

DATE: November 24, 2020

FILE: 1200-01

TO: Chair and Directors
Comox Strathcona Waste Management Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: 2020 CSWM Procurement Activity Report

Purpose

To provide a report to the Comox Strathcona Waste Management (CSWM) board on procurement contract awards, procurement metrics, and social procurement activities undertaken in 2020.

Recommendation from the Chief Administrative Officer:

This report is provided for information only.

Executive Summary

- Comox Valley Regional District (CVRD) procurement policy framework requires that all CSWM contract awards must fall within approved budgets in the financial plan, with exceptions provided only for emergency purposes.
- Through the financial planning process, the CSWM board has an opportunity to identify projects of significant value or community interest that require additional board approval in the procurement process.
- A list of contracts awarded over the past year in excess of \$250,000 is included as Appendix A with procurement metrics identified in Table 1.
- The CVRD continues to be registered with Coastal Community Social Procurement Initiative (CCSPI) funded through the electoral area administration budget. Staff are committed to continuing and expanding education both within in the organization and with the broader marketplace to utilize social procurement practices where reasonable, while exploring opportunities to support COVID-19 community recovery.

Prepared by:

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Concurrence:

M. Foort

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Chief Financial Officer

Background/Current Situation

Bylaw No. 510 being “Comox Valley Regional District Delegation of Purchasing Authority” and the related procurement policy delegates authority to designated CVRD staff to award contracts for operating and capital contracts which have been approved in the adopted financial plan. During the financial planning process, the board can flag contracts that are of particular interest to the board or are of specific interest in the community that they wish to approve prior to award.

1. Contract Awards and Procurement Metrics

Staff are committed to reporting back to the board regularly on contract awards ensuring the board remains informed on CVRD procurement activities. Appendix A includes a list of all contracts in excess of \$250,000 that have been awarded subsequent to the previous report received by the board in November 2019. Many other operating and capital contracts of lesser value included in the financial plan have been awarded during this time period and are not included in this report.

The former Auditor General for Local Government recommended that staff report back to the board regularly with procurement metrics. In consideration of this recommendation, staff have prepared metrics in Table 1. While these numbers can be reliant on factors outside procurement control (i.e. capital projects underway), they are illustrative of the type of activities being carried out by procurement staff. Staff can influence the level of public vs. invitational procurements issued as well as the number of bids being received through how a procurement is structured and released to the marketplace. Efforts are focused on balancing the requirements of the project with risk while ensuring an attractive opportunity for the marketplace. Ultimately, the goal of any procurement is to achieve a best value outcome for the CVRD.

Table 1 shows the overall value of procurement spend managed and supported through the financial services department, the breakdown of operating versus capital contracts awarded and finally how many procurements were publically issued versus issued by invitation. It is important to note that this table does not include all the procurement activities of the CSWM. In the interest of operational efficiency, the CVRD decentralizes low value procurements to each branch. The procurement policy mandates that all medium to high value procurements are centrally managed through procurement staff in the financial services department. This ensures procurement staff are focused on procurements that are strategically relevant and contain increased risk. Despite this, financial services provides advice and assists on low value procurement as needed.

Table 1: CSWM Procurement Metrics (October 1, 2019 – year to date)

| | Sept 1/18 – Sept 30/19 | Oct, 1/19 – YTD |
|--|---------------------------|--------------------|
| Value of contracts awarded through Financial Services | \$12,000,237 | \$1,897,238 |
| Number of operational procurements | 3 | 0 |
| Number of capital procurement | 4 | 7 |
| Number of public procurements | 7 | 4 |
| Number of invitational procurements | 0 | 3 |
| Average number of responses received per publically posted procurement | 6.4 | 6.25 |

Comments on Table 1:

- The \$1,897,238 in contract awards is lower than last year’s report. A large contributing factor to this is delayed projects due to COVID-19 as well as large equipment and multi-year operational contracts were awarded in 2018/2019. Further detail regarding large contract awards are included in Appendix A.

- Operational contracts are those that are required for the day to day operation of the CSWM and are covered through the operating budgets included in the board approved financial plan. These could include contracts for cellular phones, the facilitation of a CVRD service, shredding services, etc.
- Capital contracts result from expenditures that are included in the capital plan of the board approved financial plan. These could include contracts for construction, professional services, vehicles, trail improvements, equipment etc.
- All publically posted procurements are the responsibility of the financial services department. Procurement staff work closely with CVRD branches to design, develop and finalize procurements from the time they are approved in the financial plan to drafting, negotiating and finalizing contracts with successful vendors.
- Invitational procurements are issued for medium to low value procurements as per CVRD policy. These typically include requesting at least three quotes from qualified vendors, or direct awarding where an exemption exists and a competitive process is impractical. Many invitational procurements are delegated to branches, fall under \$250,000, and are therefore not included in this report.
- Typically, a goal of any procurement process is to attract at least three responses for consideration. During this period, the CVRD received an average of 6.25 responses per publically posted document therefore interest in CVRD procurement opportunities remains high. Higher value procurement opportunities were more likely to garner increased interest from the marketplace.

2. Social Procurement

The CCSPI established in 2016 helps local governments, First Nations and institutional purchasers turn their procurement dollars into achievable and measurable community benefits. Scale Collaborative was engaged through a competitive process to carry out this initiative to provide the expertise and training this social procurement initiative. Scale Collaborative is supported by the Vancouver Island Construction Association, Presentations Plus and Buy Social Canada in providing the services. CVRD has been a member since spring 2019 and has been continually enhancing its social procurement capacity and activities where opportunities align.

Over the past year staff have successfully completed the following:

- Ongoing training as offered through CCSPI
- Successfully incorporated social procurement concepts into 10 pilot procurements including:
 - Consulting agreements
 - Large infrastructure project
 - Small construction project
 - Operating agreements
- Updated the procurement policy to include the living wage consideration for future best value procurements
- Provided feedback to bidders on how to better respond to social procurement opportunities

Attached as Appendix B is the CCPSI community snapshot from June 2020 for the CVRD on progression with the initiative. Staff look forward to undertaking the following over the upcoming year:

- Continued education with focus to broader organizational awareness and buy-in.
- Learning and developing an impact measurement framework.

- Reviewing opportunities for using procurement as a tool for COVID-19 community recovery.
- Further capacity building with the local marketplace through the offering of workshops.

Policy Analysis

The “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 510, 2018” and the CVRD board approved procurement policy delegates authority for staff to award contracts provided the expenditure is approved in the board approved financial plan with very specific exceptions. The board maintains the ability to identify opportunities during the financial planning process that requires their approval prior to staff awarding a contract.

Financial Factors

All contracts awarded during this period were included in the board approved financial plan.

Interdepartmental Involvement

The financial services department works closely with all branches of the CVRD when developing and executing procurements.

Citizen/Public Relations

To ensure transparency, procurement opportunities are publically posted to the CVRD website and the BC Bid website. BC Bid is the province of British Columbia’s central electronic tendering website and is the main hub of all public procurement in the province. The successful vendor and the contract award amount is also posted to both of these sites.

Attachments: Appendix A – “Contract Award Report”
Appendix B – “CCSPI Member Community Snapshot – June 2020”

Appendix A – Contract Award Report

The following contract above \$250,000 was awarded between October 1, 2019 and year to date and is within the approved financial plan.

| | | | |
|-----------|---------------------------------|-----------|---|
| 1. | Procurement: | | Request for Proposal – Detailed Design for Regional Organics |
| | | | |
| | Successful Vendor: | | Sperling Hansen Associates |
| | | | |
| | Award Value: | | \$999,849 |
| | | | |
| | Award Method: | | Highest ranked proponent based on evaluation criteria |
| | | | |
| | Compliant Responses: | | 3 |
| | | | |
| | Non-Compliant Responses: | | 0 |
| | | | |
| | Bid/Proposal Ranking: | 1. | Sperling Hansen Associates |
| | | 2. | GHD Limited |
| | | 3. | CH2M Hill Canada Limited |
| | | | |

CCSPI Member Community Snapshot

Community Name: Comox Valley Regional District

Check-In Date: June 2020

Milestones

Notes



1

Sign Up

Become a member and register your staff. Access the member portal on the CCSPI website and review available resources.



Currently have **4** staff registered with **75%** of staff accessing the website resources with 14 total logins in the past year.



2

Training & Learning

Register for upcoming training and watch the recorded webinars



SP101 - # of staff/type of staff: **2 staff**
 SP 201 - schedule org-wide training? **2 staff**
 SP 301 – **1 staff**
 Webinars? **2 webinars attended: PCards, Good Practices**



3

Social Procurement Policy

Develop or modify your procurement policy to include social value criteria and align with your strategic plan.



Draft policy?: **Approved**
 Consultation? **February & March 2020**



4

Pilot Projects

Identify pilot projects to implement your social procurement strategy



Pilots identified: 3 potential pilots
 RFP(s) sent out? **RFP out for one project**
 Lessons learned? **n/a**
 Next project? (p-card, goods & services, infrastructure etc.):



5

Community Engagement

Meet your suppliers, host a vendor session and request a presentation to Council



Book a CCSPI vendor session: **In progress**
 introductions to key contacts
 Release the Island-wide pre-qual RFI (review template)
 Arrange a CCSPI Council Presentation



6

Measure Impact

Measure & evaluate your impact using the CCSPI impact measurement framework



Review impact measurement framework
 Watch webinar
 Begin to measure



7

COVID-19 Recovery

Review opportunities for using procurement as a tool for recovery



Review info-sheet:
 Watch webinar:
 Identify projects/opportunities:

NOTES/NEXT STEPS:

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