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# CAPITAL REGIONAL DISTRICT CORPORATE POLICY

Policy Type	Board		
Section			
Title	PROCUREMENT POLICY		
Adopted Date	May 10, 2017	Policy Number	BRD14
Last Amended	May 11, 2022		
Policy Owner	Corporate Services (Legal Services)		

## 1. POLICY:

This policy will ensure that all goods, services, and construction will be acquired in a competitive, fair and open manner that:

- is efficient, accountable and maximizes best value;
- advances the Capital Regional District's commitment to economic, environmental, and social responsibility by supporting the acquisition of sustainable products and services; and
- meets the requirements of the *Community Charter*, the *Local Government Act*, the Canadian Free Trade Agreement (CFTA), the New West Partnership Trade Agreement (NWPTA), and public sector procurement standards and competitive bidding law.

## 2. PURPOSE:

This policy outlines authorization and competition requirements for procuring goods, services and construction for the Capital Regional District (CRD), the Capital Regional Hospital District (CRHD) and the Capital Region Housing Corporation (CRHC) (collectively, "**CRD**").

## 3. SCOPE:

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

Specific exemptions are set out in section 9 below.

## 4. DEFINITIONS:

Appendix A establishes definitions for terms used in this policy.

## 5. AUTHORITY FOR PROCUREMENT TRANSACTIONS:

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 CRD Delegation Bylaw ("**Authorized Staff**"). Authorized Staff must only authorize procurement transactions that are within the signing authority limits set out in the CRD Delegation Bylaw. The signing authority limits for purchases of goods, services, and construction are summarized in the following table:

<b>Position</b>	<b>Delegated Signing Authority Limit</b>
Chief Administrative Officer	\$5,000,000 Change orders of any value provided they are in the annual financial plan
CFO and General Managers	\$500,000
Staff/Volunteers	Subject to the approval of the applicable GM or the Chief Financial Officer:  The <u>lesser</u> of \$100,000 or the amount set out on a signing authority form held by the Department of Finance and Technology

Refer to the "Awarding and Execution of Contracts and Agreements" policy for more information on delegation and conditions for exercising delegated authority.

Purchasing and supply management activities at the CRD are decentralized by divisions (service). Staff in those divisions are responsible for acquiring goods, services and construction for all operational and capital requirements in accordance with the terms of this policy.

## **6. RESPONSIBLE PROCUREMENT:**

The CRD'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 CRD will give preference to the purchase of goods, services and construction that minimize adverse environmental impacts and greenhouse gas emissions and that promote the recycling, re-use and reduction of waste. Authorized Staff will review and modify existing procurement specifications and create new specifications, to include environmentally and socially responsible options or criteria to be considered along with price and performance.

## **7. PROCUREMENT THRESHOLDS AND METHODS**

The method of CRD procurement is based on the dollar value and the nature of the specific procurement transaction, ensuring that the cost and time associated with using a competitive process is proportionate to the benefit received.

Procurement methods must be selected in accordance with the following table and the procedures set out in Appendix B to this policy:

<b>Estimated Transaction Cost</b>	<b>Method</b>
<i>Goods and Services</i>	
Less than \$5,000	Low-Value Process
Less than \$10,000	Informal Quotation Process
\$10,000 to \$75,000	Written Quotation Process <i>or</i> Formal Competitive Process (RFP, ITQ, RFSO)
Greater than \$75,000	Formal Competitive Process (RFP, ITQ, RFSO)
<i>Construction</i>	
Less than \$200,000	Written Quotation Process <i>or</i> Formal Competitive Process (RFP, ITT)
Greater than \$200,000	Formal Competitive Process (RFP, ITT)

Note: Multi-year agreements are dollar-value accumulative and shall be subject to the thresholds listed above. The requirement for competitive purchasing may be waived by a GM or the CAO and replaced with negotiations by staff under the circumstances set out in section 8 of Appendix B.

## 8. CONTRACTUAL AGREEMENTS

Authorized Staff are responsible for determining whether it is in the best interests of the CRD to establish a written contract with a supplier. The following factors should be taken into consideration:

- P-Cards should be used for straightforward purchases not exceeding \$10,000 in value unless otherwise authorized by the applicable GM or CAO and only in accordance with the policies and procedures established by the Department of Finance & Technology.
- A purchase order may be used when the resulting contract is straightforward and does not exceed \$50,000 in value unless otherwise authorized by the applicable GM or CAO, and will contain the CRD's standard purchase order terms and conditions.
- A written contract is to be used when the arrangement is complex or when terms and conditions are required that are not in the CRD's standard purchase order, including, but not limited to: contract security, performance monitoring, insurance, WorkSafeBC compliance and project schedules.
- A written contract must be used where the procurement method selected requires the use of CRD-approved templates (as set out in Appendix B).

Where it is determined that a written contract is required, the contract must be executed in accordance with the "Awarding and Execution of Contracts and Agreements" policy.

## 9. GENERAL

**Late Bids.** Submissions not received by the stated closing time and date will be rejected. The CRD will identify the timing device to be used.

**Procurements That Exceed Budget.** A bid that is accepted under the procedures set out must not exceed the amount that is included for that purpose, specifically or generally, in a budget approved by the Board. Where the bid was not accepted solely due to exceeding budget, the General Manager of the division must either recommend rejection, revision of the requirements sufficient to reduce the cost to within budget, or request approval from the Board for the transfer of additional revenues sufficient to fund the bid amount.

**Unsolicited Proposals.** Unsolicited proposals received by the CRD will be reviewed by Authorized Staff in the applicable division. Any procurement activity resulting from the receipt of an unsolicited proposal must comply with the provisions of this policy. A contract resulting from an unsolicited proposal will only be awarded on a non-competitive basis when the procurement requirements comply with the non-competitive procurement procedures described in Appendix B.

### **Identical Bids.**

1. If identical lowest bids are received, each of which is less than the signing authority of the General Manager of the division and all other criteria are equal (delivery, service, performance, security of supply and price), the successful bid must be chosen by the

drawing of lots under the General Manager's supervision.

2. The General Manager of the division is to recommend to the CAO for decision whether any bid should be accepted as the successful bid if the CRD receives identical lowest bids, each of which is more than the General Manager's signing authority.

**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.

**Purchase Standardization.** All CRD divisions shall cooperate in the purchase of supplies by simplifying and standardizing like requirements, wherever possible. Every effort should be made to reduce the types and kinds of products used to the smallest number (i.e., considering equivalents or any alternatives suggested) in order to minimize investment.

**Co-operative Purchasing.** Savings likely to be achieved through purchasing goods and services jointly with other government bodies should be pursued. This policy provides the authority to Authorized Staff to participate with other government agencies or public authorities in joint purchasing ventures when it is in the best interests of the CRD. In such cases, the procedures set out by the agency responsible for the venture will be followed, and not the procedures set out in this policy.

**Financial Security.** The purchaser may require financial security from potential suppliers if considered to be in the CRD's best interest. Bonding is not required on every bid, but it is advisable where there is a large liability, or the value is over \$100,000.

**Disposal of Surplus Goods.** Management in service areas must dispose of all goods and equipment for which there is no longer a use by any method considered to be in the CRD's best interest, including transfer to another CRD division, public auction, public tender, trade or negotiated sale. If the surplus goods cannot reasonably be sold by any of these means, the goods may be disposed of in such manner as deemed appropriate and may include donation to a not-for-profit agency.

Surplus goods may not be sold to any CRD employee except via public auction or tender. Goods valued at less than \$1,000 may be disposed of online through a silent auction.

**Prohibitions.** The following activities are prohibited:

1. Purchase by the CRD of any goods or services for personal use by or on behalf of any member of the Board, appointed officers or employees or their immediate families.
2. The division of a single purchase into multiple increments to circumvent policies or levels of authority.
3. Committing the CRD or entering into a procurement transaction without the appropriate authority to do so.

**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 CRD, 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 CRD, its elected or appointed officials or employees prior to submission of the bid.

**WorkSafeBC.** All contracts for service to be provided on CRD 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 CRD. In the event the contractor is not eligible for registration with WorkSafeBC for reasons other than workplace safety performance, the CRD may register the contractor and pay the applicable WorkSafeBC premiums at the contractor's expense.

**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.

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

**Insurance.** All contracts for services to be provided on CRD property require the contractor to provide and maintain their own insurance coverage acceptable to the CRD, including but not limited to commercial general liability, auto, property/all risk and professional liability. The risk associated with each contract varies, and accordingly, the CRD may require additional factors, such as being named as an additional insured, cross-liability clauses, waiver of subrogation, notice of cancellation and proof of coverage.

**Freedom of Information and Protection of Privacy Act.** This policy is subject to the provisions of the *Freedom of Information and Protection of Privacy Act* with respect to the disclosure of information.

**Exemptions.** This procurement policy's Appendix B establishes competitive and non-competitive practices applying to the purchase of all types of goods, services and construction with the exception of the following:

1. the borrowing and investing of money;
2. the rental, lease, purchase and sale of property, land or accommodation;
3. memberships in professional and vocational associations and their publications; and other professional and training activities;
4. health services and social services;
5. legal services;
6. procurements from a public body or non-profit organization;
7. the hiring of contract employees;
8. goods and services purchased through provincial and federal corporate supply arrangements; and
9. goods, services, and construction purchased from Indigenous Businesses.

Despite this exemption, the approval process for a purchase must still be followed as set out in Appendix B or as otherwise established by procedure or policy. In general, this requires General

Manager, CAO, or Board approval prior to solicitation, depending on value; confirmation of available budget and inclusion in the financial plan; approval of an award in writing (depending on value); appropriate documentation of the purchase or agreement; and execution of the purchase by an individual with appropriate delegated authority.

**Directed Procurement and Indigenous Business.** Canada's trade agreements permit the inclusion of mechanisms for Indigenous peoples and businesses in a procurement, as well as for establishing set-aside programs for small and minority-owned businesses. CRD staff may develop programs or conduct directed procurements where appropriate.

Program criteria must be approved in writing by the Chief Administrative Officer and the General Manager, Corporate Services. Programs must balance competitive, best-value procurement principles with the CRD's interest in economic development and capacity building in the region's Indigenous communities and rural and remote communities. Criteria must be drafted with a view to good contract management.

Direct awards for contracts under \$10,000 in value are encouraged for qualified Indigenous Businesses where the goods, services, or construction meet the bid requirements. Direct awards for contracts more than \$10,000 are subject to the non-competitive purchase process set out in section 8 of Appendix B unless other program criteria are approved in advance of the purchase.

In addition, staff may consider the following in other procurements:

- a) encouraging partnerships and joint ventures with Indigenous communities and established businesses and suppliers;
- b) unbundling a percentage of works on a project, provided that the remainder of the works are subject to competitive procurement rules;
- c) including criteria for community benefit or capacity building as defined deliverables;
- d) coordinating works with those of Indigenous communities and entities that may benefit;
- e) requesting submission by vendors of Indigenous business sub-contracting plans to build capacity;
- f) establishing lists of pre-qualified suppliers;
- g) organizing and providing advance notice of upcoming procurement opportunities or hosting information sessions where appropriate; and,
- h) considering preferences for vendors identified by an Indigenous community, public authority, or government.

**Limit.** Any direct award valued at more than \$500,000 requires Board approval and legal review to ensure the transaction is compliant with applicable trade agreements and procurement law principles.

### **Definition of Indigenous Businesses.**

An Indigenous Business is defined as follows:

- a) if a sole proprietorship, it must be wholly owned by an Indigenous person;
- b) if a corporation, it must have at least 51 percent of the equity (including any common or voting shares) owned by one or more Indigenous businesses or Indigenous people; and
- c) if a partnership or joint venture, it must have at least 51 percent of the ownership rights (including any voting rights) directly held by one or more Indigenous businesses or Indigenous people.

Where an Indigenous Business has six or more full-time employees as of the bid-submission date, at least a third of the employees must be Indigenous peoples, and this ratio must be maintained throughout the duration of the engagement.

**6. SCHEDULE:**

Appendix A – Definitions

Appendix B – Procurement Method Procedure

**7. AMENDMENTS:**

<b>Adoption Date</b>	<b>Description:</b>
April 9, 2015	
May 10, 2017	Superseded Procurement Policy, April 9, 2015
May 11, 2022	Addition of First Nations Procurement Language

**8. REVIEWS:**

<b>Review Date</b>	<b>Description:</b>
2025	

**9. RELATED POLICY, PROCEDURE OR GUIDELINE:**

Awarding and Execution of Contracts and Agreements Policy, ADM07

Acquisition and Installation of Computer Hardware and Software, ADM78

Purchase of Third Party IT Services, ADM79

Green Fleet Policy, ADM89

First Nations Honoraria Policy, ADM84

"Capital Regional District Delegation Bylaw No. 1, 2017" (Bylaw No. 4186)

DEFINITIONS

"Acquire" or "Acquisition" means to obtain by any method, accept, receive, purchase, be vested with, lease, take possession, control or occupation of, and agree to do any of those things, but excludes expropriation, except by agreement under section 3 of the *Expropriation Act*;

"Best Value" means the optimal combination of Total Cost, performance, economic, environmental and social sustainability, reduced carbon dependency, and reduced waste.

"Bid" includes a proposal submitted in response to a Request for Proposal and a written formal offer, which may or may not be sealed, submitted in a particular form in response to an invitation to supply goods/services/construction, where the specifications and conditions of the goods or services are known and disclosed in the request;

"Board" means the board of the Regional District;

"Construction" means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in an incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement;

"Contract" means a contract for the supply (by way of sale, conditional sale, lease or otherwise) of goods, services or construction, including a purchase order or other document evidencing the obligation, and any amendments;

"Contract Amendment" means any change to a term, condition or other contract provision, including a Change Order;

"Dispose" or "Disposition" means to transfer by any method including assign, give, sell, grant, charge, convey, lease, divest, dedicate, release, exchange, alienate or agree to do any of those things;

"Formal Competitive Process" means a public procurement process that is competitive, open, transparent, non-discriminatory and compliant with the requirements of the AIT and NWPTA, and includes an ITQ, ITT, RFP, RFSO and RFQ;

"Invitation to Quote (ITQ)" means a process used to solicit bids or quotes from vendors for the provision of clearly specified goods or services. The bids received in response to an ITQ are evaluated primarily on price;

"Invitation to Tender (ITT)" means a process used to solicit bids from vendors for the provision of construction services where the specifications, terms, conditions and other details are set out in the invitation, and the responsive bids are evaluated primarily on price, without further negotiations;

"Notice of Intent (NOI)" means a publicly advertised method to inform vendors a contract is to be directly awarded on the basis that there is only one suitable vendor to provide the good or service.

"Original Value" means the contract price or fees for services as at the effective date of the Contract, excluding taxes;

"Procurement" means the acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction;

"Request for Expression of Interest (RFEOI)" means the buyer is interested in receiving information from suppliers on any products or services available to achieve a particular outcome and may issue an RFQ, RFP or ITT depending on the response. The RFEOI is used to survey the market for firms interested in responding to a tender or RFP from the buyer. RFEOI are not open for bidding;

"Request for Proposal (RFP)" means an invitation for providers of a product or service to bid on the right to supply that product or service where the requirement for goods or services cannot be definitively defined or specified or alternative solutions or offers are being solicited. Proposals are evaluated on predetermined criteria where the selection of a supplier may not be made solely on the basis of the lowest price;

"Request for Qualifications" means a non-binding request to potential suppliers who wish to be considered for future RFPs or other competitive purchasing processes to pre-qualify based on various factors, including but not limited to expertise, experience, availability, and prior performance, in order to avoid either buyer or supplier devoting resources to preparing and evaluating future RFPs or competitive processes.

"Request for Standing Offer (RFSO)" means an invitation for providers of a product or service to bid on the right to supply that product or service by way of a standing offer. A standing offer is an offer from a supplier to provide well-defined, readily available goods or services, as and when requested, at prearranged prices or on a prearranged pricing basis, which can be established at the outset, under set terms and conditions, and for a specific period of time.

"Signing Authority" means the approved levels of authority, as defined in the CRD Delegation Bylaw, to purchase goods or services on behalf of the CRD (see Signing Authority Form);

"Total Cost" means the sum of all costs attributable to products, construction, and services associated with performing the intended function over the entire term of use and includes factors such as acquisition cost, installation cost, disposal value, disposal cost, operational cost, maintenance cost, quality of performance and environmental impact.

**PROCUREMENT METHOD PROCEDURES**

**1. Low Value Process**

Application

- 1.1 This method will be used for goods or services having a value less than \$5,000 and required for a one-time (non-repetitive) procurement.

Process

- 1.2 Before initiating the transaction, staff and volunteers with sufficient signing authority must obtain approval from the applicable General Manager <sup>1</sup>("GM").
- 1.3 An informal quote or quotes (i.e. telephone, email, fax, letter) from known suppliers will be obtained. Competitive quotes should be obtained where possible.
- 1.4 Authorized Staff are responsible for ensuring that low value procurements are made at fair market value and all information relating to the procurement must be documented and maintained on file.
- 1.5 Authorized staff are responsible for selecting the payment tool appropriate for the transaction (refer to sections 8 and 9 of the Procurement Policy).

**2. Informal Quotation Process**

Application

- 2.1 This method will be used for goods or services having a value less than \$10,000 and required for a one-time (non-repetitive) procurement.

Process

- 2.2 Before initiating the transaction, staff and volunteers with sufficient signing authority must obtain approval from the applicable GM or the GM, Finance and Technology.
- 2.3 Three informal quotes (i.e. telephone, email, fax, letter) will be obtained from known suppliers.
- 2.4 Authorized Staff are responsible for ensuring that the purchase or acquisition is made at fair market value and all information relating to the procurement must be documented and maintained on file.
- 2.5 Authorized staff are responsible for selecting the payment tool appropriate for the transaction (refer to sections 8 and 9 of the Procurement Policy).

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<sup>1</sup>CRHD and CRHR procurements will follow the process as set out in this Appendix B but are subject to the approval of their Boards and/or delegated approving authorities.

### **3. Written Quotation Process**

#### Application

- 3.1 This method will be used where:
  - 3.1.1 for goods or services, the value of the transaction is between \$10,000 and \$75,000,
  - 3.1.2 for construction, the value of the transaction is between \$10,000 and \$200,000,
  - 3.1.3 the transaction is for a one-time (non-repetitive) procurement of goods, services or construction; and
  - 3.1.4 the goods, services or construction required can be fully defined.
- 3.2 Authorized Staff may determine that it is appropriate to use a formal competitive process instead of the written quotation process even though the value of the transaction is less than \$75,000 (for goods or services) or \$200,000 (for construction). In such a case, Authorized Staff will, in accordance with the provisions of this Appendix, use an Invitation to Quote (goods and services only), Invitation to Tender (construction only) or a Request for Proposals (goods, services or construction).

#### Process

- 3.3 The upper limit of staff and volunteer signing authority is \$100,000. Staff and volunteers with sufficient signing authority must only initiate transactions under the \$100,000 limit, and only after obtaining approval of the applicable GM. Transactions exceeding the upper limit of staff signing authority but not exceeding \$200,000 may be initiated after receiving approval of a GM.
- 3.4 Where a GM approves the initiation of a written quotation process, the applicable GM is responsible for the execution of the transaction, which includes making key decisions, approving the award and executing all required documentation.
- 3.5 Written quotes will be obtained as follows:
  - 3.5.1 three (3) written bids obtained from three (3) separate potential suppliers;
  - 3.5.2 all suppliers will receive the same quotation written information; and
  - 3.5.3 all bid documentation will be retained by the Authorized Staff person in Department files to be held in accordance with CRD records retention policies.
- 3.6 Authorized Staff are responsible for selecting the supplier on the basis of best value to the CRD.
- 3.7 Authorized Staff are responsible for ensuring that the purchase or acquisition is formalized in a written contract, where appropriate (in accordance with section 8 of the Procurement Policy).

## 4. Invitation to Quote (ITQ)

### Application

- 4.1 This method should be used where:
  - 4.1.1 the procurement is for goods or services and the value of the transaction exceeds \$75,000; and
  - 4.1.2 the requirement can be fully defined such that the primary competing factor is price (i.e. the solution(s), specification(s), performance standard(s) and timeframe(s) are known).
- 4.2 This method may be used where the value of the transaction is less than \$75,000 and the other criteria set out in section 4.1 are met.
- 4.3 Authorized Staff may issue a Request for Proposals instead of an Invitation to Quote where, in accordance with section 6 of this Appendix, Authorized Staff determine that a Request for Proposals would be more appropriate in the circumstances.
- 4.4 For clarity, this method must not be used for construction procurement transactions (the Invitation to Tender process is used for construction transactions – see section 5 of this Appendix).

### Process

- 4.5 The upper limit of staff and volunteer signing authority is \$100,000. Invitations to Quote must only be initiated as follows:
  - 4.5.1 for acquisitions under \$100,000, by Authorized Staff or the applicable GM;
  - 4.5.2 for acquisitions estimated to be over \$100,000 but not exceeding \$500,000, on written approval from the applicable GM or CAO;
  - 4.5.3 for acquisitions estimated to be over \$500,000 but not exceeding \$5,000,000, on written approval of the CAO; or
  - 4.5.3 for acquisitions over \$5,000,000, on approval of the Board by way of a Board resolution authorizing the Invitation to Quote.
- 4.6 Invitations to Quote will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.6 to 5.9 of this Appendix.
- 4.7 On receipt of quotations from respondents, the competitive bid will be reviewed in accordance with the terms of the Invitation to Quote.

- 4.8 Staff will forward to the GM of the responsible department a summary of the procurement and recommend an award of contract to the supplier that meets all the mandatory requirements and provides the best value as stipulated by the ITQ.
- 4.9 Following review by the applicable GM, a summary of the procurement and the recommendation of award will be forwarded as follows for final approval of award:
  - 4.9.1 for awards within the signing authority limit of Authorized Staff, to the responsible staff person or the applicable GM;
  - 4.9.2 for awards above \$100,000 but below \$500,000, to the applicable GM or CAO;
  - 4.9.3 for awards over \$500,000 but not exceeding \$5,000,000, on written approval of the CAO; or
  - 4.9.4 for awards over \$5,000,000, to the Board.
- 4.10 Written notification regarding a procurement award and all supporting documentation is to be kept in the procurement file.

## **5. Invitation to Tender**

### Application

- 5.1 An Invitation to Tender must be used where:
  - 5.1.1 the procurement is for construction and the value of the transaction is \$200,000 or greater; and
  - 5.1.2 the specifications are adequately defined to permit the evaluation of tenders against the clearly stated criteria.
- 5.2 An Invitation to Tender may be used where the procurement is for construction and the value of the transaction is less than \$200,000.
- 5.3 Authorized Staff may issue a Request for Proposals instead of an Invitation to Tender where, in accordance with section 6 of this Appendix, Authorized Staff determine that a Request for Proposals would be more appropriate in the circumstances.
- 5.4 For clarity, this method must not be used for goods and services procurement transactions (the Invitation to Quote process is used for goods and services transactions – see section 4 of this Appendix).

### Process

- 5.5 The upper limit of staff and volunteer signing authority is \$50,000. Invitations to Tender must only be initiated as follows:
  - 5.5.1 for acquisitions under \$100,000, by Authorized Staff or the applicable GM;
  - 5.5.2 for acquisitions estimated to be over \$100,000 but not exceeding \$500,000, on written approval from the applicable GM or CAO;

- 5.5.3 for acquisitions estimated to be over \$500,000 but not exceeding \$5,000,000 written approval of the CAO; or
- 5.5.4 for acquisitions over \$5,000,000, on approval of the Board by way of a Board resolution authorizing the tender call.
- 5.6 The department responsible for issuing the Invitation to Tender will review and determine the specifications, terms and conditions relevant to the acquisition and provide this information to the applicable GM or CAO before notice of the Invitation to Tender is issued.
- 5.7 Where a GM or the CAO approves the initiation of an Invitation to Tender, the applicable GM or CAO is responsible for the execution of the transaction, which includes making key decisions, approving the award and executing all required documentation.
- 5.8 All Invitations to Tender will be issued using standard CRD contracts and tender documentation, unless otherwise approved by the Corporate Services department.
- 5.9 Notice of an Invitation to Tender will be given by electronic posting on BC Bid and the CRD webpage, complemented, if appropriate, by other means of making the public and suppliers aware of the invitation. If the Invitation to Tender is issued out of a competitive prequalification process that was posted on BC Bid, notice will only be given to successful respondents in a manner consistent with the prequalification documents.
- 5.10 The department responsible will evaluate the bids in accordance with the terms of the tender documentation and will recommend to Authorized Staff, the applicable GM, CAO or CRD Board (in accordance with section 5.11 of this Appendix) that the contract be awarded to the bidder offering best value.
- 5.11 Awards will be approved as follows:
  - 5.11.1 for tenders below \$100,000, by Authorized Staff or the applicable GM;
  - 5.11.2 for tenders below \$500,000, by the applicable GM or CAO;
  - 5.11.3 for tenders above \$500,000, but not exceeding \$5,000,000 by the CAO; and
  - 5.11.4 for tenders exceeding \$5,000,000, by the Board.
- 5.12 Written notification regarding a procurement award and all supporting documentation is to be kept in the procurement file.

## **6. Request for Proposals**

### Application

- 6.1 A Request for Proposals should be used for goods, services or construction where:
  - 6.1.1 suppliers are invited to propose a solution to a problem, requirement or objective;
  - 6.1.2 the selection of the supplier is based on the effectiveness of a proposal or other criteria, rather than primarily on price alone;

- 6.1.3 it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement; or
- 6.1.4 the requirement is best described in a general performance specification.
- 6.2 Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number of any combination of factors, a multi-step process may be used that would include a prequalification stage to ensure the workload is a manageable level.
- 6.3 At the discretion of Authorized Staff, this method may be used where the value of the transaction is less than \$75,000 and the other criteria set out in section 6.1 are met.

### Process

- 6.4 The upper limit of staff and volunteer signing authority is \$100,000. Staff and volunteers with sufficient signing authority must only initiate transactions under the \$100,000 limit, or their approved signing authority, and only after obtaining approval of the applicable GM.
- 6.5 Requests for Proposals will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.5 to 5.9 of this Appendix.
- 6.6 A selection committee composed of staff from the responsible department will review all proposals against the established criteria and reach consensus on the final rating results and ensure that the final rating results with supporting documents are kept on the procurement file.
- 6.7 Staff will forward to the GM of the responsible department a summary of the procurement and recommend an award of contract to the supplier that meets all the mandatory requirements and provides the best value as stipulated by the Request for Proposal.
- 6.8 Following review by the applicable GM, a summary of the procurement and the recommendation of award will be forwarded as follows for final approval of award,
  - 6.8.1 for awards within the signing authority limit of Authorized Staff, to the responsible staff person;
  - 6.8.2 for awards below \$500,000, to the applicable GM or CAO;
  - 6.8.3 for awards above \$500,000 but not exceeding \$5,000,000, to the CAO;
  - 6.8.4 for awards exceeding \$5,000,000, to the Board.
- 6.9 Written notification regarding a procurement award and all supporting documentation is to be kept in the procurement file.

## **7. Request for Standing Offer**

### Application

- 7.1 A Request for Standing Offer will be used where:
- 7.1.1 the same goods or services are repetitively ordered and the actual demand is not known in advance; or
  - 7.1.2 a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

### Process

- 7.2 Where the total value of goods or services required is estimated to be less than \$75,000 in a fiscal year, Authorized Staff will determine, in consultation with the appropriate GM, whether it is appropriate to issue a Request for Standing Offer in accordance with the above criteria.
- 7.3 Where the total value of goods or services required is estimated to be less than \$75,000 in a fiscal year, Authorized Staff, with approval of the applicable GM or CAO, may solicit written quotes from at least three (3) known suppliers who are qualified to supply the goods or services.
- 7.4 Where the total value of goods or services to be purchased is estimated to be above \$75,000 in a fiscal year, a Request for Standing Offer will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.5 to 5.11 of this Appendix.
- 7.5 In a Request for Standing Offer, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage.
- 7.6 More than one supplier may be selected where it is in the best interests of the CRD and the bid solicitation allows for more than one.
- 7.7 Where competition results in a large number of offers from vendors, Authorized Staff are authorized to negotiate lower unit rates with the highest ranked vendors in return for a reduction in the number of firms authorized to provide the goods or services or the offer of a firm contractual commitment by the CRD.
- 7.8 The bid documentation and accompanying contractual documentation may provide that the time period to provide goods or services may be extended beyond the end of the fiscal year at the mutual consent of the CRD and the supplier.
- 7.9 A contract resulting from a request for standing offer will be subject to the normal contract award signing limits for the total anticipated value of the standing offer over the term of the contract.

## **8. Non-Competitive Purchase Process**

### Application

- 8.1 The requirement for competitive purchasing may be waived by an applicable GM or the CAO and replaced with negotiations by staff under the following circumstances:
- 8.1.1 where competition is precluded due to the application of any Act or legislation or other legal consideration (such as patent rights/copyrights);
  - 8.1.2 where it can be demonstrated that only one supplier is able to meet the requirements of a procurement and a Notice of Intent has been issued;
  - 8.1.3 where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security of confidentiality matters,
  - 8.1.4 where the possibility of a follow-on contract was identified in the original bid solicitation;
  - 8.1.5 where the requirement is for a utility for which there exists a monopoly;
  - 8.1.6 where an unforeseeable situation of urgency exists and the goods, services or construction are urgently required, and delay would be injurious to the public interest;
  - 8.1.7 where the procurement is from a public body or non-profit organization;
  - 8.1.8 where the value of a transaction for goods or services is less than \$75,000 and the applicable GM or CAO has determined that a competitive process would not be practical and has given written approval for the acquisition; or
  - 8.1.9 where the value of a transaction for construction is less than \$200,000 and the applicable GM has determined that a competitive process would not be practical and has given written approval for the acquisition;
- 8.2 Approval of a non-competitive transaction must be within the signing authority of the person approving the transaction.
- 8.3 Staff must seek Board approval for a non-competitive transaction in excess of \$500,000 but should not do so without first seeking appropriate advice on whether the transaction is compliant with applicable trade agreements and procurement law principles.

### Process

- 8.4 When staff or volunteers wish to use a non-competitive purchase process, staff will provide the CAO or applicable GM with the rationale that warrants a non-competitive selection for approval and will obtain the CAO's or applicable GM's written approval before proceeding. If the amount of the proposed non-competitive purchase is over \$500,000, the Board must approve the transaction.
- 8.5 The supplier in whom the CRD has the greatest confidence to fulfill the requirement and provides for fair market value will be selected. Awards will be approved as follows:
- 8.5.1 for awards under \$500,000, by the CAO or an applicable GM;

8.5.2 for awards over \$500,000, by the Board.

## **9. Request for Qualifications**

9.1 A Request for Qualifications may be conducted in any procurement transaction for goods, services or construction to determine qualified suppliers that may bid on a subsequent procurement process undertaken by the CRD. A Request for Qualifications may be used in the following circumstances:

9.1.1 the work requires a stipulated performance and experience level or requires elements of confidentiality or security; or

9.1.2 the value and complexity of the work is such that the contract administration costs (work inspection, follow-up, delay) would result in substantial additional costs or loss to the CRD if the work is not performed as required; or

9.1.3 to build supplier interest to determine if there are enough suppliers to justify a full Request for Proposal process or other formal competitive process.

### Process

9.2 Staff and volunteers with sufficient signing authority must only initiate transactions under the \$100,000 limit and only after obtaining approval of the applicable GM.

9.3 For transactions that are estimated to be above \$75,000, a Request for Qualifications will be issued in the same manner as an Invitation to Tender and will follow the procedures set out in sections 5.5 to 5.11 of this Appendix.

9.4 A selection committee composed of staff from the responsible department will review all submissions against the criteria established in the Request for Qualifications, reach a consensus on the final rating results, and ensure that the final rating results with supporting documents are kept on the procurement file.

9.5 The final rating results will be forwarded for approval in the same manner as a Request for Proposals award approval and will follow the process set out in section 6.8 of this Appendix.

## **10. Other**

10.1 There may be other procurement methods or tools not described in this Appendix that may be appropriate for any given transaction (including, for example, a Request for Expression of Information or Request for Information).

10.2 Authorized Staff may use a method not listed in this Appendix for transactions within their signing authority limit with the approval of the applicable GM and the Corporate Services department.

10.3 Staff may bring forward for approval methods not listed in this Appendix for transactions outside of their signing authority as follows:

- 10.3.1 for transactions with an estimated value of less than \$500,000 to the applicable GM or CAO;
  - 10.3.2 for transactions with an estimated value of more than \$500,000 but not exceeding \$5,000,000 to the CAO;
  - 10.3.3 for transactions exceeding \$5,000,000, to the Board.
- 10.4 When staff wish to use a method not listed in this Appendix, staff will provide the rationale that warrants the process proposed and a description of the process proposed when seeking approval in accordance with 10.3 above.