

DATE: May 7, 2020

FILE: 2740-01

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: CVRD - Living Wage Employer

Purpose

To provide information and implications of the Comox Valley Regional District (CVRD) becoming a Living Wage Employer.

Recommendation from the Chief Administrative Officer:

THAT staff be directed to bring forward an amendment to the Comox Valley Regional District Procurement Policy to include the provision of living wages as part of the sustainability factors for best value procurements;

AND FURTHER THAT the proposed amendment be considered for referral to the Comox Strathcona Waste Management (CSWM) Board for feedback prior to consideration of adoption by the Comox Valley Regional District Board.

Executive Summary

- The Living Wage for Families Campaign was initiated in 2010 following an exploration of low-wage poverty by child and youth advocates, labour unions and research institutes.
- The living wage is a regional calculation based on the living expenses of a family of four with two children, with both parents working full-time. The campaign is intended to be a tool to address poverty in local communities by encouraging employers to pay their workers a wage above the legislated minimum that reflects the true costs of living in a community.
- For 2019, the living wage in the Comox Valley was calculated at \$15.97 per hour. The living wage is recalculated annually at the end of April and takes effect May 1st of each year. To obtain and maintain certification as a Living Wage Employer, the Comox Valley Regional District must ensure that direct employees and individuals employed by contracted service providers are compensated at or above the living wage.
- At present, all CVRD employees are paid above the current living wage. Subject to significant increases in the cost of living, this is expected to remain.
- The potential financial impact from implementing a living wage requirement with the CVRD's contractors and sub-contractors is not known but a high level estimate is in the range of \$25,000 - \$50,000. An accurate calculation requires a review of the CVRD's existing service contracts and comprehensive information from vendors on the labour and benefit costs specific to the work they perform.
- The potential additional staff time associated with administering the program and monitoring and enforcement of vendor adherence to the living wage requirements is also not known at this time but it would become an additional aspect of the CVRD's existing procurement process and vendor performance management program.

- Instead of pursuing certification with the Living Wage for Families Campaign staff are recommending an amendment to the CVRD Procurement Policy to incorporate the provision living wages as an additional sustainability factor for evaluation in competitive tenders/procurements. This approach provides the CVRD with increased control respecting cost increases, provides flexibility for contractors to consider a variety of social value factors and achieves minor savings through reduced administrative costs.

Prepared by:

J. Martens

Jake Martens
General Manager of Corporate Services

Concurrence:

J. Warren

James Warren
Deputy Chief Administrative Officer

Concurrence:

E. Jackson

Ellen Jackson
Senior Manager of Human Resources

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

Comox Valley Social Planning Council	✓
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Background/Current Situation

At the October 8, 2019 meeting the Committee of the Whole provided direction to staff to prepare a report on the costs and implications of the CVRD becoming a Living Wage Employer. This direction was brought about through a request of the Comox Valley Social Planning Council for the CVRD to take a leadership role in the community by becoming a living wage employer with the BC Living Wage for Families Campaign.

The Living Wage for Families Campaign was initiated in 2010 following an exploration of low-wage poverty by child and youth advocates, labour unions and research institutes. The Living Wage is a regional calculation based on the living expenses of a family of four with two children, with both parents working full-time. The campaign is intended to be a tool to address poverty in local communities by encouraging employers to pay their workers a wage above the legislated minimum that reflects the true costs of living in a community. There are approximately 140 Living Wage Employers within BC currently, including at least seven local governments.

The 2019 living wage in the Comox Valley was \$15.97 per hour (comprised of wages and non-mandatory benefits). The legislated minimum wage is currently set at \$13.85 per hour with scheduled increases to \$14.60 on June 1, 2020 and \$15.20 in 2021. While an employer’s payment of statutory benefits is not included in the living wage calculation, benefits such as extended healthcare, dental or paid sick leave can be included. The Living Wage Program applies to the organization’s direct staff and service contractors; these two considerations form the primary concentration of this report.

Staff have reviewed the current wage rates for all CVRD staff and confirmed all employees are paid above the current living wage. A ten-year projection has also been performed with a number of assumptions respecting cost of living increases and wage increases. This has demonstrated that subject to significant increases in the cost of living, all CVRD employees are projected to remain above the living wage.

Respecting service contractors, the CVRD currently has approximately 175 contracts for services that vary widely in size and scope. These contracts provide for a full array of services that are integral to the continued operation of many of the CVRD’s nearly 100 services. While some provide highly specialized work, others relate to or contain what are typically low-wage services, such as

traffic flagging, janitorial, maintenance and security. Without a detailed analysis of such services and engagement with the specific contractors, a precise estimate cannot be provided at this time.

With information from the City of New Westminster and industry standards provided by the Living Wage for Families Campaign, the potential cost of implementing living wage requirements for contractors has been suggested to be in the range of 0.1 per cent to 0.25 per cent of the organization's total annual budget. For the CVRD this equates to a potential financial impact of approximately \$135,000 to \$335,000. With eligible thresholds for contracts values in place this estimate could be reduced to \$25,000 - \$50,000 annually.

The other consideration respecting the Living Wage for Families Campaign is the additional staff time for the management and administration of the program. A firm estimate of such costs is not known but it is worth noting as an additional aspect for inclusion with the CVRD's procurement process and vendor performance management program. Contractor non-compliance with living wage requirements is a risk which staff would seek to mitigate through signed supplier declarations and proactive contract management.

Despite some shortcomings in information, it does not appear that obtaining certification with the Living Wage for Families Campaign presents a significant impact to the organization. However, it is noted that becoming a certified Living Wage Employer would increase the control of the CVRD on its competitive processes, increases the scope of vendor management and reduces the flexibility for contractors to consider a variety of social value factors.

Policy Analysis

The CVRD does not currently have any explicit bylaws, policies or strategies that pertain to increasing family incomes or poverty reduction, however it is suggested that these goals align with the aims of many local organizations that the CVRD maintains partnerships with, including the Comox Valley Social Planning Council.

The Board has identified fiscal responsibility as one of CVRD's strategic drivers which calls for careful management of services and assets to ensure affordable and reliable services to citizens and businesses in the CVRD. The Living Wage for Families Campaign does present increased service and operational costs in order to obtain certification as a Living Wage Employer.

The CVRD's corporate procurement policy (Appendix A) sets out the responsibilities and accountability associated with the effective, efficient and economical acquisition of goods and services. In an effort to leverage procurement dollars to benefit the community and society; the policy provides for the consideration of "sustainability" factors which expand the evaluation to include environmental responsibility, ethical responsibility and social value. The social value factor includes consideration of a proponent's contribution to strengthening the community by supporting the social goals and objectives of the CVRD. As an alternative to pursuing certification as a Living Wage Employer, the Board could direct an amendment to the policy to specifically incorporate living wages as an additional factor for evaluation. This alternative approach forms the basis of the recommendation in this report.

Options

The following options are provided below respecting this matter:

1. Pursue enhancements to the Comox Valley Regional District Procurement Policy to include consideration of the provision of living wage rates as part of the sustainability elements included

with competitive tenders/procurements. This option is recommended by staff.

2. Adopt a policy statement respecting the provision of Living Wage rates for direct employees only.
3. Pursue Living Wage Employer certification from the Living Wage for Families Campaign. As the policy would also apply to the Comox Strathcona Waste Management (CSWM) Service, staff would recommend that this be referred to the CSWM Board for feedback. The Living Wage for Families Campaign has a stepped implementation process. If the Board directs the pursuit of Living Wage Employer certification, specific policy approvals and related progress updates will be brought to the Board over the coming months as the CVRD advances towards full certification.
4. Take no action at this time.

Financial Factors

As outlined in the Background/Current Situation section of this report, no financial impact is projected respecting direct staff compensation. The financial impact on service contracts is difficult to estimate as a detailed survey of existing contracts would need to be conducted. Staff have utilized industry standards and feedback from the Living Wage for Families Campaign to estimate the financial impact from increased service contracts to be approximately \$25,000 - \$50,000 per annum.

If certification is sought by the Board, existing contracts would remain in their current form until their expiration at which time a procurement process with the new living wage requirements would be undertaken.

Legal Factors

The Living Wage Campaign does not present any noteworthy legal implications. The inclusion of living wage rates would only be presented within new CVRD contracts and does not affect existing ones. This also applies to collective bargaining arrangements as any commitment to provide Living Wage rates would be included in future collective agreements.

Regional Growth Strategy Implications

Affordability respecting housing options is noted as a growing issue with the Comox Valley. Targets and policies are provided within the Regional Growth Strategy to increase affordable housing options but not with respect to increasing incomes.

Intergovernmental Factors

The Living Wage for Families Campaign has not been a point of engagement or consultation with other regional governments.

Interdepartmental Involvement

The Legislative Services Department has collaborated with the CVRD's Human Resources and Finance Departments respecting this initiative.

Citizen/Public Relations

If certification is pursued by the Board, staff will communicate the CVRD's endeavour to become a Certified Living Wage Employer to the general public and all respective staff, unions and external vendors.

Attachments:

Appendix A - Comox Valley Regional District Procurement Policy

Subject: Procurement Policy	
Category: Financial Services	Policy Reference: 1790.00

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 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 NWPTA, CFTA, 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 the Financial Services Department 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 the Financial Services Department. The Financial Services Department 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 the Financial Services Department 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 Department 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 the Financial Services Department.

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 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:	January 23, 2018
Amended:	