



Board Policy Manual Corporate Services

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1. PURPOSE

The purpose of this policy is to ensure that all goods, services and construction are acquired in a competitive, fair and open manner, and that the process is efficient, accountable and provides the best value for the community.

The Sunshine Coast Regional District (SCRD) is committed to working with the vendor community on opportunities for sharing ideas and feedback to help improve the procurement process and make it easier for vendors to do business with the SCRD.

The policy will support the SCRD strategic objectives while ensuring that we meet the requirements under the *Community Charter*, *Local Government Act*, various trade agreements, *Freedom of Information and Protection of Privacy Act*, district bylaws, public sector procurement standards and competitive bidding law.

2. SCOPE

This policy applies to all SCRD services (functions) and to all acquisitions and purchases made by SCRD officers, employees and volunteers.

No employee or officer may purchase or enter into Contracts or dispose of anything owned by the SCRD unless the Board has delegated such authority to the employee or officer in SCRD Delegation Bylaw No. 710, 2017 and amendments thereto.

3. POLICY STATEMENT

The SCRD's primary goal in the procurement process is to attain best value using processes that are competitive, open, transparent and non-discriminatory. Where possible, the SCRD will give preference to the purchase of goods, services and construction that minimize adverse environmental impacts and greenhouse gas emissions and that promote recycling, re-use and reduction of waste and promotes a healthy economy. Purchasing staff will review and modify evaluation criteria and weightings will vary by contract. The criteria will be specific to the nature of the procurement and clearly stated in the procurement documents to include environmentally and socially responsible options or criteria to be considered along with price and performance.



DEFINITIONS

Best Value: means the optimal combination of total cost, performance, local knowledge, environmental, social sustainability, reduced carbon dependency, and reduced waste.

Board: refers to the elected officials that make up the SCRD Board of Directors.

Contract Amendment: means any change to a term, condition or other Contract provision, including a Change Order.

Formal Competitive Process: means a procurement method used to acquire goods and services through a solicitation for bid submissions that is open to more than one supplier and includes, but is not limited to, an invitation to tender, a request for proposals and request/invitation to quote.

Informal quote: means a request from one or more sources for pricing on specific goods or services without a solicitation for bid submissions and that is not binding on either party.

Invitational bidding: means a competitive bidding process that is directed to specific vendors.

Living Wage: means the hourly wage established by the Living Wage for Families Campaign from time to time, which includes: (i) direct wages; and (ii) the value of any non-mandatory benefits such as paid sick leave, and extended health benefits.

Lobbying: means any attempt to influence any determination by a public official, staff or entity working with a public official, related to a governmental procurement.

Local Area: is defined as the SCRD.

Local Vendor/Bidder: a local vendor must have a physical address within the local area and must possess a valid business license, if required by the area and have a principal business office, or satellite with at least one full time employee, located in the local area.

Open competitive bidding process: means a competitive bidding process in which bid submissions are solicited by public advertisement and that is open to all interested suppliers.



Sustainability: a state in which the needs of the present generation are met without compromising the ability of future generations to meet their own needs.

Tender: any request or invitation for a bid (for example, requests for proposal, requests for expressions of interest, invitations to tender, invitations to quote, and invitations to offer).

Trade Agreements: New West Partnership Trade Agreement (“NWPTA”), the Canadian Free Trade Agreement (“CFTA”), Comprehensive Economic and Trade Agreement (CETA) and other applicable trade agreements.

Volunteer: a person who gives his or her services without any express or implied promise of remuneration.

4. AUTHORITIES AND RESPONSIBILITIES

Procurement transactions must be within the scope of the Board approved annual financial plan and must only be initiated and executed by persons authorized to acquire and purchase goods and services within the authorized purchasing limits as set out in the SCRD Delegation Bylaw (“Authorized Staff”). Authorized Staff must only authorize procurement transactions that are within the signing authority limits set out in the SCRD Delegation Bylaw.

4.1 Employees

All departments, employees, volunteers of the SCRD are responsible for following the approved Procurement Policy and all related Procedures.

4.2 Purchasing

The Purchasing Division is responsible for the facilitation of all aspects of the Procurement Policy, by providing professional procurement advice, the administration and overseeing of all calls for bids, resulting contracts and ensuring compliance with the terms and conditions of those calls.

This division is also responsible for the standardization of all procurement procedures, the monitoring of compliance with this policy and notifying managers of non-compliance.



4.3 Management

SCRD Management is responsible for the administration of the Procurement Policy and Procedures.

4.4 Board

The authority for expenditures is the current year of the Financial Plan, which the Board has adopted or amended.

5. METHODS OF PROCUREMENT AND THRESHOLDS

The Purchasing Division will be able to select the most appropriate process for the requirement, taking into account the discussions at the planning phase.

The following threshold will guide the method of procurement used to purchase goods, services or construction.

Estimated Thresholds	Method
Goods and Services	
Less than \$5,000	Small Purchase Guidelines
Less than \$10,000	Informal Process
\$10,000 to \$50,000	Invitational Bid Process or Formal Competitive Process (RFP, ITQ, RFSO)
Greater than \$50,000	Formal Competitive Process (RFP, ITQ, RFSO)
Construction	
Less than \$100,000	Invitational Bid Process or Formal Competitive Process (RFP, ITT)
Greater than \$100,000	Formal Competitive Process (RFP, ITT)



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The chart below identifies the most popular Procurement Methods. There are also other processes that may be used in conjunction with the primary methods, for example, a two-envelope process where qualifications are evaluated separately and prior to the financial information being opened and evaluated.

Procurement Method	Purpose	Risks
Request for Information (RFI)	Used to gather information that can help in the development of a future solicitations. No contract results from this process.	Cannot be awarded
Request for Expression of Interest (EOI)	Used to solicit vendors interest in helping achieve business outcomes. May be used as a marketing tool for future opportunities.	Cannot be awarded
Request for Pre-Qualification (Pre-Qual)	Used to pre-qualify vendors who are interested in a current or future opportunity (preferred list).	No commitment of price
Request for Quote (RFQ)	Completed relatively quickly. Used to make a single purchase. Detailed specifications are essential and awarded to lowest compliant bid.	Decision made on price only
Request for Tender (RFT)	More complex requirements than quotation. Detailed specifications are essential. Must be awarded to lowest compliant bid.	Decision made primarily on price. Takes time to develop documents.
Request for Proposal (RFP)	Usually used on projects of significant value, complexity and risk. Evaluation criteria need to be developed and evaluation process defined.	Significantly longer time to develop, depending on complexity
Direct Award (Sole Source)	Used when only one supplier can supply the products or services needed (may involve a Trade Agreement exemption).	Not competitive, cannot demonstrate value for money
Negotiated Request for Proposal (NRFP)	Contemplates a negotiated process after ranking submission.	May bear high administrative costs. Non-binding nature means everything is negotiable. Requires solid negotiating skills



6. EXEMPTIONS FROM PROCUREMENT PROCESSES

Any requirement for goods or services, not falling under the categories identified below, should be submitted to a procurement process. Occasionally, there may be a need for exemptions from the regular procurement process and direct or sole/single source award to a supplier.

Any request for an exemption to the procurement process must be signed off by the Manager, Purchasing and Risk Management and the Chief Financial Officer. Unless the identified requirement falls under the categories identified in Appendix A from being excluded from the Procurement Policy.

6.1 Unforeseeable Emergency

An emergency purchase occurs when a situation creates an immediate and serious need. A key element is that the emergency is unforeseen and could not be predicted in advance. The expiry of a contract does not qualify.

6.2 One Qualified Vendor

When it has been proven that only one vendor is qualified and available to provide the goods and/or services. Examples of such proof could be:

- (i) To ensure compatibility with existing products, facilities or services, 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 for technical reasons, there is an absence of competition and goods or services can be supplied by a particular supplier and no alternative substitute exists.
- (iii) For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly.

The level of proof required often does not exist. In this case, the procurm Division may be required to issue a Notice of Intent depending on the value of the contract.



6.3 Security/Confidential or Privileged Nature

When the acquisition is of a confidential or privileged nature and disclosure through an open process could reasonably be expected to compromise the SCRD or other government confidentiality, cause economic disruption or be contrary to the public interest.

7. VENDOR RELATIONSHIPS

7.1 Supplier Performance

Authorized Staff and the department responsible for a procurement transaction will maintain records of supplier performance. The information will be used to ensure contract compliance, to supplement a subsequent prequalification process or to justify a subsequent award to other than the low bidder where it can be demonstrated that such records are part of the evaluation process and criteria.

7.2 Vendor Debriefing

When a procurement transaction is awarded using a formal competitive process, unsuccessful vendors are entitled to a debriefing upon request to obtain feedback on the strengths and weaknesses of their bids.

7.3 Vendor Complaints

All vendor complaints, whether directed to an elected official, the Chief Administrative Officer or a member of staff shall be referred to the Manager, Purchasing and Risk Management and dealt with as outlined in Appendix B.

8. ETHICAL CONSIDERATIONS

8.1 Lobbying

A Vendor must not attempt to influence the outcome of a procurement process by engaging in lobbying activities. Any attempt by the Vendor to communicate, for this purpose directly or indirectly with any employee, Contractor or representative of the SCRD, including members of the evaluation committee and any elected officials of the SCRD, or with the media, may result in disqualification of the Proponent.



8.2 Conflict of Interest

No member of the Board, employee or volunteer shall have any direct or indirect pecuniary interest in any competitive bid or arrangement for the supply of goods, services or construction to the SCRD, unless it is first disclosed by the person submitting the bid or supplying the goods, services or construction. All competitive bid documentation must include a section that requires suppliers to disclose any actual or potential conflicts of interest and existing business relationships it may have with the SCRD, its elected or appointed officials or employees prior to submission of the bid.

9. METRICS AND REPORTING

9.1 Financial performance metrics

Staff will report quarterly to the Corporate and Administrative Services Committee on all new contracts entered into with a value between \$50,000 and \$100,000.

9.2 Vendor related performance metric

Staff will report annually to the Corporate and Administrative Services Committee on the number of supplier and/or Contractor performance evaluations formally completed per year for contracts over \$50,000.

9.3 Procurement efficiency performance metric

Staff will report annually to the Corporate and Administrative Services Committee on the number of exceptions to the Procurement Policy.

9.4 Contract Award

Staff will pro-actively release contract award information on the SCRD website after a contract has been executed.

9.5 Award Reports

Staff will publicly report award recommendations to the Board for contracts over \$100,000. In drafting these reports staff will reference the Province of BC's Guidance for the Release of Information Related to the Competitive Procurement Process.



10. SUSTAINABLE SOCIAL PROCUREMENT

The SCRD will promote procurement processes and make decisions that are consistent with the strategic goals and objectives of the SCRD.

10.1 Local economic development

Within the limits set out by applicable trade legislation, the SCRD will seek to identify procurement opportunities that support the development of a sustainable local economy.

While no local preference policies are permitted, by practicality, any small value and low dollar purchases would normally be made in the Local Area.

The Regional District recognizes the importance of economic development within the Sunshine Coast communities it serves. With this in mind, should all economic, environment and social requirements of the procurement be equal, the contract shall be awarded to the local bidder.

In the case of a tie bid of local bidder or where only non-local bidders have tie bids, the Manager, Purchasing and Risk Management shall request the tie bidders to submit a final offer.

The SCRD where applicable, may choose to include in the Tender evaluation criteria a requirement for the Vendor's employees be paid a Living Wage for performing the Tendered services.

10.2 Environmental values

The SCRD will use, where appropriate, an evaluation model that incorporates the Total Cost of ownership of products and services including the environmental benefits which may include sourcing with minimal packaging, sustainable products and services with low environmental impact (where reasonably quantifiable). These costs will be factored into the vendor pricing, evaluation and selection process.

Staff are encouraged to develop and participate in opportunities to partner with local government entities and businesses in the Local Area to provide awareness of the goods and services the SCRD procures.



11. GENERAL APPLICATIONS

11.1 Asset Disposal

When replacing assets through a Tender process, consideration to the disposal of the current asset will be incorporated in the Tender document and be consistent with the asset disposal process.

11.2 Direct Award Sole Sourcing

When a contract valued at \$75,000 or more is intended to be awarded on the basis that there is only one vendor that can provide the goods/services required, and cannot be strictly proven or a specific exemption is not available under the Trade Agreements, a Notice of Intent must be posted on BC Bid.

11.3 Emergency Purchases

In the event of a natural disaster where it is impossible to obtain the necessary authority in a timely manner, the Chief Administrative Officer or Chief Financial Officer shall have the authority to bypass policy and procedures. All such purchases shall be reported as soon as possible to the SCR D Board Chair.

11.4 Contract Renewals / Extensions

Contracts may only be Extended where one of the following conditions are met:

- (i) The Extension option was included in the Tender document.
- (ii) The Extension is a Permitted Sole Source.
- (iii) There is (or is about to be) a new Tender for the goods or services being provided under the expiring Contract and the Extension is approved by the Manager, Purchasing and Risk Management so as to provide time to complete the new Tender.



11.5 Increase to an Existing Contract or Purchase Order

Increases to the value of an existing contract or purchase order must only be approved by the authorized staff person that approved the award and only if the total amount of the contract or purchase order, including the increase, is within that authorized staff person's signing authority limit and within the project budget as set out in the approved financial plan.

11.6 Right to Reject Bids

Notwithstanding the provisions of this policy, the SCRD shall have the right to reject the lowest or any bid at its absolute discretion. The SCRD also reserves the right to cancel or reissue bid documents in the original format or modified as best suits the requirements of the SCRD.

11.7 Transaction/Contract Splitting

Staff must not prepare, design or otherwise structure a procurement, select a valuation method or divide procurement requirements in order to avoid the obligations with the policy, purchasing procedures or the Trade Agreements.

11.8 Worksafe BC

All contracts for service to be provided on SCRD property require the Contractor to provide proof of registration, where applicable, and remain in good standing with WorkSafeBC throughout the term of their contract. Contractors may be required to provide clearance letters before and after performing work for the SCRD. In the event the Contractor is not eligible for registration with WorkSafeBC for reasons other than workplace safety performance, the SCRD may register the Contractor and pay the applicable WorkSafeBC premiums, at the Contractor's expense.

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Amendment Date		Resolution	
Amendment Date		Resolution	
Amendment Date		Resolution	



Appendix A Purchasing Policy List of Exemptions

1. Training and Education:
 - Conferences, Conventions and Tradeshows
 - Newspapers, Magazines and Periodicals
 - Memberships
 - Seminars and Workshops

2. Refundable Employee / Other Expenses:
 - Advances
 - Courses
 - Entertainment
 - Miscellaneous Non-Travel
 - Meal Allowances
 - Travel Expenses
 - Hotel Accommodation
 - Refunds: tax, recreation, permits

3. Employer's General Expenses:
 - Payroll Deduction Remittances
 - Grants to Agencies
 - Medical and Dental Expenses
 - Debenture Payments
 - Payment of Damages
 - Tax Remittances
 - Sinking Fund Payment
 - Employee Income
 - Board Member's Discretionary Funds
 - Real Property-including land, building, leasehold interest, easements, encroachments
 - Licenses (vehicles, elevator, etc.)
 - Charges to or from other government or Crown corporations
 - Bank Charges and Underwriting Services where covered by agreements

4. Professional and Special Services:
 - Committee Fees
 - Witness Fees
 - Court Reporter's Fees
 - Honoraria
 - Arbitrators
 - Discoveries (legal)
 - Legal Services
 - Performing Artists

5. Utilities
 - Water and Sewage Charges
 - Power
 - Telephones
 - Cable Television and Internet

6. Miscellaneous (under \$5,000)
 - Print, Television and Radio media advertising accounts



Appendix B Vendor Complaint Procedure

1. PURPOSE:

This procedure is to define the guidelines for handling complaints that are resolvable and are not a matter where litigation has started or before a competent court. This procedure is not intended in any way to delay or restrict the Regional District in exercising its normal course of business.

All vendors complaints, whether directed to an elected official, the Chief Administrative Officer or a member of staff shall be referred the Manager, Purchasing and Risk Management to be dealt with in accordance with these guidelines.

2. PROCEDURES:

Vendors will be encouraged to resolve problems directly with the Procurement staff wherever possible as many problems can be resolved before a complaint is formalized.

A complaint refers to a written objection submitted by a vendor regarding a bid solicitation, contract award or proposed contract for goods, services or construction.

Complaints must contain written details of the issue and the resolution being requested. Complaints submitted or referred to the Manager, Purchasing and Risk Management shall be reviewed to determine if further action is warranted.

Complaints may be submitted during the competitive process and up to 30 business days after the contract award is posted.

Complaints may be resolved, dismissed or withdrawn*. If the complaint is dismissed, the Manager, Purchasing and Risk Management will notify the vendor of their right to appeal the decision to the Chief Administrative Officer.

Disputes that are litigious in nature will be referred directly to Legal Services.

The Manager, Purchasing and Risk Management will respond formally to vendor complaints within 21 business days.

* Resolved - the vendor is satisfied with the explanations / solution provided by the Regional District.

* Dismissed - the Manager, Purchasing and Risk Management concludes that the complaint is without merit.