



## **B.4.1 Detailed Purchasing Procedures**

July 01, 2016

## Table of Contents

Part A: Procurement.....	1
1. Objectives.....	1
2. Roles and Responsibilities .....	1
a) Vice Presidents.....	2
b) Director, Procurement .....	2
c) Vice President, Administration and CFO.....	4
d) Board of Governors/ Finance & Audit Committee.....	4
3. Policy .....	4
a) Procurement Planning .....	4
b) Preferred Procurement Processes and Instruments .....	5
c) Conflict of Interest.....	6
d) Internal Provision vs. Procurement Supply Options.....	7
e) Contract Award, Management and Extension.....	7
f) Contractor Support by VCC.....	8
g) Strategic Partnership Agreements .....	8
h) Supplier Donations .....	9
i) Supplier Samples.....	9
j) Former Employees of VCC .....	9
k) Environmental Responsibility .....	9
l) Royalty Agreements.....	9
4. Pre-award and Solicitation .....	10
a) All Procurement .....	10
b) Procurement of Goods .....	12
c) Procurement of Used Goods at Auction .....	13
d) Procurement of Services and Construction.....	14
5. Contract Award – All Procurement .....	14
a) Direct Awards.....	14
b) Procurement Files, Contract Files, and Waiver File .....	15
c) Selection and Award of Contract .....	16
d) Processing of Responses and Follow-up.....	17
e) Pricing .....	17

f)	Procurement Administration .....	17
g)	Electronic Posting of GSA and GGA Schedules .....	20
h)	Disposal of Surplus Assets .....	20
i)	P-Cards .....	20
6.	Information Technology Procurement .....	22
7.	Unsolicited Proposals .....	23
8.	Contract Administration and Monitoring .....	24
a)	Receipt of Goods .....	24
b)	Payment .....	25
c)	Evaluation, Monitoring and Reporting .....	25
d)	Deficient Performance and Breach .....	26
e)	Asset Management .....	26
f)	Disputes .....	26
Part B:	Vendor Complaint Review, Public Postings, Trade Agreement Compliance, and Privacy .....	27
9.	Vendor Complaint Review - Policy .....	27
a)	General .....	27
b)	Definitions .....	27
c)	Scope of VCRP .....	27
10.	Vendor Complaint Review - Roles and Responsibilities .....	28
a)	Departments including Procurement Services .....	28
b)	Vice President, Administration and CFO .....	28
c)	Vendors .....	28
11.	Vendor Complaint Review - Process .....	28
12.	Public Posting - Bid Opportunities, Amendments and Notice of Contract Awards .....	29
13.	Intergovernmental Trade Agreements - Compliance .....	29
14.	Privacy - Disclosure of Contract Information .....	30

## List of Acronyms and Abbreviations

BSA	BCNETSource supply arrangement
CETA	Canadian European Comprehensive Economic Trade Agreement
CFTA	Canadian Free Trade Agreement
CSA	Provincial corporate supply arrangement
CISA	Cross-institution supply arrangement
FOI	Freedom of information
FOIPP	Pursuant to the <i>Freedom of Information and Protection of Privacy Act</i>
ITQ	Invitation to quote
ITT	Invitation to tender
MASH	For trade agreement purposes, municipalities, publicly funded post-secondary academic institutions and school boards, and health regions
MSO	Master standing offer
NOI	Notice of intent (to make a direct award of contract)
NRFP	Negotiated request for proposal
NWPTA	British Columbia – Alberta – Saskatchewan – Manitoba – <i>New West Partnership Trade Agreement</i>
PO	Purchase order
PPS	Privacy protection schedule
Province	Government of the Province of British Columbia
RFI	Request of information
RFP	Request for proposal
RFQ	Request for (statements of) qualifications
RFSO	Request for standing offer
TILMA	British Columbia – Alberta <i>Trade, Investment and Labour Mobility Agreement</i>
VCC	Vancouver Community College
VCRP	Vendor complaint review process

## Part A: Procurement

### 1. Objectives

The following objectives for VCC procurement activity for goods, services and construction are based on the principles of fair and open sector procurement: competition, demand aggregation, value for money, transparency and accountability.

- a) Acquisitions are managed consistent with VCC policy and requirements of provincial trade agreements.
- b) VCC receives the best value for money spent on contracts.
- c) Vendors have fair access to information on procurement opportunities, processes and results.
- d) Acquisition and disposal opportunities are competed, wherever practical.
- e) VCC only engages in a competitive process with the full intent to award a contract at the end of that process.
- f) VCC is accountable for the results of its procurement decisions and the appropriateness of the processes followed.
- g) VCC's buying power is leveraged wherever practical through demand aggregation and the use of provincial corporate supply arrangements (CSAs), cross-institution supply arrangement (CISAs), lists of qualified suppliers and master standing offers (MSOs) identified by Procurement Services as available to VCC.
- h) The cost of procurement process, to both vendors and VCC, is appropriate in relation to the value, complexity and risk of each procurement.
- i) Assets surplus to the needs of VCC are disposed of in a coordinated way to maximize the dollar return to VCC, and to minimize the risk to the environment.

This policy applies to VCC contracts (i.e. agreements to procure goods, services and construction) and to contract expenditures chargeable to VCC. The government of the Province of British Columbia, is a party to three trade-related agreements governing contracting by public sector entities and other matters:

- The Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
- The federal-provincial intergovernmental Canadian Free Trade Agreement (CFTA).
- The British Columbia-Alberta Trade, Investment and Labour Mobility Agreement (TILMA).
- The British Columbia-Alberta-Saskatchewan-Manitoba New West Partnership Trade Agreement (NWPTA).

These agreements, where noted, apply to the MASH sector that encompasses municipal, publicly funded post-secondary academic institutions and health authorities. For more information about how these apply to VCC's contracting, see section *Compliance with Intergovernmental Trade Agreements*.

### 2. Roles and Responsibilities

a) **Vice Presidents**

Vice Presidents are responsible for the procurement activities occurring within their departments:

- i. Planning and fully documenting to established VCC standards, the process to acquire goods, services and construction.
- ii. Ensuring procurement processes are initiated only where spending authority and department budget are available.
- iii. With the support of Procurement Services, managing solicitation and contract award processes in a prudent and unbiased manner that fairly treats all potential vendors and bidders.
- iv. Using demand aggregation, and provincial CSAs, CISAs and Lists of Qualified Suppliers/MSOs identified by Procurement Services as available to VCC, for goods and services to meet program requirements.
- v. Ensuring that contracts for goods, services and construction are designed to provide the best value to VCC.
- vi. Ensuring that contracts for goods, services and construction are based upon the VCC General Services Agreement, the VCC General Goods Agreement or, where appropriate, upon other templates approved for use by Procurement Services.
- vii. Ensuring that all acquisitions and disposals are consistent with policy, applicable legislation, and trade agreements.
- viii. Ensuring compliance with this policy.

Vice Presidents have authority to commit VCC to contracts procured in accordance with this policy, to the value set out in **B.4.1 Purchasing policy Appendix A: Procurement Authority Limits**.

b) **Director, Procurement**

The Director, Procurement is responsible for:

- I. Developing and revising VCC procurement policy and providing official communications and interpretations of this procurement policy.
- II. Developing and revising corporate contract administration and providing official communications and interpretations.
- III. Monitoring and reporting for compliance with this procurement policy.
- IV. Ensuring solicitation and contract award processes are managed in a prudent and unbiased manner that fairly treats all potential vendors and bidders.
- V. Ensuring that procurement planning is undertaken as part of program/service/goods acquisition process and must take steps to establish multi-disciplinary committee to plan and document the planning process for any procurement opportunity over \$75,000.
- VI. Providing support and advice on VCC procurement policy, including development and management of a procurement training curriculum.

- VII. Identifying provincial CSAs that will provide best value to VCC.
- VIII. Identifying and initiating supply arrangements across other provincial institutions (CISAs) with a view to achieving demand aggregation and best value to VCC.
- IX. Identifying opportunities for supply arrangements across VCC with a view to achieving demand aggregation and best value to VCC and to establish processes (including Lists of Qualified Suppliers and MSOs) to expedite smaller transactions that are repeated throughout the year.
- X. Establishing and maintaining:
  - A central file containing full documentation of all procurement activities undertaken by VCC
  - A central file of all contracts entered into by VCC
  - A central file of all approved waivers of competitive process
- XI. Establishing and maintaining on the VCC internal website, a location for the posting of detailed procurement procedures, supply arrangements, pro-forma documents and award decisions taken by VCC.
- XII. Establishing and maintaining on the VCC public website, a location for the posting of award decisions taken by VCC.
- XIII. Establishing processes for the development and approval of procurement and contracting documents, which must include seeking the advice of VCC legal counsel, where appropriate. Ensuring legal review is documented.
- XIV. Establishing guidelines for the procurement of environmentally responsible products and services (see article 3.k).
- XV. Ensuring processes used by the Departments to acquire goods, services and construction are documented to VCC standards.
- XVI. Establishing and managing policy for a formal VCC vendor complaints resolution process, including an internal escalating complaint resolution procedure.
- XVII. Ensuring that contracts for goods, services and construction, are designed to provide the best value to VCC and are based upon the VCC General Services Agreement, the VCC General Goods Agreement, or upon other templates approved for use by Procurement Services.
- XVIII. Ensuring that all VCC acquisitions and disposals are consistent with policy, applicable legislation and trade agreements.
- XIX. Disposing of all tangible and intangible assets that are surplus to VCC requirements.
- XX. Providing a sole point of access to BC Bid<sup>®</sup>, the official procurement website of the provincial public sector, for VCC and coordination of all postings on that website on behalf of VCC.
- XXI. Ensuring approval to post is attained from the Board of Governors (Board) for every posting above \$500,000 on BC Bid<sup>®</sup>.
- XXII. Providing operational procurement advice to Departments for procurement services.

c) **Vice President, Administration and CFO**

The Vice President, Administration and CFO is responsible for:

- i. Ensuring all procurements initiated with the approval of the Board are procured according to VCC policy, fully negotiated and documented using VCC approved General Services Agreements or other contract templates approved for use by Procurement Services
- ii. Providing direction to the Director, Procurement respecting the development of procurement policies and presenting recommendations to the Board.
- iii. Approving the form and content of all procurement solicitation and contracting documents placed into standard usage at VCC.
- iv. Ensuring all contracts are fully negotiated and documented using VCC approved General Service Agreement, General Goods Agreement or other contract templates approved for use by the Procurement Services.
- v. Approving every posting below \$500,000 made to BC Bid®.
- vi. Ensuring legal review of procurement solicitation documents including contract templates and third party contract language where appropriate.
- vii. Reviewing reports on approved waivers.
- viii. Ensuring appropriate approvals are obtained to cover amendments to Contracts
- ix. Ensuring that all approvals within the authority threshold of the Board are recorded accurately and in a sufficient level of detail in the minutes of the Board and are advised in writing to the Director, Procurement.

VP Administration and CFO has authority to commit VCC to contracts procured in accordance with this policy, to the value set out in B.4.1 Purchasing policy Appendix A: Procurement Authority Limits.

d) **Board of Governors/ Finance & Audit Committee**

- i. The Board of Governors of VCC is responsible for the approval of all procurement policies recommended by the VP Administration and CFO.

Approving or rejecting procurement plan/proposal as well as recommendation to award a contract within Board thresholds. If the plan is approved the Board will direct the VP Administration and CFO to initiate the appropriate procurement under VCC Policy.

The Board/Finance & Audit Committee has authority to commit VCC to contracts procured in accordance with this policy, to the value set out in **B.4.1 Purchasing policy Appendix A: Procurement Authority Limits.**

**3. Policy**

a) **Procurement Planning**

- i. Procurement planning must be undertaken as part of the program/service planning process.
- ii. Procurement Services must ensure that procurement planning is undertaken as part



of program/service/goods acquisition process and must take steps to establish multi-disciplinary committees to plan and document the planning process for any procurement opportunities over \$75,000.

- iii. Procurement Services should identify opportunities for demand aggregation across provincial educational and government operations that provide overall savings to VCC, and must make recommendations for their initiation to the Director, Procurement.
- iv. Departments must advise Procurement Services of their procurement plans and requirements for common goods, services and construction in advance of program needs.
- v. Departments must participate in provincial CSAs, cross-institution supply arrangements (CISAs), and VCC supply channels identified or initiated by Procurement Services where those arrangements would meet the requirements and provide best value to VCC. A Department requires the specific approval of Procurement Services not to participate in established supply arrangements where such arrangements are available.
- vi. Departments must review alternatives to acquiring new goods, services and construction such as considering repairs to existing assets and transfer of used assets.
- vii. Departments must have the appropriate authority and funding to complete a procurement project prior to soliciting proposals, awarding a contract, or contracting for any goods, services, or construction.

**b) Preferred Procurement Processes and Instruments**

i. Procurement of Services

Generally, a negotiated request for proposal (NRFP) is the preferred method for soliciting proposals. Notifications of such solicitations will be posted on the provincial government's BC Bid® website. Typically, proponents shall have three or four weeks to submit proposals. A request for proposal (RFP) can be used where appropriate and approved by Procurement Services.

The responses received by closing time will then be carefully evaluated in accordance with both the previously disclosed financial and non-financial criteria and weights to produce a ranking. Proposals not meeting stated mandatory criteria will be rejected as soon as they are found materially non-compliant. Negotiations will proceed with the top-ranked proponent on a services agreement drawn up by applying a VCC approved General service Agreement or based upon an alternative contract template approved by Procurement Services and VCC's legal counsel.

ii. Procurement of Goods

Where the attributes of goods to be acquired can be specified, an invitation to quote (ITQ) will be issued and a notification posted on the BC Bid® website. Responses submitted by closing time will be evaluated in terms of:

- Compliance with stated requirements; and
- Lowest price.

VCC will then submit a purchase order to the respondent that submitted the lowest-price, qualified response. The contract between VCC and the supplier is formed by acceptance of the purchase order.

iii. Procurement of Construction

Typically, each jurisdiction has an established custom of trade for its construction industry. Larger projects are put to tender with documents and drawings being made available at a central place known to general contractors. The form of solicitation on larger construction projects will be an invitation to tender (ITT). Bids are received and responses are ranked by price. Responses are then submitted to technical consultants for further evaluation. Price will be the main consideration but may be eclipsed by other factors providing the ITT was specific enough as to those additional criteria.

Resulting contracts will be industry specific owing to needs to address construction related requirements like bonding, builder's risk insurance and liens.

For smaller, less complex and lower value acquisitions of building and grounds maintenance services, ITTs, NRFPs, or RFPs may be employed with the approval of Procurement Services.

iv. Other Processes and Instruments

For specialized procurement needs, there is a toolbox of instruments that includes negotiated request for proposals (NRFP), request for proposals (RFPs), master standing offers (MSOs), requests for statement of qualifications (RFQs), request for information (RFIs) and requests for expression of interest (EOI). These tools may be used only upon the recommendation of VCC's Procurement Services.

c) **Conflict of Interest**

- i. To ensure transparency and equitability in the completion of all procurements, staff (including Board members involved in the procurement process or the award decision) must strictly adhere to VCC's Standards of Employee Conduct & Conflict of Interest Policy (A.3.6).
- ii. An employee or Board member must not participate in the evaluation of responses to a procurement if any respondent could involve a direct relative, a person married to a direct relative, or a person sharing the same household as the employee, or respondent where the potential evaluator holds a shareholding or a financial interest. A direct relative means a spouse, parent, grandparent, grandchild, brother, sister, son, or daughter.
  - Each evaluator is required to provide to the Chair of the Evaluation Committee a declaration that conflict does not exist at the point the identity of the respondents becomes known to the evaluator.
  - The signed declarations of conflict must be appropriately filed.
- iii. An employee or Board member must not participate in a contracting decision if the contracting process or contract could involve a direct relative, a person married to a direct relative, or a person sharing the same household as the employee.
- iv. An employee or Board member, who is exposed to an actual, perceived or potential

conflict of interest in relation to an actual or proposed solicitation, must disclose the matter to his or her supervisor and the contract manger.

- If, after review, it is determined that there is a conflict, the supervisor must remove the employee from this particular situation.
  - The supervisor must advise Procurement Services of the issue of potential conflict at the time it is raised as a concern, and of the resolution of the issue once that determination is made.
- v. An employee or Board member who fails to disclose a conflict of interest is subject to disciplinary action up to and including dismissal or removal from the Board. Any suspected conflicts of interest must be investigated by a VCC manager who is free of any real or perceived conflict and thereafter promptly resolved.
- vi. In this regard, staff or Board members involved in any capacity with the procurement of goods, service, or construction, or in the management of contracts for the provision of goods, services, or construction may not accept any gifts, special favours, or considerations of any other manner, from potential respondents to procurement opportunities, contractors/suppliers, or individuals associated with contracts/suppliers, unless such gifts are approved in advance by the President.
- vii. This policy directive applies irrespective of the dollar value of such gift, special favour, or other consideration.

**d) Internal Provision vs. Procurement Supply Options**

- i. Where the outsourcing of an internally provided service is being considered, or where VCC is considering a service that was not previously provided by VCC, and the contract for ongoing services over the anticipated term and extensions is greater than \$200,000 before taking any steps to find a contractor, a Department must ensure that a benefit-cost justification exists for the contract, including, where appropriate, comparing the cost of contracting out with the cost of providing the service in-house if the in-house resources are readily available.
- ii. The benefit-cost assessment should address risks of reliance on external parties, contract succession challenges and vendor relationship management issues over the term of the contract.
- iii. Contract outcomes must be defined; and the contract must be consistent with policy, applicable legislation, and trade and collective agreements.

**e) Contract Award, Management and Extension**

- i. Where a contract for the continuation of a service is to be awarded (that is not the result of exercising an option to renew) and the requirements have not changed from those provided under the initial contract, the Department may rely upon the original benefit-cost justification if it is still relevant.
- The Vice President responsible for the Department may request an update to the original justification where the business situation warrants.
- ii. A contract must not result in the contractor occupying on an ongoing basis, an organizational position, or take the place of work normally conducted or acquired by a central support function within VCC. In addition, a contract must not result in the

establishment of an employer/employee relationship. Every contractor engaged by the VCC must be independent and operating at arm's length from VCC.

- iii. Departments and staff must not divulge any information that could impair the negotiating position of the VCC or that could benefit the competitive position of one contractor at the expense of another.

**f) Contractor Support by VCC**

- i. Where funding is provided to the contractor to acquire assets the contract must identify the assets and the funding provided for the purpose of acquiring the assets. The contract must also state who owns the assets that are provided to a contractor by VCC; the assets created as a result of the contracted services; or the assets that are purchased by the contractor with funds provided by VCC.
- ii. The contract must also state who is responsible for the maintenance of the asset during the period of the contract and the disposition of the assets at the termination of the contract. The specific and prior approval of the VP Administration and CFO is required before VCC enters into any situation where it funds the Contractor acquisition of an asset.
- iii. Where VCC is willing to provide services to a contractor (e.g., office accommodation or computer networking services), this must be disclosed to all prospective respondents to a solicitation and offered in a non-discriminatory manner.
- iv. Departments and Procurement Services must not bestow a favour on, or grant preferential treatment to, any prospective contractor.

**g) Strategic Partnership Agreements**

VCC may enter into a Strategic Partnership contract, agreement or alliance with external organizations. A Strategic Partnership agreement is a contractual arrangement between VCC and external entity that sets out an agreed upon exchange of cash, goods and/or services that have a direct measurable mutual benefit including cash donation, product or service in kind and promotional item to VCC and the external organization. A department may recommend to Purchasing Services to negotiate a strategic partnership with an external entity if the following conditions exist:

- The request must be consistent with the goals and Vision as articulated in the VCC strategic plan
- The request must be backed by a comprehensive cost benefit analysis outlining the potential costs and benefits to VCC
- The Director, Procurement Services upon review of the initial request will recommend to VP, Administration and CFO to approve or reject the request to enter into a strategic partnership agreement
- The good or services the agreement will cover is exempt from the competitive process, for example, acquisitions primarily for resale
- As a condition of funding from an external source, VCC is required to leverage funding or support from other external sources to maximize benefits to students and VCC

**h) Supplier Donations**

- To ensure transparency and fairness of the procurement process, procurement decisions and activities except for Strategic Partnership Agreements must not be mixed up or tied to solicitation of supplier donations.

Discussions with potential donors including contractors pertaining to donations or support for VCC activities and undertakings must be conducted only through the VCC Marketing Department or VCC Foundation.

**i) Supplier Samples**

- i. Budget Managers may accept product samples from suppliers providing:
- Samples are delivered under Strategic Partnership Agreement and donation through VCC Foundation (schedule g and h)
  - The samples were not solicited in any manner from the supplier,
  - The samples are either:
    - distributed equitably to a representative sample of students enrolled in the course for student evaluation, or
    - entirely used in the preparation for or delivery of course content, where the product evaluation will be undertaken, and
  - The quantity of samples is reasonable in relation to the evaluation to be conducted on the samples.

**j) Former Employees of VCC**

- i. An employee who has received a severance payment on termination of employment must repay all or portion of the lump sum payment if remuneration is received from a contract with VCC within the severance settlement period.
- ii. VCC shall hold former employees to their common law duty to maintain the confidentiality of information to which they had access while employed by VCC. VCC employees who have reason to believe that a former employee may have breached that duty must immediately so report to the Vice President, Administration and CFO.

**k) Environmental Responsibility**

- i. Departments must follow guidelines established by Procurement Services respecting the procurement of environmentally responsible products and services.
- ii. Where VCC environmental policies exist and apply to the goods or services being acquired, those policies should be reflected in the evaluation criteria; the general provisions of the procurement policy requiring open competition and value for money will continue to apply. (see guidelines for Green Purchasing at <http://employee.vcc.ca/departments/operational/procurement-services/procurement-policies>)

**l) Royalty Agreements**

- i. VCC may enter into a Royalty Agreement to access intellectual property for use in

delivery of programs and other educational activities of VCC.

- Where VCC encourages a member of the VCC Faculty Association to develop intellectual property, under the terms of the Common Agreement, VCC should ensure the faculty member is released from usual duties to ensure the copyright in the resulting work products is owned by VCC.
- ii. The Vice President, Administration and CFO will:
- Establish a standard royalty rate payable in respect of a work product,
  - Establish a standard basis of sharing the royalty where more than one author contributes to the development of the original work product, or to future updates to the work product,
  - Establish the standard form of Royalty Agreement that will be used by VCC, which shall provide for:
    - The assignment of all intellectual property rights (including copyright) to VCC.
    - A waiving of all moral rights in favour of VCC,
    - An indemnity for infringement,
    - VCC to hold editorial influence over the authoring process and the timing of delivery of materials, future editions, etc., and
    - The right to assign the agreement to another publisher.

#### **4. Pre-award and Solicitation**

##### **a) All Procurement**

- i. Departments upon putting in requisition for procurement must assist Procurement Services staff by providing detailed specification on what is needed, and by evaluating bids and proposals, as required.
- ii. Procurement Services must control the advertising of procurement processes and the solicitation of quotes and proposals.
- iii. VCC must follow procurement or solicitation methods that are currently available through a CSA, CISA, List of Qualified Suppliers/MSO or VCC supply channel identified or initiated by Procurement Services as discussed in section 3.a.v.
- iv. Procurement Services must publish and maintain up to date a list of available CSAs, CISAs, List of Qualified Suppliers/MSOs and VCC supply arrangements.
- v. Departments may recommend to Procurement Services to directly acquire goods and services when an unforeseen emergency exists. Emergency purchase orders must only be used to meet unforeseeable emergencies (see article 5.a.i.). Emergency purchase orders must be supported by a Waiver of Competitive Process, which must be approved by the Procurement Services prior to the purchase commitment being made. The Waiver is then to be filed centrally with the Procurement Services as part of the Procurement file and Waiver file.
- vi. VCC must use the standard VCC formats for solicitation documents (e.g., ITT, NRFP,

RFP, RFQ, ITQ, RFSO) available from the Procurement Services. Departments must obtain the approval of Procurement Services and legal where appropriate for any changes to the standard formats. Only current versions of the solicitation documents may be used.

- vii. When subdivision of a major project into two or more component parts occurs, the Terms of Reference, Business Case, and solicitation document for each component part must clearly disclose the potential combined scope of the project. Approval for the expenditure must be sought on the combined value of all contracts issued for the components of a sub-divided project.
- viii. All standard competitive processes (i.e., ITT, NRFP, RFP, ITQ, RFSO) must provide identical information for potential bidders or proponents to the solicitation, to fairly and equally base their response.
- ix. The permitted response time to a solicitation must be sufficient to allow all potential proponents to have a reasonable opportunity to compete, taking into account the time required to disseminate information, the complexity of the procurement, and the time required to prepare an appropriate response.
- x. Objective selection criteria for the awarding of a contract must be established prior to receiving bids and proposals and must be consistent with those specified in the solicitation documents. Selection procedures and timelines must not limit anyone from competing.
- xi. Departments and the Procurement Services must be alert to the potential for bid rigging, and report any suspicious bidding patterns.
- xii. An expired contract must not be retroactively extended. When a contract expires and the original deliverables have not been fully met, one subsequent new contract may be considered in order to complete the work. The approval of the new contract should include consideration of the evaluation of the first contract (see section *Evaluation, Monitoring and Reporting*).
  - No additional procurement process is required where the new contract:
    - Covers only the balance of the original deliverables that were not fully met under the original contract, and
- xiii. Projects or services opportunities cannot be subdivided to avoid requirements of policy or trade agreements.
- xiv. To establish a pre-qualified supplier list, including a CISA, a process must be undertaken which uses the standard Request for Qualification template, unless an alternate form is approved by Procurement Services. The process is to include an evaluation of the responses to the identified pre-qualification requirements to determine which respondents will be placed on the list of pre-qualified suppliers.
- xv. The method for selection of a contractor from the pre-qualification list must be specified in the RFQ document and this selection method must be followed,
  - For opportunities valued at less than \$25,000, the next available contractor on the pre-qualified list (selected in established rotation) will be offered the opportunity. The Procurement Services must retain a record of all such

offers to evidence that opportunities were offered in rotation.

- For opportunities valued between \$25,000 and the limits set by intergovernmental trade agreements, the next three contractors of the pre-qualified list will be offered the opportunity to provide a brief written proposal or quotation.
  - As required in accordance with the applicable terms of the CFTA, TILMA and NWPTA intergovernmental trade agreements, if the expected contract value is over the goods, services or construction threshold (see section *Compliance with Intergovernmental Trade Agreements*), the contractor must be selected through a competitive process open to all suppliers on the pre-qualification list that meet the criteria for a specific project (e.g., specialization). The evaluation shall include assessments of each supplier's proposed approach, pricing, and other elements as identified and documented in the solicitation.
- xvi. Opportunities to be registered on a pre-qualification list must be provided either continuously or at regular intervals. The period for which a pre-qualification list will be valid must be specified in the RFQ document.
- xvii. If the requirement for goods, services or construction falls within the provisions of the CFTA, TILMA or NWPTA, the process to identify pre-qualified suppliers of goods, services and construction opportunities which may be over the associated threshold (see section *Compliance with Intergovernmental Trade Agreements*) must be advertised annually on the BC Bid® website.
- xviii. Where VCC policy requires that a procurement process be advertised on BC Bid®, the prior approval of any and all such advertisements on BC Bid® must be provided in writing by the Vice President, Administration and CFO.
- The request for approval to post must be submitted to the Vice President, Administration and CFO by Procurement Services and must include a certification that:
    - The form of the posting is based upon a VCC approved template document and is compliant with VCC policy, and
    - The business information reflected in the posting has been approved by the relevant VCC business unit.
    - The approval to post must be retained in the procurement file.

**b) Procurement of Goods**

- i. Requests for goods valued over \$25,000 that cannot be met through provincial CSAs, CISAs or VCC supply channels identified or initiated by Procurement Services must be directed to Procurement Services and acquired through an approved competitive process.
- ii. Where the Department's requirements can be met through a provincial CSAs, CISAs or VCC supply channels identified or initiated by Procurement Services, goods must be purchased through that arrangement.
- iii. Unless the conditions for direct awarding apply (see section *Direct Awards*), all acquisitions and processes to select pre-qualified bidders with an estimated value of:



- Between \$25,000 and \$50,000 must be competed through a process to solicit proposals or quotation from not less than three qualified suppliers, and
  - Those greater than \$50,000 must be competed through a formal procurement process advertised on BC Bid® (see section *Public Posting of Bid Opportunities and Notices of Contract Awards*).
- iv. When a contract for goods valued at \$25,000 or more is intended to be awarded on the basis that there is only one vendor that can provide the goods required, but this cannot be strictly proven as required in subsection concerning waivers of the competitive process, a Notice of Intent must be posted on BC Bid®.
- All objections received by the indicated response date must be reviewed and if any are substantiated a competitive process must be undertaken. If no objections are received, or the objections received are not submitted, a direct award may be made.
- v. A Notice of Intent is not required if it is clearly determined that a direct award meets one or more of the exceptions specified in subsection permitting waivers of a competitive processes under extraordinary circumstances.

**c) Procurement of Used Goods at Auction**

- i. VCC may acquire used equipment, to be utilized as teaching aids by the Transportation Programs, through an auction; all new equipment must be acquired under standard VCC procurement policy.
- An eligible auction house must:
    - Where the subject asset can be accessed through a government-managed auction, that government auction is the only eligible auction that may be utilized by VCC (e.g., ICBC's auction of automobiles with body damage, which would be government to government exempt transaction).
    - Advertise the assets to be auctioned broadly giving adequate notice to the public.
    - Offer in advance of any purchases, settlement terms acceptable to the Finance Department including at a minimum a 7-day settlement period.
  - VCC procurement policy will apply for the selection of an auction house and will be considered in respect of the anticipated commission amount payable to the auction house.
- ii. The Dean of the program area must approve in writing the bid limit for the proposed transaction and the delegation of authority to bid.
- The Department must develop and present to the Dean for approval, a business case justifying the bid limit, providing information including:
    - Defined need for the equipment, setting type and condition,
    - Results of a physical inspection of the subject piece of equipment

to confirm state and appropriateness to the purpose.

- Review of available auction sale information from historic transactions to determine the indication of market value for the piece of equipment, and
- Recommendation of bid limit.

**d) Procurement of Services and Construction**

- i. Requests for services valued over \$25,000 that cannot be met through provincial CSAs, CISA, or VCC supply arrangements identified or initiated by Procurement Services must be directed to Procurement Services and acquired through an approved competitive process.
- ii. Where the Department's requirements can be met through provincial CSAs, CISA or VCC supply arrangements identified or initiated by Procurement Services, goods must be purchased through that arrangement.
- iii. Unless the conditions for direct awarding apply (see section *Direct Awards*), any service opportunity or process to select pre-qualified bidders, or supply arrangement for the supply of services with an estimated value of:
  - between \$25,000 and \$50,000 must be competed through a process to solicit proposals or quotations from not less than three qualified suppliers, and
  - Those greater than \$50,000 must be competed through a formal procurement process advertised on BC Bid® (see section *Public Posting of Bid Opportunities and Notices of Contract Awards*)
- iv. The Director, Procurement may direct that a procurement opportunity or supply arrangement, with an estimated value from:
  - \$25,000 up to \$75,000 be awarded using a competitive process that is appropriate to the value, complexity and profile of the business opportunity. Such opportunities can be posted on BC Bid or at least three quotes must be obtained
- v. When a contract for services valued at \$50,000 or more is intended to be awarded on the basis that there is only one vendor that can provide the services required, but this cannot be strictly proven as required in subsection concerning waivers of the competitive process, a Notice of Intent must be posted on BC Bid®.
  - All objections received by the indicated response date must be reviewed and if any are substantiated a competitive process must be undertaken. If no objections are received, or the objections received are not submitted, a direct award may be made.

via Notice of Intent is not required if it is clearly determined that a direct award meets one or more of the exceptions specified in subsection permitting waivers of a competitive processes under extraordinary circumstances.

**5. Contract Award – All Procurement**

**a) Direct Awards**

- i. Contracts for acquisitions (of goods, services and construction) and disposals may be negotiated and directly awarded without competitive process where one of the following exceptional conditions demonstrably and unequivocally applies:
  - The contract is with a public body or non-profit organization.
  - The department can strictly prove that one and only one supplier is qualified or is available, to provide the goods, services or construction.
  - An unforeseeable situation of urgency exists and the goods, services or construction could not be obtained in time by means of open procurement procedures.
  - A competitive process would interfere with a VCC's ability to maintain security or order to protect human, animal or plant life or health.
  - The acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise VCC confidentiality, cause economic disruption or be contrary to the public interest.

**b) Procurement Files, Contract Files, and Waiver File**

- i. Procurement Services shall be the office of record for all procurement and contract information maintained by VCC.
- ii. The Director, Procurement shall maintain a Procurement Process Review Checklist, listing all documents required to be kept on file for each stage of the procurement process.
- iii. For every direct award, the Director, Procurement, prior to the grant of the direct award, must:
  - Fully document the waiver of competitive process setting out the rationale or the circumstances that supports the use of one or more of the above exceptions,
  - Obtain approval of the Department representative holding spending authority as to the accuracy and completeness of the facts declared in support of the waiver,
  - Approvals:
    - for proposed waivers < \$75,000 obtain the approval of the Dean or Director
    - for proposed waivers > \$75,000 obtain the approval of the VP Administration and CFO
    - for proposed waivers > \$500,000 obtain the approval of the Board Finance and Audit Committee
  - Appeals must be forwarded to the VP Administration and CFO for resolution.
  - File the approved waiver of competitive process in the appropriate files
  - Report all approved waivers of competitive process approved to the Vice President, Administration and CFO.

**c) Selection and Award of Contract**

- i. VCC will award contracts on the basis of the criteria and relative scoring weights set forth in solicitation documents.
- ii. For each procurement action containing an evaluation process (NRFPS, RFPs and RFQs), the Director, Procurement will create an evaluation committee responsible for the management of the evaluation of proposals and responses received.
- iii. The Chair of the Evaluation Committee will ensure:
  - A detailed evaluation framework is developed and approved by the Department soliciting the goods, services or construction (ideally before the solicitation is posted on BC Bid®) prior to the closing of the solicitation and the receipt of proposals and responses.
  - The detailed evaluation framework is to include the rationale for the ranking of all proponents and the method by which final scores were determined,
  - Department staff are placed on the evaluation committee and participate in the evaluation process from beginning to end to select the successful contractor.
  - That before the evaluation committee considers a bid or proposal, the bid or proposal meets all mandatory requirements specified in the solicitation documents. If a response is found to be non-compliant, it must immediately be set aside and any further consideration withheld.
  - At the first meeting of the evaluation committee, the identity of all bidders or proponents meeting all mandatory requirements is disclosed to the members of the evaluation committee.
  - Prior to receiving copies of bids, proposals or other confidential information, each member of the evaluation committee must sign a declaration of Conflict of Interest, confirming the member, under the terms of the VCC Conflict of Interest policy, is not in conflict (see article 3.c).ii.).
  - Signed declarations of Conflict of Interest must be retained in the Procurement File.
  - The final decision of the evaluation committee to award evaluation points is reached by consensus and is documented showing:
    - How the evaluation template was applied consistently to each proponent and
    - The consensus score awarded by the evaluation and selection process must be followed as stated to determine the successful proponent.
- iv. In the case of ITTs and ITQs, contracts must be awarded to the lowest-priced qualified bidder meeting the terms and conditions of the solicitation document.
- v. In the case of an RFP, the contract must be awarded to the proponent whose proposal

meets all mandatory proposal requirements and achieves the highest overall rating of all evaluation criteria specified in the solicitation documents and based on the relative scoring weights disclosed in the solicitation.

- vi. Department staff must not do or say anything to create an oral or written agreement on behalf of the VCC prior to a selection and decision to award a contract.
- vii. Multi-year contracts are permitted when the stability of the longer time frame supports better value to VCC. However, they must not be established through ongoing amendments and extensions of standard term contracts, unless the extensions were planned and included as part of a competitive process.
- viii. Departments and Procurement Services should include due diligence inquiries covering, as appropriate in the situation, contractor history, financial and operating viability, and ownership as part of the information requested and evaluated during NRFP, RFP and RFQ processes, Business reference checks should be requested where appropriate.

**d) Processing of Responses and Follow-up**

- i. A written confirmation must be sent to the contractor who was successful on a solicitation. Unsuccessful respondents to an NRFP or RFP must be notified and offered the opportunity for a debriefing on their proposal.
- ii. Debriefings shall address the response submitted by the debriefed supplier in relation to published evaluation criteria. Details of other responses, including specific scores, must not be disclosed. Detailed minutes of these meetings should not be maintained. The Chair of the Evaluation Committee should ensure that all requirements of FIOPPA were met during these meetings.
- iii. Unsuccessful bidders on an ITQ or ITT must be notified of the winning bidder.
- iv. VCC award decisions shall be posted on the VCC public website in the manner directed by the Director, Procurement.

**e) Pricing**

- i. Every contract must have a firm contract ceiling price, exclusive of taxes. Where a firm contract ceiling price is not possible, a unit price must be predetermined, and VCC must have control over the number of units of service that are delivered within each phase of the contract.
- ii. Fixed price contracts are permitted for service contracts, if the scope of the work can be clearly defined in advance.

**f) Procurement Administration**

- i. Procurement Services is the department of record and must maintain a procurement file and a contract file, to VCC standard, containing adequate contract documentation for all phases of the procurement process, including planning, solicitation, evaluation, award, management, amendments, payment schedules, progress reports and contract evaluations. (See section 5.b)
  - The standard procurement file and the standard contract file may be stored in electronic form, providing original signed copies of active contracts and

modifications are also maintained on site.

- Departments should access the electronic version of the documents in the standard procurement file or the standard contract file and may make and hold printed copies of such documents, as required.
- ii. Contracts must be in writing and signed and delivered by all parties prior to the commencement of the work or service (or, in the case of an emergency, as soon as possible thereafter).
- Procurement Services must receive written confirmation from the VP Administration and CFO confirming Board approval, before any contract greater than \$500,000 is negotiated and executed.
  - Contracts approved by the Board of Governors must be negotiated and executed by the VP Administration and CFO or by the person authorized by the VP Administration and CFO.
- iii. The VP Administration and CFO shall ensure that all approvals by the Board are recorded accurately and in detail.
- iv. Contracts must be made in the contractor's legal name. Each contract must be approved and signed by the appropriate authority. In no circumstances should an unauthorized employee or agent legally bind VCC with apparent authority.
- v. Subject to provisions of subsections and below an approved General Service Agreement or Short-Form General Service Agreement template must be used for service contracts in all instances except the following:
- contracts for office assistance services or with employment agencies where a CSA exists;
  - vehicle and equipment rentals;
  - capital construction projects;
  - goods acquisitions unless ancillary to services are also acquired under the contract and advice has been obtained from VCC's legal counsel about additional provisions that may be appropriate; or
  - Software licensing, subject to section 6.vii.
- vi. No changes should be made to these approved General Service Agreement templates that have not been prepared, or advised on by VCC's legal counsel.
- Procurement will establish a file of legal opinions and approved alternative articles and the business situations where those articles should be used.
  - Procurement will make the business decision as to when the alternative articles may be incorporated into the General Services Agreement or General Goods Agreement.
- vii. If none of the approved General Service Agreement templates is appropriate for a particular transaction or type of transaction, the VCC Procurement Services may develop an alternative contract template with advice from VCC's legal counsel. If an alternative contract template contains an indemnity of the contractor by the VCC,

Risk Management must approve the indemnity prior to the template being used.

- viii. Some contractors prefer to use standard contract forms provided by their industry association. If not precluded by the terms of any applicable competitive process documents, VCC may accept the use of such forms after a business risk assessment has been completed and the risk to VCC deemed as low. .Where a contractor’s form contains an indemnity of the contractor or limitation of its liability, the wording of those terms must be approved under the *Guarantees and Indemnities Regulations* by the Risk Management Branch of the Ministry of Finance or such other person authorized by that regulation prior to VCC entering into a contract using that form.
- ix. Supply arrangements are to be competed in the same manner as an individual contract.
- x. Whenever a contract is to be modified, the standard form of modification agreement must be used unless VCC legal counsel has approved an alternative modification process or form.
- xi. The justification for all modification agreements must be documented on the contract file. Modifications to a contract must be in writing and signed by both parties. The party that originally approved the contract must approve modifications having a financial impact on the contract.
- xii. A modification agreement to extend the term of the agreement for a reasonable period of time is allowable when an unforeseen event has delayed the delivery of specific contract outputs.
- xiii. A modification agreement must not be used to substantially change the nature and intent of the original contract.
- xiv. Expense authority approval, when applied, must reflect the total dollar value of the contract and not just the dollar value of the modification agreement.
- xv. Annual or multi-year contract renewals are only allowed when the potential for renewal has been explicitly included in the solicitation documents, including the establishment of a limit on the number of renewals.
- xvi. VCC must ensure that the contractor’s agent or broker completes and signs a Certificate of Insurance acceptable to VCC, in compliance with the insurance requirements of the contract.
- xvii. VCC must ensure that a contractor who will be providing services to VCC provide proof they are covered by Worksafe BC (WCB) unless the contractor is exempted by WCB.
- xviii. A Privacy Protection Schedule (PPS) must be completed and attached as a schedule to any contract between the VCC and a contractor that involves “personal information” as defined in the FOIPPA unless it is not intended that the public body will own or control the personal information.
- xix. A PPS must be in the form set out in the current version of the General Services Agreement unless an alternative version has been authorized by VCC’s legal counsel.
- xx. VCC and staff must not divulge information regarding a contract unless it is available to the general public or the disclosure has been authorized by VCC Executive based

on prior consultation with VCC's legal counsel.

**g) Electronic Posting of GSA and GGA Schedules**

- i. The Marketing Department will establish a secure area on the VCC public web site to hold the current and all historic versions of the GSA and GGA templates, and Schedules thereto.
  - The site selected must be in a location that can easily be located and accessed by all parties wishing to do business with VCC.
  - The effective date of the version of the contract template is prominently indicated in a footnote in the face of each page of the documents.
  - Changes to the templates will only be authorized by the Director, Procurement.

**h) Disposal of Surplus Assets**

- i. Where an opportunity exists to replace an outdated asset with a similar asset, details of the potential trade-in must be forwarded to Procurement Services, which will conduct an analysis of the potential trade-in to determine the best overall value to VCC. Departments must only negotiate trade-in arrangements after consultation with Procurement Services.
- ii. Assets that are surplus to the needs of VCC are to be disposed of at fair market value by Procurement Services who will determine the appropriate method for disposal of such assets.
- iii. The disposal of a medium with information capacity must be done in a manner to protect the privacy and security of the stored information in accordance with VCC's information and records disposal policy.

**i) P-Cards**

- i. VCC will establish a purchase card program to manage purchases to a value of \$1,000.00 per transaction (including sales tax, shipping and all associated costs).
- ii. The use of purchase cards is subject to VCC procurement policy.
  - For repeating transactions (greater than \$15,000 per opportunity) VCC will establish a Lists of Qualified Suppliers for the service or commodity area.
  - Where a List exists for a service or commodity area, P-Cards should not be used to acquire similar goods or services from vendors who are not on the List.
- iii. P-Cards are available only to employees holding delegated VCC spending authority greater than \$1,000.00; VCC must not issue P-Cards to contractors.
- iv. WEB Reqs are not required to process P-Card reimbursement claims.
- v. The Director, Finance holds overall responsibility for the P-Card program and shall:
  - Designate a P-Card Coordinator,
  - Designate the budget positions which may be given access to the P-Card program, and



- Determine monthly transaction limits for each cardholder.
  - Establish and approve P-Card processes and procedures, including the P-Card Terms of Use.
- vi. The P-Card Coordinator is responsible for the administration for the P-Card program and shall:
- Ensure P-Cards are issued to only employees holding VCC positions eligible for P-Card program participation.
  - Ensure every employee receiving a P-Card:
    - has completed a Request for P-Card form and an acknowledgement of the VCC P-Card Terms of Use
    - has received training in the VCC P-Card Terms of Use prior to issuance of P-Card
  - Maintain custody of P-Cards not in use and proper inventory records for P-Cards issued, including records of P-Cards:
    - received and distributed to P-Card holders
    - order of new cards, and
    - destruction of cancelled P-Cards
  - Monitor P-Card transactions including accounts in dispute, accounts over the credit limit, restricted transactions, transactions > purchase limit,
  - Act as liaison between bank and P-Card holders to resolve disputed transactions.
  - Follow up to ensure all monthly claim forms are received in Accounts Payable.
  - Follow up to ensure original receipts are provided to support monthly claim forms.
  - Ensure payment to the bank is made on a timely basis by Accounts Payable.
  - Apply the following sanctions for violations of this policy:

<b>Type of Exception</b>			
No Reimbursement Claim Report submitted by 7 <sup>th</sup> day of Month	<b>Department Vice President is notified and p-Card is suspended</b>		
<b>Type of Exception</b>	<b>1<sup>st</sup> Offense *</b>	<b>2<sup>nd</sup> Offense*</b>	<b>3<sup>rd</sup> Offense</b>
Purchase made by P-Card holder that is not compliant with policy	Cardholder and Department Dean notified	Escalated to Department Vice President	Escalated to Director Finance and P-Card privileges withdrawn
	Policy compliant transactions are reimbursed	Policy compliant transactions are reimbursed	Policy compliant transactions are reimbursed
Potential fraud by P-Card holder	P-Card Coordinator will escalate this directly to Director, Finance and VP Administration and CFO		

- vii. P-Card Holders must:
- Complete P-Card user training,
  - Sign an acknowledgement of VCC P-Card Terms of Use, including:
    - The sanctions set out in article 5.vii and
    - Transactions not approved for re-imbusement will be establish as a loan payable to VCC by the P-Card holder and that VCC will exercise its right of offset to recover the amount owing against any and all monies otherwise payable to the P-Card holder.
  - Adhere to the provisions set out in the VCC P-Card Terms of Use,
  - Ensure the P-Card is not used for personal use,
  - Report a lost or stolen P-Card immediately to the P-Card Coordinator,
  - Ensure the P-Card is safeguarded and is not used by others,
  - Retain all original purchase documentation (packing slip, paid invoice, etc) and match to transactions.
  - Prior to the 3<sup>rd</sup> day of each month, complete and submit a monthly on line/hard copy reimbursement claim to the Department Dean or Director for approval and for the Department Dean or Director to send the approved claim to the p-Card coordinator no later than the 5<sup>th</sup> day of the month.
  - The monthly reimbursement claim must:
    - Reflect all transaction processed against the P-Card during the month and
    - Each reported transaction must be supported by original purchase documentation (packing slip, paid invoice, etc).
- viii. Department Deans and Directors are responsible for:
- Following with P-Card holders in their area to ensure the monthly reimbursement claims is received no later than the 3<sup>rd</sup> day of the month.
  - Review in detail and approve, on a monthly basis, all P-Card transactions charged to the Department and
  - Ensuring each transaction is compliant with policy.
  - Ensuring all approved monthly reimbursement claims are submitted to Coordinator by the 5<sup>th</sup> day of the month.
- ix. Vice Presidents are responsible for the overall compliance of the P-Card program within their areas.
- x. Accounts Payable staff are responsible for:
- Ensuring P-Card transactions are entered into Banner and
  - Ensuring the P-Card Supplier is paid per the agreement.

## 6. Information Technology Procurement

- i. Information Technology (IT) goods and services must be procured in accordance with the business requirements of VCC as identified in VCC's consolidated written IT standards, where those standards exist.
- ii. Prior to initiating procurement of IT related products or services, Departments must discuss their IT requirements with the Director of Information Technology who will determine whether a college wide solution will be implemented for the requirement.
- iii. Large projects frequently include smaller IT related component projects. These component projects must be considered at the same time as the large project.
- iv. IT goods and services must be procured in accordance with VCC financial and procurement policies and the strategies and standards established by the CIO, Information Technology.
- v. IT standards, whenever practical, shall be used in conjunction with an open, competitive process providing qualified prospective suppliers with opportunities to submit proposals.
- vi. All VCC IT hardware and software requirements, including shared devices (e.g., desktop, laptop, server, and printer devices) must be ordered under identified CSAs, CISAs or MSOs or VCC supply channels, where available.
- vii. Vendor specific software license contract forms may be used but only after a business risk assessment has been completed and the risk to VCC deemed as low. In this specific situation, VCC may waive the policy requiring the contractor to pay VCC's legal costs.

## **7. Unsolicited Proposals**

- i. An "unsolicited proposal" is defined as a supplier initiated offering of goods, services, or solutions to VCC. The aim of such a proposal is to enable a supplier to establish a sales contract or business alliance partnership with VCC that is neither the result of a competitive solicitation nor the result of a VCC initiated direct award.
- ii. Departments can receive unsolicited proposals from the private sector. If VCC determines that the proposal warrants consideration, then the proposal must be submitted to an ad hoc review panel formed by the VP Administration and CFO for review.
- iii. The proposal must indisputably demonstrate that:
  - It is unique; and
  - It addresses the current or future needs of VCC; and
  - The goods or services are not otherwise available in the marketplace.
- iv. The review panel will be chaired by the Vice President and comprised of:
  - Director, Procurement;
  - Directors from the interested/impacted Departments, selected by the Chair based on the nature of the proposal; and
  - Director, Finance.

- v. The panel must ensure that the unsolicited proposal unambiguously meets the criteria stated in subsection iii above, and that its acceptance is clearly in the best interest of VCC with this being done before contract negotiations commence.
- vi. Departments must not enter into contract negotiations before the panel review is complete. If there is any doubt that an otherwise acceptable proposal is unique, Procurement Services shall issue a Notice of Intent prior to VCC entering contract negotiations.
- vii. Any proposal not meeting the criteria stated in subsection iii above must be rejected. If the proposal is accepted and approved by the Panel, VCC may enter into contract negotiations, subject to funding availability and any required approvals.
- viii. Notwithstanding the reference to Notices of Intent with subsection vi above, all contracts resulting from unsolicited proposals must be subject to this procurement policy, including policies related to direct awards.
- ix. Funding for contracts resulting from unsolicited proposals must be drawn from within the existing budget of the contracting Department.
- x. Departments must not use the unsolicited proposals process to bypass the competitive tendering process for goods or services requirements that are initially identified by VCC.
- xi. In the event that the Panel approves an unsolicited proposal, VCC must ensure that all contracts resulting from unsolicited proposals comply with:
  - TILMA, Part V, Government Procurement, Article 2 regarding potentially allowable exceptions to competitive procurement;
  - NWPTA, Part V C2, and
- xii. A waiver of competitive process must be recommended and approved for every unsolicited proposal.

## **8. Contract Administration and Monitoring**

### **a) Receipt of Goods**

- i. Departments must ensure that adequate receiving processes are in place to certify that goods are received as ordered (i.e., correct quantity and suitable quality).
- ii. VCC receiving staff may sign for goods presented by the shipper, without detailed inspection. Receiving staff should inspect the shipment for damage and/or missing or incorrect items as soon as practicable. Inspection should include a comparison of goods received to packing slips and a comparison of packing slips to purchase orders or requisitions.
- iii. VCC receiving staff will rely on the user department updating requisitions for all approved changes in orders. Discrepancies between goods received and goods ordered (as reported in Banner) and damaged goods must be reported immediately to the end user who will work with Procurement Services to rectify the situation.
  - VCC receiving staff must sign/initial the packing slip to provide confirmation of the inspection and the certification that goods have been received.

- VCC receiving staff must note all damaged goods and discrepancies on the packing slip.
- iv. VCC receiving staff will rely on the user Department updating requisitions to approve all substitution items. Receiving staff will not accept product substitutions by suppliers without prior Department approval. Purchase Order Amendments are required to cover any substantial changes to the original purchase order.
  - v. Departments must maintain adequate receipt records or other documentation to support account verification and payment.

**b) Payment**

- i. A contract summary record must be maintained for all service contracts, either by using a contract summary sheet or equivalent electronic record. Vendor payment records must be used to assess amount paid on the contract's Purchase Order. Once a Purchase order is completely drawn down no further payments can be made on the contract.
- ii. A contract cannot include a cost overrun clause. If a cost overrun is unavoidable, ensure the costs are justified. Any overrun is to be authorized in advance using a modification agreement form. There may be additional approval requirements triggered by cost overruns.
- iii. Commercial arrangements regarding chargeable fees and rates, expense reimbursement limits, aggregate contract prices, pro forma statements of account, and payment schedules must be set forth in a VCC prescribed contract schedule. These requirements apply whether a contract is established on the basis of a per diem rate, hourly rate, a fixed price per unit or deliverable, or a flat rate or price.
- iv. All contract quotations must exclude applicable sales taxes. Statements of accounts must include a calculation of fees plus applicable sales taxes and expenses.
- v. Departments must ensure that payments made to contractors who are non-residents of Canada comply with the withholding tax provisions of the federal Income Tax Act.
- vi. Contracts may not provide for payment in advance of goods or services being received, unless the VP Administration and CFO approves the variance to payment policy prior to the negotiation of the contract. Where a payment is to be made in advance the contract must specify how the advance is:
  - to be deemed to be earned; or
  - if the services are not subsequently rendered, to be repaid; and
  - what interest rate, if any, must apply.

**c) Evaluation, Monitoring and Reporting**

- i. For every contract, Departments must clearly establish the outputs and/or outcomes required, together with their quality and quantity, against which the performance of the contract can be monitored throughout the duration of the contract. These output and outcome requirements must be included in the contract.
- ii. Departments must ensure timely and consistent monitoring of the contractor's

performance as the assignment progresses in accordance with the terms and conditions of the contract.

- iii. A post-completion evaluation is required on every contract of \$200,000 or more to provide a record of the contractor's performance and to assist in future contracting activity.

**d) Deficient Performance and Breach**

- i. Where a contractor deviates from the terms and conditions of a contract, the contract manager must immediately take one or more of the following steps:
  - Step 1: Notify the contractor in writing of the deficiency and arrange to discuss the problem. A record should be kept of such discussions. The discussions could result in an agreement to amend the terms of the contract.
  - Step 2: Issue a notice to comply, if the contractor persists in deviating from the terms and conditions of the contract.
  - Step 3: Issue a stop work order if the contractor ignores the notice to comply.
  - Step 4: Terminate the contract, subject to the advice of VCC's contract specialist and/or legal counsel.
- ii. Where the breach or deficiency puts public safety at risk, VCC must proceed immediately to Step 2 and issue a notice to comply, or to Step 4 and terminate the contract.
- iii. If fraud is suspected, refer to the issue immediately to the Vice President, Administration and CFO.

**e) Asset Management**

- i. Departments must identify and manage any asset maintenance, risk and liability issues arising from their contracting activities.
- ii. Where assets are determined to be owned by the VCC, they must be appropriately safeguarded, controlled and accounted for. Assets being replaced due to being damaged, lost or stolen must be reported to the Director, Procurement at the time the procurement process is initiated.

**f) Disputes**

- i. Any dispute arising out of a VCC contract must be dealt with in a just prompt and cost-effective manner. All contracts must contain a clause that identifies how a dispute will be resolved. Any dispute arising out of a VCC contract must ultimately be resolved according to the terms of the contract.
- ii. For contracts that are subject to the AIT, Departments must settle any AIT-related disputes in accordance with the dispute resolution process provided in AIT Article 513. Departments will be responsible for the VCC's share of the cost of any dispute panel that is established to investigate the dispute.

## **Part B: Vendor Complaint Review, Public Postings, Trade Agreement Compliance, and Privacy**

### **9. Vendor Complaint Review - Policy**

The objectives of this policy are to define a vendor complaint review process (VCRP) that is accessible, consistent, fair, impartial and timely, and to identify ways to make improvements in the manner in which procurement is undertaken by VCC.

#### **a) General**

- i. The VCRP is designed to ensure that there is a process for the review of vendor complaints about a VCC procurement process. The intent of the VCRP is to assist VCC in identifying and responding to problems in the establishment and application of VCC procurement policy and procedures.
- ii. This VCRP requires that Departments, Procurement Services and vendors provide full access to all information pertinent to complaints.

#### **b) Definitions**

- i. Procurement means those processes, including direct awards, related to the purchase of goods, services and construction.
- ii. Complaint means a written objection submitted by a complainant regarding a competition, direct award, contract award or proposed contract award for goods, services or construction.
- iii. Complainant:
  - For the purpose of a vendor complaint relating to a competition or direct award, means an actual or prospective bidder or proponent whose business interest would be affected by the award of a contract, or by the failure to award a contract.
  - For the purpose of submitting a vendor complaint relating to a contract award, means a proponent who actually submitted a proposal in response to the competition for the contract.

#### **c) Scope of VCRP**

- i. A complaint may be made with respect to the process used to evaluate proposals and how the evaluation criteria were applied but may not include issues pertaining to individual point ratings given by an evaluation committee to specific evaluation criteria.
- ii. The application of this VCRP is limited to VCC and its Departments whose procurement is subject to this VCC procurement policy.
- iii. This VCRP is limited to issues of procurement policy and procedures. This VCRP is not available for issues related to vendor or Department/ Procurement Services performance or conduct during a contract. These issues are to be dealt with through the dispute resolution processes identified in the contract document.
- iv. This VCRP does not limit or impair the rights of any vendor to seek remedies of law through the judicial or other process.

## **10. Vendor Complaint Review - Roles and Responsibilities**

### **a) Departments including Procurement Services**

Departments, including Procurement Services, are responsible for:

- i. Establishing and managing an accessible and fair process for responding to vendor complaints related to procurement activities undertaken by Departments or Procurement Services.
- ii. In case of those complaints submitted, providing all pertinent and required information.
- iii. Recording information on all vendor complaints managed under their vendor complaint review process and providing reports to the VP Administration and CFO as required.
- iv. Implementing changes required to Department/ Procurement Services procurement processes identified through their complaint review process.
- v. Implementing any outcomes recommended and any subsequent remedial action.
- vi. Making all reasonable efforts to review complaints and where reasonable to resolve them amicably.

### **b) Vice President, Administration and CFO**

The Vice President, Administration and CFO is responsible for:

- i. Receiving and recording all complaints.
- ii. Ensuring that Departments and Procurement Services have a vendor complaint review process as described in these policies and procedures.
- iii. Managing a last resort process for complaints not satisfactorily concluded through VCC/ Procurement Services vendor complaint review process.
- iv. Providing guidelines regarding the information and reporting requirements for Departments and Procurement Services.
- v. Monitoring and reporting on VCC-wide VCRP activity and outcomes of complaint reviews.
- vi. Implementing changes required to VCC procurement proficiencies and procedures and to procurement training methods and tools identified through the complaint review process.

### **c) Vendors**

Vendors are responsible for:

- i. Making reasonable efforts to review the complaint with Department or Procurement Services by contacting the entity and following their complaint review process.
- ii. Providing all pertinent and required information related to a complaint.

## **11. Vendor Complaint Review - Process**

- i. Departments and Procurement Services have primary responsibility for reviewing vendor complaints regarding their procurement processes. They must establish and



administer a process for reviewing, recording, managing and reporting vendor complaints and must make the process known to vendors by posting it on a readily accessible VCC public website.

- ii. The Vice President, Administration and CFO must establish and administer a process that deals with complaints that have not been satisfactorily concluded by Departments or Procurement Services.
- iii. Where a serious flaw in the procurement process has been detected, legal counsel will be requested to review any correspondence to be sent to a complainant, and as appropriate, take the lead in that regard.
- iv. If a vendor submits a request for information related to procurement under the freedom of Information and protection of Privacy Act, the timeframes for the VCRP may be extended, due to resource limitations, until after the FOI request is completed.
- v. The VCRP is not intended to detract from a vendor's access to legal resource. However, VCRP complaints will not generally be considered concurrently with a litigation process.
- vi. No compensation will be awarded to a complainant under the VCRP.
- vii. A decision of the Vice President, Administration and CFO shall be the final determination on a complaint registered with the VCRP process.

#### **12. Public Posting - Bid Opportunities, Amendments and Notice of Contract Awards**

- i. Where VCC policy or applicable intergovernmental trade agreements require the advertisement of an opportunity that notice must be posted on the BC Bid® website. Procurement Services is the sole agent of VCC authorized to post opportunities and solicitation amendments on BC Bid®.
- ii. If a solicitation is found to have a material omission or error, prospective proponents must be notified by way of an amendment posted on the BC Bid® website. If any such change amendment should fall less than five days before responses are due, the closing time should be extended to provide respondents reasonable time to consider any such change and to revise their submissions.
- iii. Procurement Services must post all award decisions taken by VCC to a location on the VCC public website established and maintained for that purpose.

#### **13. Intergovernmental Trade Agreements - Compliance**

- i. VCC is part of the "MASH sector" that includes municipalities, publicly funded post-secondary academic institutions and school boards, and health regions. As a member of the provincial public sector, broadly defined, it must therefore comply with three intergovernmental trade agreements.
- ii. The federal-provincial intergovernmental *Canadian Free Trade Agreement* (CFTA) came into effect on 01 July 2017. Annex 504.3 extends the CFTA to acquisitions by MASH sector with the following expected full-term contract values:
  - \$101,100 or more for goods;
  - \$101,100 or more for services; and

- \$252,700 or more for construction.
- iii. The British Columbia-Alberta Trade, Investment and Labour Mobility Agreement (TILMA) went into effect on 01 April 2007. TILMA applies to MASH sector acquisitions with expected full-term contract values of:
- \$75,000 or more for goods;
  - \$75,000 or more for services; and
  - \$200,000 or more for construction.

Exceptions to TILMA are listed in Part V of the agreement.

- iv. British Columbia-Alberta-Saskatchewan-Manitoba New West Partnership Trade Agreement (NWPTA) supplements TILMA. Its provisions began to be implemented on 01 July 2010 and was fully in place by 01 July 2013. The NWPTA applies to MASH sector acquisitions with expected full-term contract values of:
- \$75,000 or more for goods;
  - \$75,000 or more for services; and
  - \$200,000 or more for construction.

Exceptions of the NWPTA are listed on Part V of the agreement.

#### **14. Privacy - Disclosure of Contract Information**

- i. The Freedom of Information and Protection of Privacy Act and VCC's own privacy rules govern the disclosure of contract information. VCC Governance Policy A.3.3 Freedom of Information and Protection of Privacy (FOIPP) Policy and Procedures contains specific guidance.