

Purchasing – Bid Process and Thresholds

Approved by: Vice President, Finance
and Corporate Services
Last Reviewed: November 2018

Purpose

The purpose of this document is to describe BCLC’s Vendor selection policies. It outlines the various Procurement Value thresholds at which a bid process is required and at what level or under what circumstances a Sole Source or 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 provides direction to employees involved in BCLC’s purchasing activities to support 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), the Canadian Free Trade Agreement (CFTA), 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 and CFTA.

SCOPE

This document applies to:

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

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.

Defined (capitalized) terms used but not defined in this policy have the meaning attributed to them in the [Policy Glossary of Terms](#).

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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 outlined below.

Vendor Selection Process	Description of the Process	Procurement Value Threshold – Goods	Procurement Value Threshold – Services	General Requirements
Pre-qualified Vendor Roster	Organizational Unit must contact Procurement to proceed with the process of selecting a Vendor from a Pre-qualified Vendor Roster, unless otherwise specified.	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. See Procurement policies for further details.
Direct Award	Organizational 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, unless an exception is approved.	Over \$25,000*	Over \$100,000*	Requires advertising on BC Bid

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<p>Exceptions to Open Bid Process</p>	<p>A competitive bid process may not be required if an exception exists as detailed below. A Notice of Intent or a Sole Source Award approval is required for all exceptions.</p>	<p>Over \$25,000</p>	<p>Over \$100,000</p>	<p>All exceptions must be supported by applicable exclusions as defined in the NWPTA and CFTA.</p> <p>Requires approval from Director of Procurement, VP of Finance and VP of Business Unit</p>
<p>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.</p>				

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 [CFTA exclusions](#) or one the following NWPTA exclusion situations or scenarios can be supported in a Direct Award approval form, 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 (referred to as a Sole Source Award in this policy);
- 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;

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- 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.

Sole Source Awards

A Notice of Intent must document the rationale of the Sole Source Award as defined in applicable trade agreements. The rationale includes a detailed description of performance capabilities that are unique to a specific Vendor and cannot be replicated by any other Vendor, and a description of how the capabilities address a BCLC need.

Direct Award Exception

A Direct Award approval may be initiated where confidentiality must be maintained to avoid harm to BCLC or a sense of urgency exists and the time required to complete a Notice of Intent does not serve the best interests of BCLC. In these cases, a Direct Award approval form must document the business conditions that represent a risk to the Corporation and the rationale, as defined in applicable trade agreements.

Approvals for Exceptions to Open Bid Process

All exceptions to the open bid process require the following approvals:

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

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.

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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, the Procurement Manager, and, if applicable, the Project Manager;
- Where the Recommendation of Award results in a declaration of contract award, the signing authority will include the above; and adhere to the spending authorization limits outlined in BCLC's [Signing and Spending Authority Policy](#).

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

Organizational Unit is responsible for:

- Consulting 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, or where an exception to the open bid process may exist;
- Utilizing approved solicitation documents and supporting procedures if the organizational unit decides to solicit quotes from potential Vendors for service contract awards valued up to \$100,000;
- Preparing a Direct Award approval 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;
- Preparing a Notice of Intent form for Sole Source Awards (in collaboration with Procurement) to support advertising the notice on a designated website as mandated and administered through the Procurement Department; and
- Where an exception to the open bid process is approved, strictly adhering to any exception conditions and processes. Immediately report to Procurement when any situation outside of the approved exemption parameters becomes known.

Corporate Procurement is responsible for:

- Providing expert advice to the organizational units to determine the best suited Vendor selection process;

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- Identifying and approving the sourcing strategy for the Vendor selection process;
- Developing, reviewing and approving all documents intended for distribution for the purpose of bid solicitation;
- Facilitating, coordinating and recording the bid process, if applicable;
- For significant purchases where an exception to the open bid process is proposed, collaborating with the organizational unit to assess, document and gain approval for the exception from the open bid process; and
- Where an exception to the open bid process is approved, monitoring compliance with stated conditions, processes and the transaction dollar value with proper levels of approvals.

Evaluation Team is a collection of BCLC staff and may include Contractors or consultants selected for their knowledge in the field of the proposed purchase.

The Evaluation Team is responsible for:

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

Steering Committee is a selection of BCLC Senior Management (and may include 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:

- Providing strategic objectives to the Evaluation Team;
- Participating in Vendor proposal reviews when stipulated in the bid process documents;
- Reviewing and providing feedback on the Evaluation Team's Vendor proposal reviews;
- Approving proceeding with key milestones;

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- Approving completion of key milestones; and
- Seeking 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 procedures 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 reviews 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 an organizational unit to a Vendor of their choice.

Notice of Intent – means the method by which BCLC provides Vendors with the opportunity to challenge the intended direct award of a contract for goods, services (ie. an award without competition). If a challenge to an intended direct award is substantiated, a competitive solicitation will be undertaken.

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.

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 -](#)

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[Vendor Registration](#) policy; and

- is considered competent to deliver the required goods and/or services as required by BCLC.

Sole Source Award- means the rationale for acquisition of goods and services and disposals may be negotiated and awarded without a competitive bid process where performance capabilities that are unique to a specific Vendor and cannot be replicated by any other Vendor.

RELATED MATERIAL

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
7.0	Nov 28, 2018	Vice President, Finance and Corporate Services	Major amendment to update the Recommendation of Award approval requirements; updates to the definitions of Sole Source and Direct Award.
6.0	Aug 28, 2018	Vice President, Finance and Corporate Services	Amendments to include requirements for Sole Source Awards, including direction around the notice of intent, or Direct Award approval where a notice of intent may not be possible.
5.0	Dec 19, 2017	Vice President, Finance and	Major amendments to remove the requirement for three quote minimum,

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		Corporate Services	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	<p>Substantive changes to address recommendations made in the Review of British Columbia Lottery Corporation dated December 4, 2014.</p> <p>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.</p> <p>Other minor amendments made to Roles and Responsibilities to reflect the above amendments and general housekeeping throughout the policy.</p>
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

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			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)

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standards

2.0	Apr 1, 2010	President & CEO	Update to TILMA standards
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1.0	Nov 20, 2008		
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