

LEGISLATIVE ASSEMBLY OF BRITISH COLUMBIA

POLICY MANUAL

SECTION	Financial Management and Administration
POLICY	3100 – Procurement

Objective

To establish a framework for the acquisition of goods, services, or construction by the Legislative Assembly Administration from a vendor, to ensure procurement activities follow best business practices and are based on the principles of fair and open procurement: successful completion, demand aggregation, value for money, transparency, and accountability.

Application

This policy applies to all employees of the Legislative Assembly appointed under section 39 of the *Constitution Act* (R.S.B.C. 1996, c. 66).

Authority

Legislative Assembly operational policies are approved by the Clerk of the Legislative Assembly, as per *Policy 1000 – Legislative Assembly Policy Framework*.

Key Definitions

“**BC Bid**” means the online marketplace where public sector organizations in British Columbia advertise opportunities for contracts for a wide range of goods, services, or construction;

“**competitive process**” means a process through which multiple bids or proposals are sought from vendors;

“**contract**” means an agreement between parties creating mutual obligations that are enforceable or otherwise recognizable at law, including a purchase order, memorandum, and an amendment, renewal, or extension of an agreement;

“**direct award**” means awarding a contract above the direct purchase threshold identified in Appendix A without having undergone a competitive process;

“**direct purchase**” means a purchase not requiring a competitive procurement process, based on the thresholds identified in Appendix A;

“**expense authority**” means the authority granted to an employee to approve expenditures as defined in *Policy 3000 – General Expenditure*;

“**formal procurement**” means a competitive process using one of the Central Procurement Team’s approved templates and posted to BC Bid;

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“informal procurement” means a competitive process, undertaken using a direct solicitation or by conducting online research;

“maximum contract value” or **“MCV”** means the cumulative monetary value (inclusive of any contingency) of the procurement contract over its term, including all potential extensions and renewal options, but exclusive of the Goods and Services Tax (GST);

“procurement” means the process to acquire goods, services, or construction, including budget approval, scope definition, solicitation, competitive process, award;

“project” means a temporary undertaking carried out to acquire or produce a product, service, or benefit for which financial resources are required;

“solicitation” means the process of requesting a response from one or more vendors;

“vendor” means a person, business, government, or other legal entity that could provide goods, services, or construction.

1. General

- .01 This policy does not apply to the acquisition of goods, services, or construction initiated by an employee on behalf of a parliamentary committee or for a constituency office.
- .02 Requests for Legal Services review under this policy must be coordinated through the Central Procurement Team.
- .03 When determining the MCV, the following must be considered:
 - a) the entire scope of the contract, including, but not limited to, products, services, licensing, installation, maintenance, and updates;
 - b) the entire estimated value of the contract, including fees, expenses, and other remuneration, and all potential options for extensions or renewals; and
 - c) contingency amounts.
- .04 A procurement must not be structured in way to avoid a competitive process where a competitive process would otherwise have been required.

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2. Planning

- .01 The initiator must secure appropriate approvals as outlined in Appendix A – Solicitation Requirements before undertaking any procurement.
- .02 When planning an informal or formal procurement, the initiator must check for:
 - a) existing Legislative Assembly supply arrangements or contracts; and
 - b) corporate supply arrangements or other purchase arrangements established by the Government of British Columbia.
- .03 When planning a formal procurement, the initiator must inform the Central Procurement Team, and must do so as far in advance as possible to allow for appropriate planning and resource allocation by the Central Procurement Team and Legal Services.

3. Solicitation

- .01 Appendix A – Solicitation Requirements outlines the solicitation method, approvals, and BC Bid posting requirements based on the MCV.
- .02 The initiator must not request or permit a vendor to split a single contract or project into pieces or multiple solicitations to circumvent the approval and solicitation method requirements.
- .03 Proposals or quotes for a direct purchase or informal procurement may be solicited via requests to targeted vendors or by conducting market research; supporting documentation must be kept with the procurement file.
- .04 For a procurement with a MCV of \$10,001 or more for goods, or \$25,001 or more for services or construction, the initiator must use a competitive process, unless the direct award conditions of section 5 apply; direct awards must only be used in exceptional circumstances and must not be used as a means to forego a competitive process.
- .05 In a competitive process, regardless of the MCV:
 - a) information must be provided to all vendors in a non-discriminatory manner;
 - b) evaluation criteria, including any weightings or any reference check requirements, must be disclosed;
 - c) vendors must be provided with sufficient time to submit

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responses; and

- d) any other information necessary to permit a vendor to respond to the solicitation must be provided.

- .06 If a procurement with a MCV less than \$75,001 (goods and services) or \$100,001 (construction) is posted on BC Bid, it becomes a formal procurement and requires formal procurement approvals outlined in Appendix A – Solicitation Requirements.
- .07 For a formal procurement, the Central Procurement Team's solicitation templates must be used. Any exceptions or alterations to the templates must be reviewed and approved by the Central Procurement Team in consultation with Legal Services.
- .08 To post on BC Bid, an *Executive Summary for Posting Solicitations on BC Bid Form* must be completed and duly authorized, regardless of the MCV.
- .09 The initiator is responsible for developing solicitation content and the final award decision. The Central Procurement Team is responsible for managing the Legislative Assembly's BC Bid account including posting all procurements and subsequent amendments.

4. Evaluation and Award

- .01 The rationale for ranking vendors must be documented and retained in the procurement file in accordance with section 8. Any contract awarded must be based on the selection criteria identified in the solicitation documents.
- .02 If the MCV is estimated at \$75,001 or more for goods and services, and \$100,001 or more for construction, all submissions in a competitive process that is not based on price alone must be evaluated by a panel of three or more evaluators.
- .03 If received bids are higher than the estimated MCV, the following applies:
 - a) **Direct Purchase:** If a direct purchase quote is \$10,001 or more for goods, or \$25,001 or more for services or construction, the initiator must ensure that appropriate approvals and funding are secured and proceed with an informal or formal procurement depending on the anticipated value; or
 - b) **Informal Procurement:** If bids for an informal procurement are \$75,001 or more for goods and services, or \$100,001 or more

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for construction, the contract can be awarded if additional funding is secured and there is approval from the Clerk of the Legislative Assembly.

- .04 The maximum duration of any contract stemming from a procurement, including direct awards, supply arrangements, and any extensions and potential renewal options, is 5 years with exception to those pertaining to key infrastructure items as detailed in section 4.05 below.
- .05 Key infrastructure items, as defined in the *Key Infrastructure Guideline* managed by the Central Procurement Team, may be awarded for longer than 5 years if approval has been given by the Clerk of the Legislative Assembly prior the solicitation posting; this approval must be formally documented.
- .06 All contracts stemming from a procurement must be in writing, signed, and abide by the requirements of *Policy 3105 – Contracting*.
- .07 If a contract stemming from a procurement must exceed the initial MCV for unforeseen reasons, the initiator must follow the amendment approach and secure the approvals outlined in *Policy 3105 – Contracting*.

5. Direct Award

- .01 The initiator may only direct award a contract if at least one of the following exceptional conditions applies:
 - a) **Public Sector Organization:** The contract is with an entity listed in and is part of the Government of British Columbia Summary Financial Statement Reporting Entity;
 - b) **Sole Source:** The initiator can justify that only one vendor is qualified, or is available, to provide the goods, services, or construction (see section 5.02);
 - c) **Emergency:** An unforeseeable emergency exists, and the goods, services, or construction cannot be obtained in time by a competitive process;
 - d) **Members, Caucuses, or Constituency Offices:** The acquisition relates directly to Member, caucus, or constituency office related services, and the goods, services, or construction cannot be obtained by a competitive process due to the timing or confidential nature of the matter;

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- e) **Security, Safety, or Health:** A competitive process would interfere with the Legislative Assembly's ability to maintain security, safety, or health;
 - f) **Confidentiality:** The acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise parliamentary or government confidences, compromise parliamentary privilege or solicitor-client privilege, or be contrary to the Legislative Assembly's or the public interest;
 - g) **No Bid:** If an opportunity was put up for competitive bidding and no compliant bid was received, the contract may be awarded as a direct award to a vendor of choice; or
 - h) **Other:** The acquisition is for historic items and books, specific works of art, or is a future phase of project (see section 5.03).
- .02 To justify a direct award on only a sole source condition (section 5.01b), the initiator must prove there is only one vendor; if this cannot be strictly proven, the initiator must prepare a *Notice of Intent* if the MCV is \$75,001 or more for goods and services, or \$100,001 or more for construction. In such instances,
- a) the *Notice of Intent* will be posted on BC Bid;
 - b) the initiator, Central Procurement Team, and Legal Services must review all objections and determine if they are substantiated;
 - c) if objections are substantiated, the initiator must complete a competitive process; and
 - d) if no objections are received, or if the objections are not substantiated, the direct award may proceed.
- .03 A future phase of a project may be a direct award to the successful vendor of a solicitation only if:
- a) future phases are directly dependent on the initial phase of the project;
 - b) the work produced in the initial project phase will be used in future phases and does not allow for easy transfer between vendors;
 - c) this opportunity is explicitly stated in the original solicitation;
 - d) the monetary value of future phases is considered in the MCV of the original solicitation;

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- e) a *Direct Award Justification Form* is completed and approved; and
- f) a new contract is developed.

- .04 For a direct award with a MCV of \$10,001 or more for goods or \$25,001 or more for services or construction, the initiator must complete a *Direct Award Justification Form* that must be retained in the procurement file.
- .05 A *Direct Award Justification Form* does not have to be completed for a No Bid direct award; however, the circumstances and the rationale for a direct award must be documented in the procurement file.
- .06 The initiator must obtain the following approvals for a direct award:

Approval	Goods	Services	Construction
Department Director and Responsible CLG Member	\$10,001 to \$75,000	\$25,001 to \$75,000	\$25,001 to \$100,000
Department Director, Responsible CLG Member, and Clerk of the Legislative Assembly	\$75,001 or more	\$75,001 or more	\$100,001 or more

6. Supply Arrangement

- .01 An initiator should acquire goods or services using pre-established supply arrangements (also known as standing offers) where available and economical. A supply arrangement is an agreement whereby one or more vendors provide goods or services on demand at a fixed price over the term of the agreement.
- .02 To establish a supply arrangement for goods or services, the initiator must follow the solicitation and award requirements outlined in sections 3 and 4.

7. Pre-Qualified Vendor List

- .01 To establish a pre-qualified vendor list for goods, services, or construction, a Request for Qualifications or Request for Standing Offer must be undertaken, and pre-qualified lists must be shared with the Central Procurement Team.
- .02 The initiator must complete Request for Qualifications or Request for Standing Offer documents and define the process in which a vendor is added to a pre-qualified vendor list.

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- .03 The solicitation must identify how long the offer will be in place and any options to renew.
- .04 Once a pre-qualified vendor list is established, vendors must be allocated work in a fair, competitive, and consistent manner reflective of their availability and past performance. The method of allocating work must be disclosed to the vendors in the solicitation documents.
- .05 A new vendor can only be added to an existing pre-qualified vendor list by the process defined in the solicitation documents.

8. Administration and Monitoring

- .01 The initiator must submit an electronic copy of a signed procurement contract with a MCV of \$10,001 or more, including any modification agreements, to the Central Procurement Team to be stored in a central repository. This includes:
 - a) general services agreements, supply arrangements, purchase orders, vendor contacts, or any other documentation confirming the purchase; and
 - b) amendments, renewals, and extensions.
- .02 The initiator must maintain a paper or electronic procurement file for all procurements, whether awarded or cancelled, for at least 7 years.

Contact	Questions regarding this policy may be directed to the Central Procurement Team at procurement@leg.bc.ca .
Procedures	<i>Direct Award Justification Form</i> <i>Executive Summary for Posting Solicitations on BC Bid Form</i> <i>Key Infrastructure Guideline</i>
References	<i>Policy 3000 – General Expenditure</i> <i>Policy 3105 – Contracting</i>

Kate Ryan-Lloyd

Approved and authorized by
Kate Ryan-Lloyd, Clerk of the Legislative Assembly

December 1, 2023

Date

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POLICY HISTORY	
Version 1	August 1, 2018
Version 2	December 1, 2023

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APPENDIX A – SOLICITATION REQUIREMENTS

Category	Direct Purchase MCV	Informal Procurement MCV	Formal Procurement MCV
Goods	\$10,000 or less	\$10,001 to \$75,000	\$75,001 or more
Services	\$25,000 or less	\$25,001 to \$75,000	\$75,001 or more
Construction*	\$25,000 or less	\$25,001 to \$100,000	\$100,001 or more
PROCESS			
Posting	Request one or more proposal or quote	Request three or more proposals or quotes	Public posting on BC Bid
Procurement/ Legal Review	Optional	Goods/Services: Optional *Construction: Procurement review required; Legal review required depending on the risk and type of contract used	Procurement and legal review required
Approvals	Department Director Expense Authority	Department Director Expense Authority	Department Director, Responsible CLG Member, and Clerk of the Legislative Assembly
BC Bid Posting	Not required	Not required	Mandatory