals, which includes serving on an evaluation committee, will not disclose any information gained during the course of their evaluation except to other CVRD staff who may in the normal course of CVRD business have a need for such information.

CVRD staff and non-staff participating on an evaluation committee will be required to sign a declaration of non-conflict of interest and confidentiality statement.

6.2 Supplier Code of Conduct

All suppliers, vendors and individuals including volunteers offering goods or services to the CVRD are expected to comply with the code of conduct detailed below. Failure to follow this code of conduct may result in the termination of a contract and disqualification from future opportunities.

Professionalism

All employees, volunteers, agents, and contractors or vendors under agreement or contract with the CVRD are required to:

- Carry out their responsibilities in a professional and competent manner;
- Continue to improve their knowledge, competence, skills, and professional ability;
- Be aware of and abide by the British Columbia Human Rights Code;
- Not engage in any action or conduct or make any comment, gesture, or contact which a reasonable person would regard as likely to cause offence or humiliation to anyone, whether in the workplace or any other location;
- Act, and be perceived by the public to act, in a fair and impartial manner in the performance of their duties or provision of services;
- Not make any public comments that denigrate, disparage, or are disrespectful of the CVRD, employees, and elected officials, and refrain from making negative comments about the credibility of the CVRD, employees, and elected officials;
- Conduct themselves in a friendly, courteous, and professional manner when dealing with the public;
- Refrain from engaging in any other practice that could unfavorably reflect upon the CVRD as identified solely by the CVRD.

6.3 Lobbying

No bidder/proponent/vendor or anyone involved in preparing bids or proposals shall lobby any elected official or CVRD staff in an effort to secure a contract. During a competitive procurement process all communications are to be made through Financial Services unless the procurement document explicitly states otherwise. Vendors found to be lobbying for a contract award will be disqualified from consideration for the procurement and may be disqualified from future procurement opportunities. The following will be deemed as inappropriate communication during an active procurement:

- (a) commenting on, or attempting to influence views on, the merits of the vendor's response Proposal, or in relation to responses of other vendors;
- (b) influencing, or attempting to influence, the evaluation and ranking of responses, the selection of the vendor, or any negotiations with the preferred vendor;
- (c) promoting the vendor or its interests in the services, including in preference to that of other vendor;
- (d) commenting on or criticizing aspects of the procurement, the evaluation process or the scope of services, including in a manner which may give the vendor a competitive or other advantage over other vendors; and
- (e) criticizing the responses of other vendors.

6.4 Gifts

CVRD staff shall avoid accepting gifts, discounts or other favours from vendors of moderate or material value. Immaterial gifts can be accepted provided they do not result in personal gain for the receiver or result in favourable treatment of the vendor.

6.5 Transaction/Contract Splitting

CVRD staff shall not split transactions or procurements in an effort to fall below thresholds set out in sections 5.3 or 8.0.

7. SUSTAINABLE PROCUREMENT

In an effort to leverage procurement dollars to benefit the community and society; the CVRD may include the consideration of sustainability in Best Value Procurements. Sustainability could include attention to environmental, ethical and corporate social responsibility as well as social value.

The CVRD is committed to sustainable procurement and will endeavor to design opportunities to minimize environmental and ethical impacts and maximize social value.

Sustainability considerations will be balanced against best value requirements for each individual procurement. The weighting toward sustainability in each procurement may be based on the marketplace, scope of work and/or level of risk inherent with the procurement.

When evaluating sustainability factors, CVRD staff shall look to third party verification and certifications when awarding points and may also look to utilize reference checks to verify claims made in response to a CVRD public solicitation.

7.1 Environmental Responsibility

When evaluating environmental responsibility in CVRD procurements, points may be awarded where proponents:

- Minimize environmental harm, including end of life impacts.
- Maximize resource efficiency (e.g. reduce energy and water consumption and minimize waste).
- Minimize carbon emissions.

7.2 Ethical Responsibility

When evaluating ethical responsibility, points may be awarded where proponents:

- Maximize fair trade opportunities.
- Ensure sound working conditions throughout the supply chain that meet or exceed provincial, national or international employment standards.

7.3 Social Value

When considering social value, points may be awarded where proponents:

- Maximize employment, training and apprenticeship opportunities among local, disadvantaged, equity-seeking or marginalized individuals and populations.
- Maximize the diversification of the supply chain by including non-profit organizations, social enterprises and small-medium enterprises.
- Contribute to the strengthening of the community by supporting the social goals and objectives of the CVRD.
- Include any corporate social responsibility initiatives undertaken by the organization that contribute to social wellbeing.

8. PROCUREMENT THRESHOLDS AND METHODS

The following thresholds will guide the method of procurement used to purchase goods or services. Authority to commit to goods or services is governed by Bylaw No. 510 and this policy.

Goods and General Services

Value	Procurement Method (minimum)	Issued By
<\$100	Direct award	User Department
\$100 - \$7,500	Single informal quote	User Department
\$7,500 - \$25,000	Request three written quotes	User Department
\$25,000 – \$50,000	Request three written quotes or Public Competitive Process	Financial Services Department
\$50,000 +	Public Competitive Process	Financial Services Department

Professional Services

Value	Procurement Method (minimum)	Issued By
<\$50,000	Single written quote/proposal or request three written quotes/proposals	User Department
\$50,000 - \$75,000	Request three written quotes/proposals or Public Competitive Process	Financial Services Department
\$75,000 +	Public Competitive Process	Financial Services Department

Construction

Value	Procurement Method (minimum)	Issued By
<\$50,000	Single written quote (rotate suppliers)	User Department
\$50,000 - \$150,000	Three written quotes or Public Competitive Process	Financial Services Department
\$150,000 +	Public Competitive Process	Financial Services Department

9. PROCUREMENT AND AWARD METHODS

9.1 Procurement Methods

Market Research Methods

Market research methods are public solicitations that do not result in the award of CVRD business. They are utilized to assess the marketplace for potential CVRD opportunities and to offer the market transparent and fair input into a resulting competitive procurement process.

- a. Request for Information
To request general information regarding goods and/or services provided by vendors, and to invite input regarding the development of procurement strategies. May also request a response for high level budgetary considerations.
- b. Request for Expressions of Interest
To determine the market interest in a competitive solicitation process.

Non-Competitive Methods

- a. Direct Award and Notice of Intent (NOI) to Award
The award of CVRD business directly to a vendor for a low value procurement or where it can be demonstrated that only one vendor can supply the good or service. A NOI is used to provide public notice of the CVRD's intent to direct award, where the CVRD cannot strictly demonstrate that there is only one vendor as required under this clause. If a successful challenge is received, an appropriate procurement process will be undertaken.

NOIs will be posted to the regional district bid site as well as BC Bid for any direct award in excess of \$75,000 and subject to the requirements of NWPTA, CFTA and CETA.

To proceed with a direct award where more than one quote is required, specific details, in writing, must be provided to the Manager of Operating and Capital Procurement justifying the requirement for direct award according to the following exceptions:

- i. To ensure compatibility with existing products or methods, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
 - ii. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
 - iii. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
 - iv. For the purchase of goods on a commodity market;
 - v. For the acquisition of services from not-for-profit organizations;
 - vi. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor or the lessor's pre-approved suppliers;
 - vii. For work to be performed by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work or equipment;
 - viii. For a contract to be awarded to the winner of a design contest;
 - ix. For the procurement of a prototype of a first good or pilot of a first service to be developed in the course of a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
 - x. For the purchase of goods under exceptionally advantageous circumstances such as used goods, bankruptcy, auction or receivership, but not for routine purchases;
 - xi. For the procurement of utilities
 - xii. For the procurement of employee benefits;
 - xiii. For the procurement of real property;
 - xiv. Where a Public Competitive Process is impractical because of the need to obtain unique third party skills, there is a requirement for contractor continuity, or there is a strong case for the cost effectiveness of maintaining or retaining an existing contractor for a specific task;
 - xv. Where the CAO in conjunction with another general manager approves the direct award purchase as requested.
- b. Informal Quote
A quote that has been requested by phone or email and may be received verbally, via fax or email.
- c. Written Quote
A formal quote offering goods or services. May include terms and conditions.

Competitive Methods

Competitive methods are formal procurements for goods or services that will be publically available on the CVRD's bid page, BC Bid and potentially other public tendering systems. Once a Public Competitive Process has been undertaken all vendors covered under the CFTA and the NWPTA who submit compliant responses will be considered in a fair and transparent manner without discrimination.

a. Request for Proposals (RFP)

A process to acquire services (primarily) where price is not the only consideration in selecting a contractor. The award is value-based and awarded to the proponent with the highest score and offering best overall value.

b. Invitation to Tender (ITT)

To acquire construction and other services where price is the only deciding factor. Used when the work to be undertaken can be specified in detail and must be adhered to by the contractor. Award is generally to the lowest compliant bidder.

c. Request for Standing Offers (RSO)

To acquire offers for goods or services that are needed on an ongoing basis, where the CVRD enters into contract only when an order is placed, as needed. Can be either price-based or value-based.

d. Request for Qualifications (RFQu)

To create a pre-qualification list of vendors who are eligible to participate in subsequent procurement processes. Shortlists are created using qualitative factors only and price would not normally be considered.

e. Request for Quotations (RFQ)

To acquire goods or services when price is the predominant deciding factor. Awarded to the lowest price bid that meets all mandatory requirements and Specifications.

f. Request for Corporate Supply Arrangement or Master Standing Agreements

To acquire goods or services on behalf of a collaborative or co-operative buying group or purchasing consortium. Award is either price based or value-based.

9.2 Award Methods

Commitment and spending authority limits are governed by Bylaw No. 510 and this policy. The following award methods will be used when finalizing a purchase commitment. The staff member authorizing the award will be responsible for deciding on the type of award and may seek consultation from the Financial Services Department. User departments are responsible for managing contracts and agreements following the award.

Petty Cash

- g. Used for low value purchases of less than \$150.

Purchasing Card

- h. Used for low value purchases, foreign exchange purchases within spending thresholds, and as permitted by the CVRD purchasing card policy.

Cheque Requisition

- i. Used for low value purchases where an invoice has been received and a purchase order is not applicable or has not been issued.

Purchase Order

- j. Generally used to purchase goods or equipment of low to high value or a service of low value with minimal risk and a defined Scope of Work.

Contract / Agreement

- k. Used for purchasing all types of general, professional and construction services.
- l. May require legal review for complex or high value contracts.

Change Orders / Contract Amendment

- m. Used to update, alter, extend or otherwise modify a contract.
- n. Changes to contract value must be within the approved Financial Plan or, if exceeding the financial plan, have received Board approval to amend the Financial Plan.

Corporate Supply Arrangements and Master Standing Agreements

- o. Used by a buying group to form a contract for goods or services.

10. VENDOR PERFORMANCE MANAGEMENT

In an effort to ensure open and transparent communication with existing vendors, contract managers will actively monitor the performance of vendors and contractors and work directly with vendors to resolve any minor or isolated moderate performance issues. In instances where severe performance issues or an unsatisfactory accumulation of minor or moderate performance issues occur, contract managers are to contact the Financial Services and a formal vendor performance review will be undertaken. In most cases (excepting the most extreme instances), vendors will be provided an opportunity to respond and resolve any performance issue(s) identified in a vendor performance review.

Vendors may be subject to termination of a contract or disqualification from future business if there is sufficient evidence of consistent failure to meet the standards specified by the CVRD. The CVRD will maintain vendor performance files as required. Information in this file will be supplied by the contract manager, receivers and procurement staff. Vendors may be evaluated based on price, quality of the product or service, contract adherence and performance, customer service and their responsiveness to requests from the CVRD. Upon reasonable notice in writing to the vendor involved, and after a reasonable opportunity for response, a vendor can have their contract terminated and can be disqualified for a period not exceeding five years from participation in a solicitation for goods or services.

Vendors or proponents shall be disqualified when:

- a. Serious breach of contract indicating unwillingness to perform a contract in accordance with the terms and conditions or Specifications or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof or in accordance with its Specifications or both.
- b. An inducement to an official or employee of CVRD by a vendor or proponent for consideration in an attempt to influence continued or future procurement opportunities.
- c. Conviction for a criminal offense of a person or a director or official or such person relating to obtaining or attempting to obtain a contract or subcontract. An indication of lack of business integrity or honesty which directly and seriously affects the responsibility of the vendor or proponent.

A written decision shall be issued to the vendor or proponent disqualified or suspended setting out its reasons for disqualification or suspension, to the usual business address of that vendor or proponent as shown in the records of Financial Services.

Vendor or proponent disqualification will be approved by the CAO.

11. OTHER PRACTICES

11.1 Debriefing

Within 60 days of notice of award, an unsuccessful bidder or proponent may request an opportunity to be debriefed by the CVRD on the reasons for not being awarded a particular opportunity.

11.2 Document Retention

A procurement file for any completed publically posted procurement shall be finalized and filed. The file shall be retained for a period of not less than seven years in accordance with the CVRD Records and Information Management Program.

11.3 Unsolicited Proposals

The CVRD will accept unsolicited proposals for unique, innovative products or services that will result in demonstrated savings to the CVRD. Unsolicited proposals are to be sent to the Manager of Operating and Capital Procurement and will be reviewed. Business will be awarded based on the requirements laid out within this policy and the requirement for a Public Competitive Process will not be precluded by the receipt of an unsolicited proposal.

11.4 Tie Bids

In the rare case of a tie bid or quote, when all factors including pricing are considered equal, a coin toss shall be used to determine which of the tied bidders receive the award.

11.5 Single Bid / Proposal

When only one bid or proposal is received in response to a competitive procurement method, CVRD staff or representatives shall evaluate the response to ensure fair value will be acquired. Once CVRD staff are confident that the response represents fair value, the contract may be awarded.

Should CVRD staff find that the response does not represent fair value, staff may elect to negotiate or cancel and reissue the procurement.

11.6 Review by Legal Counsel

The CAO will approve all requests for legal services which should be supported by a quote outlining the cost for the service.

Legal services relating to procurement may be required for:

- Procurements with significant risk
- Procurements of a value higher than \$1,000,000 for Best Value Procurements and \$10,000,000 for tenders
- Award decisions when not awarding to low bid or the highest scoring proponent
- The disqualification of a vendor due to either bid non-compliance or poor performance on a contract
- Non-standard forms of contracts
- Substantial changes to the CVRD standard contract template

11.7 Collaborative Procurement

The CVRD may look to work with other procuring entities within the region, province or otherwise in an effort to maximize value and achieve economies of scale. When considering a collaborative procurement opportunity the CVRD shall evaluate:

- The impact to the local vendor community and its ability to submit a potential response to a competition.

- The collaborative procurement group’s ability to represent the values and meet the strategic goals of the CVRD in relation to the procurement.

11.8 Service Delivery

Agreements between the CVRD and other local governments for the management of direct service delivery for a CVRD function, must obtain Board approval.

11.9 Land Acquisition

All acquisitions of land shall be approved by the Board.

12. DEFINITIONS

In this Policy:

“Best Value Procurement” means a procurement that considers factors other than only price.

“CAO” means the Chief Administrative Officer of the Comox Valley Regional District.

“CETA” means the Comprehensive Economic and Trade Agreement between Canada and the European Union.

“CFTA” means the Canada Free Trade Agreement between the federal government and the provinces and territories of Canada. Replaces the Agreement on Internal Trade.

“Contract Manager” means the manager from a User Department responsible for administering the contract.

“CVRD” means the Comox Valley Regional District.

“Emergency Operations Centre Director” means the person appointed to the position in the event of the activation of an Emergency Operations Centre in response to a state of emergency; usually the CAO of the CVRD or, as designated, the CAO of one of its member municipalities.

“Financial Plan” means the Board approved budget and five year financial plan adopted by the CVRD Board each year as a result of the CVRD financial planning process.

“General or Executive Manager” means any employee of the CVRD that holds a position of General Manager or Executive Manager and includes the Chief Administrative Officer, the Corporate Legislative Officer, the Corporate Finance Officer and the Executive Manager of Human Resources.

“Low Bid Procurement” means a procurement that considers price as the predominant deciding factor from qualified bidders.

“NWPTA” means the New West Partnership Trade Agreement between the provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

“Procurement Transactions” means all functions that pertain to the acquisition of goods or services.

“Public Competitive Process” means a procurement where the CVRD will request competitive bids and/or proposals from the public marketplace.

“Scope of Work” means a description of work or services that is to be performed by a vendor.

“Specifications” means a description of a good or finished product that is to be delivered by a vendor.

“User Department” means a department or branch of the CVRD.

Approval History

Adopted by CVRD Board:	Mmm DD, YEAR
Amended:	

Appendix C - Sample of Project Summary in Financial Plan Staff Report

Comox Strathcona Waste Management (Function 391)

Significant Projects - 2017 Financial Plan

	Capital Project	Description	Anticipated award date/or completion	Est. value of project
1	Regional composting facility	Engineering services for regional organics facility and MOU to be developed for facility construction.	Awarded engineering services. Award of design build by end 2018	\$5,410,000
2	CVWMC drop-off bin wall improvements	Improvements to provide efficient ops, additional diversion, and safety installs.	Spring of 2018	455,000
3	CVWMC water supply	Provide water supply for operation of the leachate treatment facility and fire protection at the site.	Summer of 2018	475,000
4	CRWMC storm water management improvements	Install pond to control surface water and mitigate leachate creation as per the partial closure plan.	Spring of 2018	750,000
5	CVWMC locker/lunchroom upgrades	To provide a facility that is large enough to allow separation of changing and eating area. Training and communications kiosk.	Spring/Summer 2018	200,000
6	CVWMC phase 2 closure engineering	Landfill closure as per final closure plan of unlined cell	Engineering 2018 - Construction planned in 2019	200,000
7	Sayward/Cortes landfill closures	Landfill closure allowance	End of 2018	140,000
8	Heavy equipment	Two bin hauling truck & water truck	Summer/Fall of 2018	505,000
			Total	\$8,135,000

Operating Contracts

1. Net Zero waste – compost pilot (two additional years) - \$124,000/year
2. Bird control - \$322,000/year
3. Cortes Island transfer station \$111,500/year
4. Clean wood waste program (extension available) – \$70,000/year