

DATE: March 25, 2019

FILE: 1200-01

TO: Chair and Directors
Committee of the Whole

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Coastal Communities Social Procurement Initiative Membership

Purpose

To provide the Committee of the Whole a brief background on the procurement function at the Comox Valley Regional District (CVRD) and to provide information on the Coastal Communities Social Procurement Initiative (CCSPI).

Recommendation from the Chief Administrative Officer:

THAT the Comox Valley Regional District support the Coastal Communities Social Procurement Initiative and join as a member for two years for a cost of \$2,448 per year, to be funded by the electoral area administration service;

AND FURTHER THAT staff be authorized to select and pilot social and sustainable procurement concepts in future procurements and report back to the board in the fall on the outcomes.

Executive Summary

At the January 10, 2019 meeting of the Comox Strathcona Waste Management (CSWM) board, directors received a presentation from representatives of the Village of Cumberland on behalf of the CCSPI, attached as Appendix A.

- The CSWM board is interested in considering social procurement concepts and approved a motion requesting that the CVRD board consider membership in the CCSPI.
- Membership would provide educational opportunities for members and vendors in the marketplace. Membership costs for regional districts is intended to represent electoral areas.
- Social procurement concepts are, in some cases, currently in practice at the CVRD.
- CVRD procurement policy language allows for the inclusion of social procurement concepts in CVRD procurement.
- Staff are recommending that they review procurements for opportunities to pilot social and sustainable procurement while maintaining compliance with trade treaties and all legal considerations for public procurement.

Prepared by:

Concurrence:

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Corporate Financial Officer

Stakeholder Distribution (Upon Agenda Publication)

Comox Strathcona Waste Management board	✓
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Background/Current Situation

CVRD Procurement

The CVRD has a dedicated procurement team within the Financial Services Department that has been established since the fall of 2016. The procurement staff monitor organizational spending in an effort to ensure taxpayer dollars are spent appropriately and in compliance with the CVRD's procurement policy and bylaw (as adopted in January 2018), best practices for government procurement, common law and trade treaty obligations. The CVRD procurement policy has been attached to this report for reference as Appendix B.

Procurement at the CVRD has been structured to be decentralized to CVRD branches for transactional, low value/risk purchases to ensure the efficiency of day to day operations. Medium to high value procurement is centralized through procurement staff to ensure fair and transparent processes are undertaken from the initial conception of the procurement through to contract award. Procurements of this nature tend to be higher risk and of more strategic relevance to the organization. Procurement staff further support contract managers by assisting with vendor performance issues as well as maintaining and monitoring a database of all outstanding CVRD contracts.

Over the past year, the Financial Services Department has publically issued approximately 36 public procurement documents with award values in excess of \$26,000,000. A sample of competitive processes the procurement staff has lead or supported:

- Comox Valley water treatment project
- CVRD administration office building construction
- Biosolids composting facility expansion
- Greenwood trunk sanitary sewer construction
- Community park improvement construction contracts
- Comox Valley Community Health Network facilitator

CVRD procurement staff utilize best practices and, evaluations and resulting contract award are typically based on “best value”. To ensure transparency, the CVRD publishes competitive opportunities and bid results to the following sites:

- The CVRD website: <https://www.comoxvalleyrd.ca/bid>
- BC Bid: <https://www.bcbid.gov.bc.ca>

Social Procurement

At the January 10, 2019 meeting for the CSWM board, directors received a presentation from representatives of the Village of Cumberland on behalf of the CCSPI. The CSWM board passed a motion requesting the CVRD board consider membership in CCSPI. A copy of the presentation outlining important information about the CCSPI has been attached to this report as Appendix A. The presentation includes a definition of social procurement, its potential benefits as well as the current municipalities and regional districts that are members to date.

The two year initiative seeks to provide education and training opportunities for procurement staff and elected officials for this emerging topic. Further training for suppliers and contractors will also be offered through the hub.

Social procurement concepts are not necessarily new at the CVRD. The CVRD works with a variety of community groups and not for profits through letters of agreement and contracts for a number of services. Examples include:

- Parks maintenance contracts
 - CVRD has agreements with numerous community groups and non-profits that through their services provide employment for challenged individuals and enable the not for profit organizations to further advance their goals, such as:
 - MARS
 - Oyster River Enhancement
 - Kitty Cat P.A.L.S.
- Victim services agreement
 - Services contracted to Comox Valley Transition Society
- Hornby Island multi-service agreement
 - Agreement with Hornby Island Residents and Ratepayers Association for waste management and recycling services, fire protection, community hall operation.
- Animal control and security services
 - Canadian Corps of Commissionaires with its mandate to create employment for veterans and former police officers.

Further, community employment benefits and K'omoks First Nations (KFN) business opportunities have been integrated into the request for proposals for the design-build services of the Comox Valley Water treatment project. Proponents are required to propose labour targets for under-represented populations, apprentices as well as indigenous peoples. Further and separate to this requirement, proponents must submit a plan for subcontracting opportunities to KFN businesses.

Should the board approve the recommendation to proceed with social and sustainable procurement at the CVRD, staff will look to update procurement templates and selectively pilot the concepts based on opportunities with appropriate risk profiles. Staff will further look to report back to the board on the progress of the CVRD's membership and any piloting in the fall.

Policy Analysis

The CVRD procurement policy includes section 7 dedicated to "Sustainable Procurement". The language was drafted to offer the CVRD the ability to consider environmental, ethical and social value (or social procurement) factors for best value procurements.

Options

1. To proceed with memberships in the CCSPI.
2. To not proceed with membership in the CCSPI at this time.

Financial Factors

The yearly fee for the CCSPI is based on the population of the CVRD's electoral areas. CVRD can expect to pay \$2,448 per year which would be funded through the electoral areas administration service.

While the 2019-2023 financial plan for electoral areas administration does not include an allowance for this membership, there is potentially sufficient funding within the 2019 professional fees line item in the electoral areas administration service to cover the first year's cost, to be reviewed during the 2020-2024 financial planning process.

Legal Factors

While there is no legal risk to becoming a member of the initiative there is risk to public procurement which is subject to common law. Legal challenges can and do occur between local governments and bidders when concerns about fairness and equal treatment of vendors surface.

The CVRD must meet its trade treaty obligations for public procurement above certain thresholds which ensures non-discriminatory access to procurement opportunities to vendors across Canada. Social procurement could be a tool that can be utilized to derive local benefit, but it is not practical to assume it can be utilized to award directly or show preference to local contractors for medium to high value procurements outside of the standard exemptions that exist within the trade treaties.

Regional Growth Strategy Implications

Sustainable and social procurement 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;
- Infrastructure: Provide affordable, effective and efficient infrastructure that conserves land, water and energy resources;
- Public health and safety: Support a high quality of life through the protection and enhancement of community health, safety and well-being; and
- Climate change: Minimize regional greenhouse gas emissions and plan for adaptation.

Citizen/Public Relations

The community would look favourably to leveraging their tax dollars to provide additional benefits that enhance their communities in the way of public amenities, employment, providing opportunities to disadvantaged populations.

Attachments: Appendix 'A' – "Coastal Communities Social Procurement Initiative Presentation"
Appendix 'B' – "CVRD Procurement Policy"

Leveraging Procurement for Community Benefit

Village of Cumberland

COASTAL
COMMUNITIES

SOCIAL PROCUREMENT INITIATIVE

PREPARED BY: Sundance Topham
DATE: January 10, 2019

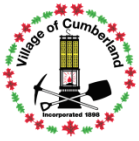




Overview

- What is Social Procurement?
- How does Social Procurement add value?
- What does Social Procurement look like?
- How do you integrate Social Procurement into your organization?
- Village's experiences with Social Procurement
- What is the Coastal Communities Social Procurement Initiative?
- How to join the Coastal Communities Social Procurement Initiative?





What is Social Procurement?

Social Procurement involves leveraging the spending that you're already doing as an organization to try and achieve social benefit for your community.

Social procurement seeks to further leverage tax dollars to achieve broad societal goals through the blending of social, environmental and economic considerations in public sector purchasing to deliver against two bottom lines:

- A commitment to purchasing the best value services and products, in keeping with the MEAT criteria, which is the Most Economically Advantageous Tender; and
- A commitment to leverage limited public resources to achieve strategic community outcomes.



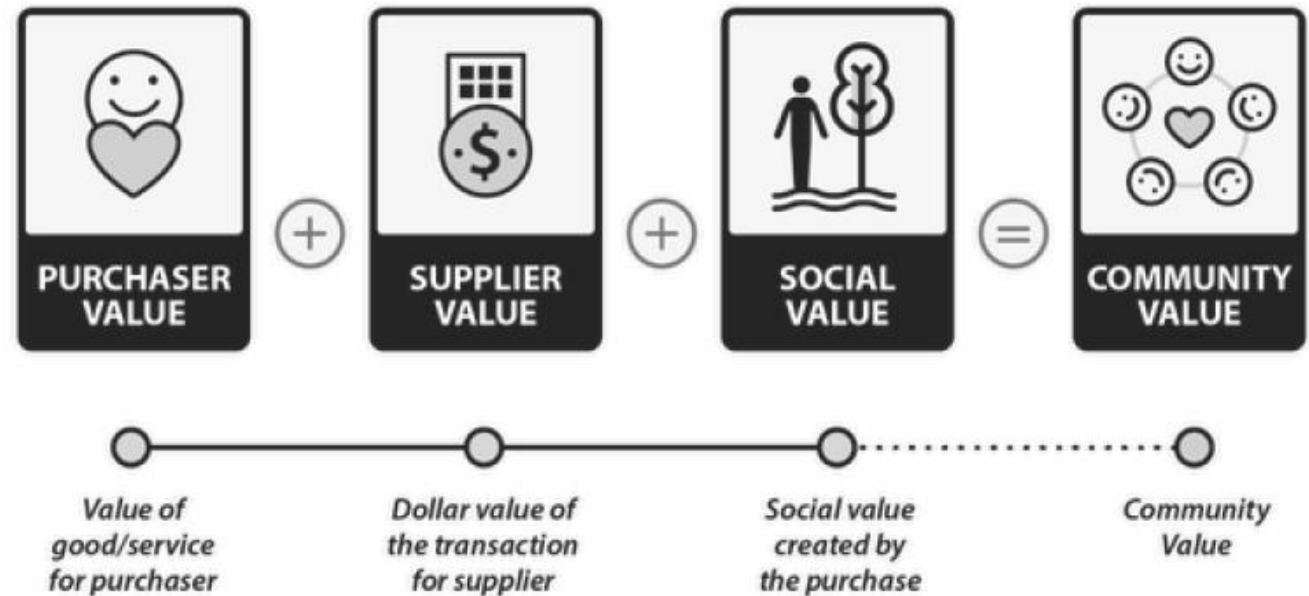


Social Procurement adds value

Social procurement can be adapted to meet specific community needs.

Some communities have integrated into RFPs criteria such as employment of marginalized population groups, local food, housing affordability, community engagement, local economic revitalization, beautification and cultural amenities.

The first step is identifying what your community's challenges and needs are, and how procurement can help address them.



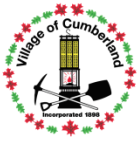


What does Social Procurement look like?

The Village's Framework hopes to address the following goals:

- contribute to a stronger local economy;
- increase diversity among suppliers;
- promote the Living Wage and fair employment practices;
- improve access to contracts for micro, small business and social enterprises;
- increase the number of local jobs that support young working families;
- increase social inclusion, by improving contract access for equity-seeking groups, such as social enterprises;
- enhance community arts and culture infrastructure;
- improve and enhance public spaces;
- increase training and apprenticeship opportunities;
- help move people out of poverty, by providing increased independence and sustainable employment for those in need; and,
- improve opportunities for meaningful independence and community inclusion for citizens living with disabilities; and,
- to stimulate an entrepreneurial culture of social innovation.



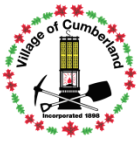


How do you integrate Social Procurement into your organization?

You need political will to make it happen. In the case of the Village of Cumberland there was a champion on Council who started the conversation. The rest of Council came on board once they understood the concept.

The Village made it a strategic priority to start investigating and implementing Social Procurement, and that in turn led to it being integrated into staff's work plan and the budget.





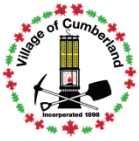
How does Social Procurement fit into the purchasing process?

The biggest step involved was integrating Social Procurement into the Village's Request for Proposals and Tender templates.

For the Request For Proposals the integration meant assigning a percentage value to the weighting in the scoring matrix and including a description of the Social Procurement Framework as part of the RFP template.

For the Tender process the Village came up with a two envelope pre-qualification system. The bidder needs to first meet the pre-qualification requirements for Social Procurement (envelope number one), and once that's done they will then have "qualified" for the tender, and then their submission will be reviewed (envelope number two).





Is this even legal? Does it work?

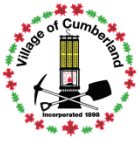
The process is legal and respects trade agreements. Social Procurement still needs to meet all the principles of fairness, integrity, accountability and transparency.

The Village's procurement framework continues to evaluate Quality, Price and Environmental considerations, while adding the fourth component of Social.

The Village has been successful in including Social Procurement requirements into most of its procurement processes, and the community has received the following tangible benefits:

- Commitments for local hiring;
- Apprenticeship programs;
- Living Wage commitments; and,
- Donated labour and equipment time and free youth camps.





Lessons learned

Problems associated with implementing Social Procurement have been limited mostly to the work involved in getting the program off the ground – educating staff and vendors, putting the actual procurement tools into place.

Bid prices have been coming in within budgets for most items, and this takes into account the ultra-busy construction environment on Vancouver Island.

We're looking to re-examine what the minimum requirements to meet the Social Procurement framework for tenders might be, include more defined conditions. i.e. proof of local hires.

To date the involvement of the Social Enterprises in the process has been limited.





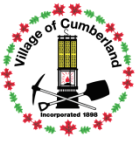
Next Steps – Coastal Communities Initiative

The Village has been utilizing Social Procurement in our purchasing since 2016, and since the process is ever evolving, the next steps include the following:

- Complete the development of a communications strategy for Village suppliers.
- Investigate possible “tweaks” for competitive bidding templates to obtain effective strategic outcomes.
- Continue to track and evaluate policy outcomes along with researching innovative procurement methods.
- Develop a method to measure and report the impacts that social procurement has had in the Village.

In order to do this, the Village has joined the Coastal Communities Social Procurement Initiative.





Coastal Communities Initiative

A two-year initiative to assist local governments in the AVICC region to implement social procurement assessments, policies, strategies and measurements

Starting February of 2019, member organizations will have access to:

- Training for procurement staff and elected officials (education).
- Education and training for suppliers and contractors
Templates, sample RFPs, best practices in social procurement, sample “Social Value Menus.”

COASTAL
COMMUNITIES

SOCIAL PROCUREMENT INITIATIVE





Coastal Communities Initiative

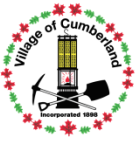
Vision

All local governments in the Vancouver Island and Sunshine Coast region have access to advice to develop in-house tools and skills to implement social procurement.

Mission

To improve the health of our communities and the strength of our economies by changing the culture of public sector procurement.





Background

April 2016 AVICC passes motion to advance use of social procurement in local government.

May 2016 Island and Coastal Communities Working Group struck and commenced work.

Sept 2016 UBCM endorses AVICC motion.

April 2017 AVICC passes motion directing Working Group to create concept for region-wide Social Procurement Hub

April 2018 Hub concept presented to packed house at AVICC session; Province appoints ADM from Ministry of Citizens Services to Working Group.

August 2018 Hub partially funded through Island Coastal Economic Trust for two years.

November 2018 Contract awarded for Coastal Communities Social Procurement Initiative.

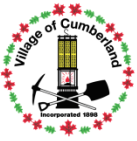




Goals

- Local governments in the AVICC region are embracing and implementing strategic procurement principles/policies/frameworks.
- There is a standardized approach to strategic procurement across local government while each local community has the ability to create the social value as determined by its elected officials/community.
- Procurement staff in local governments are trained in strategic procurement and have the know-how to issue tenders and RFPs that result in community benefits.
- Product and service suppliers are fully engaged in and supportive of the Hub and are bidding on contracts and responding to RFPs issued by local governments.
- The provincial government is aware of, engaged in, and fully supportive of the Hub.
- A robust monitoring reporting framework is in place.
- A business plan has been developed, with a sustainable funding model for either the continuation of the Community Benefit Hub or for an “AnchorVI.”
- The interest of the wider MASH (Municipal, Academic, Schools and Hospitals) sector has been piqued.





Why you should care?

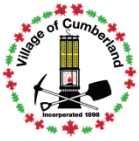
Federal government Community Benefit legislation (Spring 2018) requires reporting on Community Benefits for all large federal infrastructure projects.

Federal pre-budget report in House of Commons Finance Committee Dec 10 2018: “Support, through government procurement, initiatives with a significant social impact; finance a centre of expertise in social procurement.”

Provincial government’s new approach to procurement emphasizes social value as part of value for money.

The Coastal Communities Social Procurement Initiative will ready our region for changing expectations of senior levels of government when it comes to funding our infrastructure projects.





THE VILLAGE OF
CUMBERLAND

COASTAL
COMMUNITIES

**SOCIAL PROCUREMENT
INITIATIVE**

cumberland.ca



Current Members

Campbell River

Cowichan Valley Regional District

Cumberland

Gibsons

Ladysmith

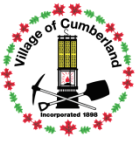
Powell River

Qualicum Beach

Tofino

Victoria





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How to become a member

Use the membership calculator to figure out the cost to your local government (you'll receive it by email).

Ready to join? Fill out a funding commitment form (you'll receive it by email) and send us your cheque.

For more information contact Mayor Josie Osborne at osborne@tofino.ca.

COASTAL
COMMUNITIES

**SOCIAL PROCUREMENT
INITIATIVE**



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:	