

Purchasing – Bid Process, Thresholds

Approved by: Vice President, Finance &
Corporate Services & CFO
Last Reviewed: December 2017

Purpose

The purpose of this document is to describe BCLC's Vendor selection policies. It states the various purchase value thresholds at which a bid process is required and at what level or under what circumstances a Direct Award contract or other Vendor selection process is acceptable.

BCLC has adopted this policy for its procurement activities in order to acquire quality goods and services at the best value through a transparent, fair and open Vendor selection process. It also is meant to provide direction to employees involved in BCLC's purchasing activities in a consistent application of procurement throughout the corporation.

These policies and threshold limits are also adopted to ensure BCLC's procurements and bid process activities meet minimum requirements established under the New West Partnership Trade Agreement (NWPTA), other applicable trade agreements and applicable law, including thresholds, above which government entities are required to have open and non-discriminatory procurement. This policy also identifies certain exceptions to the rules as outlined in the NWPTA.

SCOPE

This document applies to:

- Employees having any responsibility in the selection of a Vendor;
- Employees who are responsible for approving commitments to goods and services contracts on behalf of BCLC; and
- Procurement.

CONTEXT

In addition to the requirements for Vendor selection set out within this policy, all purchases of goods and services must also comply with BCLC's other corporate policies, including:

- [Signing and Spending Authority](#) - for rules applicable to committing BCLC to any obligation and required levels of approval; and
- [Gaming Services, Supplies Equipment and Facilities – Vendor Registration](#) – outlines registration requirements for Vendor's of gaming supplies and gaming services.

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POLICY STATEMENT

BCLC adheres to the following rules and Procurement Value thresholds in determining a Vendor selection process:

For the purpose of the Procurement Value thresholds outlined in the following Vendor selection table, the aggregate spending over the duration of the contract commitment determines the Procurement Value. BCLC does not permit the division of a Vendor contract into two or more contracts of smaller Procurement Values to avoid the Procurement Value thresholds below.

Vendor Selection Process	Description of the Process	Procurement Value Threshold – Goods	Procurement Value Threshold – Services	General Requirements
Pre-qualified Vendor Roster	Business Unit must contact Procurement to proceed with the process of selecting a Vendor from a Pre-qualified Vendor Roster.	No value threshold	No value threshold	Nature of the purchase must be within the defined scope of the goods or services contemplated for that specific roster.
Direct Award	Business Unit may proceed with a Direct Award to a Vendor of their choice.	\$25,000 or less	\$100,000 or less	Vendor must be a Qualified Vendor.
Open Bid Process	*A competitive bid opportunity is required for any purchase over this value	Over \$25,000*	Over \$100,000*	Requires advertising on BC Bid
The general requirements outlined in the table for each of the four Vendor selection processes must be observed in addition to the corresponding Procurement Value threshold in order for a proposed purchase to qualify for that Vendor selection process.				

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POLICY DETAILS

Exceptions to Open Bid Process

BCLC recognizes that there are instances where a Direct Award is necessary even though the value of the proposed purchase dictates an open bid process. Such exceptions are permitted provided one of the following NWPTA exclusion situations or scenarios can be supported in a policy exception business case justifying the deviation from policy:

- Procurements from philanthropic institutions, prison labour or persons with disabilities;
- Procurements from a public body or a non-profit organization;
- Procurements of goods purchased for representational or promotional purposes, and services or construction purchased for representational or promotional purposes outside the territory of a Party.
- Procurements by entities which operate sporting or convention facilities, in order to respect a commercial agreement containing provisions incompatible with Articles 3, 4, or 14 of NWPTA;
- Procurements where it can be demonstrated that only one supplier is able to meet the requirements of a procurement;
- Procurements where an unforeseeable situation of urgency exists and the goods, services or construction could not be obtained in time by means of open procurement procedures;
- Procurements when the acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise government confidentiality, cause economic disruption or be contrary to the public interest;
- Procurements of services provided by lawyers and notaries;
- Procurements of goods intended for resale to the public;
- Procurements in the absence of a receipt of any bids in response to a call for tenders; or
- Procurement of treasury services.

Approvals for Exceptions to Open Competition

In addition, each policy exception business case requires all of the following approvals:

- Vice President of the Business Unit;
- Vice President, Finance and Corporate Services; and
- Director, Corporate Procurement.

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Recommendation of Award

It is important to note that the recommendation of award is the formal recommendation based on the results of the evaluation process and does not constitute final approval of BCLC's commitment. The recommendation of award grants authority for BCLC to either enter contract negotiations with the selected Vendor or declare a contract award.

BCLC requires that the formal recommendation of award:

- Match the analysis results identifying the highest rated Vendor;
- Be approved by the Evaluation Team, the Procurement Lead and, if applicable, the Project Manager; and
- Be signed at the following levels:

Contract Value	Signed by:
All	Procurement Lead and Sponsor
Over \$50,000	All above plus Procurement Management
\$100,000 up to \$500,000	All above plus the Manager or Director of the Business Unit
Over \$500,000	All above plus Steering Committee or VP in lieu of Steering Committee or, where required, CEO or Board of Directors

Final Approval

The final approval will be the successful conclusion of negotiations and the signing of the contract. All final approvals must adhere to BCLC's [Signing and Spending Authority](#) policy.

ROLES AND RESPONSIBILITIES

The Business Unit is responsible to:

- Consult with the Procurement Department to determine which Vendor selection process to initiate for any significant BCLC purchase or Vendor solicitation that may eventually result in a bid process;
- When desired, solicit a minimum of three (3) quotes from potential Vendors for Service contract awards valued between \$30,000 and \$100,000, utilizing approved solicitation documents and supporting procedures.

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- Prepare a policy exception justification form (in collaboration with Procurement) and acquire the required approvals where a Direct Award is proposed under one of the allowed open bid process exceptions; and
- Where an exception to the appropriate Vendor selection process is approved, strictly adhere to any exception conditions and processes. Immediately report to Procurement when any situation outside of the approved exemption parameters becomes known.

The Procurement Department is responsible to:

- Provide expert advice to the business units to determine the best suited Vendor selection process;
- Identify and approve the sourcing strategy for Vendor selection process;
- Develop, review and approve all documents intended for distribution for the purpose of bid solicitation;
- Facilitate, coordinate and record the bid process, if applicable;
- For significant purchases where a business case exception is proposed, collaborate with the Business Unit throughout the exception approval process; and
- Where an exception to the appropriate Vendor selection process is approved, monitor compliance with stated conditions, processes and the transaction dollar value with proper levels of approvals.

The Evaluation Team is a collection of BCLC staff and perhaps contractors or consultants selected for their knowledge in the field of the proposed purchase.

The Evaluation Team is responsible to:

- Prepare business, technical and functional requirements and standards for the intended goods or service;
- Abide by project timelines and be available for team meetings;
- Evaluate proposals according to the Guidelines for Evaluation Team Members and criteria set forth in the bid documents; and
- Provide an unbiased opinion of Vendor proposals.

The Steering Committee is a selection of BCLC Senior Management (and possibly other employees with superior technical expertise in the field of the project) selected to oversee certain projects and/or acquisition proposals that BCLC has decided to closely monitor.

When a purchase of goods or services is involved, the Steering Committee also has the following responsibilities in the bid process:

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- Provide strategic objectives to the Evaluation Team;
- Participate in Vendor proposal reviews when stipulated in the bid process documents;
- Review and provide feedback on the Evaluation Team's Vendor proposal reviews;
- Approve proceeding with key milestones;
- Approve completion of key milestones; and
- Seek approval for issuing recommendation(s) of award and engaging Vendors in contract negotiations where applicable.

COMPLIANCE

BCLC, through its Procurement Department, tracks and records the Vendor selection procedure for all significant purchases by applying a standard, detailed checklist called a Vendor Selection Process Record to each file. This mandatory form is designed in a logical order to act as a guideline for the Procurement Lead and is meant to minimize the chance of missing a procedure in the process. It also acts as a permanent record for each step required in the Vendor selection process including the various administration steps required to facilitate future review and audits.

Accounts Payable and the Procurement Department report to management in instances where, in their opinion, a purchase or purchase process does not meet BCLC's policies or standards.

DEFINITIONS

"BC Bid" means the Province's online tendering system. BCLC uses this system to distribute bid opportunity notices and complete bid documents. BC Bid offers suppliers unrestricted access to government procurement.

"Direct Award" means a business process where a contract is awarded by a business unit to a Vendor of their choice.

"Procurement Value" means the aggregate spending over the duration of the contract commitment, not taking into account optional renewals.

"Pre-qualified Vendor" means a Vendor that has already participated and been selected in an open bid process that was designed to select one or more Vendors in order to create a Vendor roster for a defined scope of work.

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“Qualified Vendor” means a Vendor:

- that has passed the scrutiny of whether or not they must be GPEB registered before qualifying as a Vendor to BCLC as outlined in BCLC’s [Gaming Services, Supplies, Equipment and Facilities - Vendor Registration](#) policy; and
- is considered competent to deliver the required goods and/or services as required by BCLC.

“Vendor” means a supplier, contractor or business, including individuals that supply goods or services.

RELATED MATERIALS

New West Partnership Trade Agreement

[BCLC Operational Procedure – Vendor Selection Process Record](#)

Guidelines for Evaluation Team Members

POLICY OWNERSHIP

Policy Owner Position

Director, Corporate Procurement

Approving Body

Vice President, Finance and Corporate Services

REVISION HISTORY

Version Number	Approval Date	Approved by	Amendment
5.0	Dec 19, 2017	Vice President, Corporate Services & CFO	Major amendments to remove the requirement for three quote minimum, and increase the Procurement Value threshold for Direct Reward to a Vendor of services, from \$30,000 to \$100,000.
4.1	Mar 6, 2017	Director, Corporate Procurement	Minor amendment to remove references to Contract Approval policy that has been superseded by the Signing and Spending Authority Policy.
4.0	Jan 8, 2016	Vice President, Finance and Corporate Services	Substantive changes to address recommendations made in the Review of British Columbia Lottery Corporation dated December 4, 2014. Amendments to the general rules for Vendor selection by adding a new category for Vendor selection and making adjustments to the thresholds. Included a requirement for business units to ensure a Policy Exemption Justification Form is completed prior to approval of exceptions to the open bid process.

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			Other minor amendments made to Roles and Responsibilities to reflect the above amendments and general housekeeping throughout the policy.
3.3	Mar 3, 2015	President & CEO	Major amendment to Policy Ownership.
3.2	Jan 29, 2015	Vice President, Corporate Security and Compliance	Minor amendment to footer text. This document was re-classified from 'Internal' to 'Public' in order to comply with a directive from the Public Sector Employers' Council. An exemption to policy approval requirements was made due to exceptional circumstances.
3.1	Feb 1, 2011	Procurement	Housekeeping
3.0	Nov 29, 2010	VP, Finance and Corporate Services	<p>Not substantive change to policy</p> <ul style="list-style-type: none"> • Added, "& Policy" to policy title. • Added an official requirement to sign-off the 'Recommendation of Award' at various spend levels. • Added 'Final Approval' section to distinguish this as a distinct action from the recommendation of award. • Referenced the 'Vendor Selection Process Record' and related procedure in the 'Compliance' section. • Wording housekeeping throughout especially in 'Roles and Responsibilities' section for clarity of responsibilities. • Added Evaluation Team and Steering Committee under 'Roles and Responsibilities' section. • Updated to NWPTA (July 2010) standards
2.0	Apr 1, 2010	President & CEO	Update to TILMA standards
1.0	Nov 20, 2008		