

# Purchasing – Vendor Selection and Thresholds

## Purpose

This policy sets out requirements for the Vendor selection process for the purchase of goods and services at BCLC, in compliance with legislative requirements and applicable trade agreements.

## Scope

This policy applies to:

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

## Policy Statement

BCLC adheres to the following Procurement Value thresholds and general requirements when determining and executing a Vendor selection process for the purchase of goods or services. The general requirements outlined in the table for each of the Vendor selection processes must be observed in addition to the corresponding Procurement Value threshold.

The anticipated total expenditure, accumulated over the duration of the Contract commitment, including optional renewals, must be used to determine the Procurement Value. A Contract cannot be split into two or more Contracts of smaller Procurement Values to avoid the Vendor selection processes outlined below. Previous spend with the Vendor of choice may need to be added to the Procurement Value of the proposed purchase if the previous spend is for equivalent goods or services.

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Vendor Selection Process	Description of the Process	Procurement Value Threshold – Goods	Procurement Value Threshold – Services	General Requirements
Open Bid Process	A competitive bid opportunity is required unless an exception to an open bid process is approved as set out below.	Over \$25,000	Over \$100,000	Requires advertising on BC Bid.
Pre-Qualified Vendor Roster	Organizational Unit is to 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 is to be within the defined scope of the goods or services contemplated for that specific Pre-Qualified Vendor Roster.
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 is to be a Qualified Vendor.
Exceptions to Open Bid Process	A competitive bid process may not be required if an exception exists.	Over \$25,000	Over \$100,000	All exceptions are to be supported by applicable exceptions as defined in relevant trade agreements, and, where required, adequately documented.

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## Context

### POLICY OBJECTIVES

BCLC has adopted this policy to support the acquisition of 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.

### LEGAL AND POLICY FRAMEWORK

BCLC's procurement and bid process activities must meet at least minimum requirements established under the New West Partnership Trade Agreement (NWPTA), the Canadian Free Trade Agreement (CFTA), other relevant trade agreements and applicable law.

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

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

## Policy Details

### EXCEPTIONS TO OPEN BID PROCESS

#### Trade Agreement Exceptions

BCLC recognizes that there are instances where a Direct Award is necessary or desirable even though the Procurement Value of the proposed purchase dictates an open bid process. Such exceptions are permitted provided they are supported by relevant trade agreements and applicable law and, where required, are adequately documented.

#### Trade Agreement Exception Approval

Where required by Corporate Procurement, an exception to the open bid process over the Procurement Value thresholds in this policy is to be documented in a Trade Agreement Exception Approval form unless a Notice of Intent is issued as detailed below. The Trade Agreement Exception Approval form will outline the business conditions and the rationale including the specific exception that supports the Direct Award.

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The Trade Agreement Exception Approval form requires the following approvals:

- Director, Corporate Procurement;
- Director, Organizational Unit; and
- If the value of the Direct Award Procurement Value exceeds \$1,000,000:
  - the Vice President, Organizational Unit; and
  - the Vice President, Finance and Corporate Services.

Approval of exceptions to the open bid process, as outlined above, does not constitute approval of any commitment on behalf of BCLC. Approval of exceptions to the open bid process grants authorization for BCLC to proceed with the stipulated Direct Award. The signing of a Contract resulting from a trade agreement exception must adhere to the Signing and Spending Authority Policy.

## Notice of Intent

When contemplating a Sole Source Award, a Notice of Intent may be issued when an Organizational Unit requires validation that performance capabilities are unique to a specific Vendor and cannot be replicated by any other Vendor. Where a Notice of Intent is not credibly challenged, the Organizational Unit may proceed with a Sole Source Award. Where a Notice of Intent is credibly challenged, the Organizational Unit (in collaboration with Corporate Procurement) will determine an alternate Vendor selection process.

## OPEN BID PROCESS VENDOR SELECTION

### Recommendation of Award

As it relates to an open bid process, the recommendation of award is the formal Vendor selection 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 top ranked Vendor based on the criteria set forth in the bid documents; and
- Be approved by the Evaluation Team, Corporate Procurement, and, if applicable, the Project Sponsor/Steering Committee.

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## Final Award

The final award to the selected Vendor under an open bid process will be the successful conclusion of Contract negotiations and the signing of the Contract. The signing of the Contract must adhere to the Signing and Spending Authority Policy.

## Roles and Responsibilities

**Organizational Unit** is responsible for:

- Consulting with Corporate Procurement to determine which Vendor selection process to initiate for a proposed purchase;
- Participating in an open bid process, in collaboration with Corporate Procurement, where an open bid process is identified as the best suited Vendor selection process;
- Preparing a Trade Agreement Exception Approval, in collaboration with Corporate Procurement, where a Direct Award is proposed under a permitted exception;
- Preparing a Notice of Intent, in collaboration with Corporate Procurement, where a Sole Source Awards is contemplated; and
- Where an exception to the open bid process is approved, strictly adhering to any conditions and immediately reporting to Corporate Procurement when any situation outside of the approved exception parameters becomes known.

**Corporate Procurement** is responsible for:

- Providing expert advice to the Organizational Units to determine the best suited Vendor selection process;
- Reviewing and facilitating the approval of all documents intended for public distribution for the purpose of an open bid process or Notice of Intent process;
- Facilitating, coordinating and recording the open bid process or Notice of Intent process;
- Where an exception to the open bid process is proposed, collaborating with the Organizational Unit to assess, document and gain approval for the exception; and
- Where an exception to the open bid process is approved, providing advice to the Organization Unit related to complying with conditions.

**Evaluation Team** is a collection of BCLC staff (and may include Contractors or consultants) selected to participate in an open bid process 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;

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- Abiding by project timelines and being available for team meetings; and
- Evaluating proposals according to the standards of conduct established at the outset of the bid process and criteria set forth in the bid documents.

**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 using an open bid process is involved, the Steering Committee also has the following responsibilities:

- Providing strategic objectives to the Evaluation Team;
- Participating in evaluating proposals when stipulated in the bid process documents;
- Approving proceeding with key milestones;
- 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 Corporate Procurement, tracks and records the Vendor selection processes for all open bid processes by applying a standard, detailed checklist called a RFX Process Checklist to each file. This mandatory form is designed in a logical order to act as a guideline for Corporate Procurement 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 bid process including the various administration steps required to facilitate future reviews and audits.

Accounts Payable and Corporate Procurement report to management in instances where, in their opinion, a purchase or Vendor selection process does not meet BCLC’s policies or standards.

## Definitions

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

<b>BC Bid</b>	Means the Province's online tendering system. BCLC uses this system to distribute bid opportunity notices. BC Bid offers suppliers unrestricted access to government procurement.
<b>Direct Award</b>	Means a business process where a Contract is awarded by an organizational unit to a Vendor of their choice.

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<b>Notice of Intent</b>	Means the method by which BCLC provides Vendors with the opportunity to challenge a Sole Source Award.
<b>Procurement Value</b>	Means the aggregate spending over the duration of the Contract commitment including optional renewals.
<b>Pre-Qualified Vendor</b>	Means a Vendor that is included on a Pre-Qualified Vendor Roster.
<b>Pre-Qualified Vendor Roster</b>	Means a business process where an open bid process is conducted to create a list of Qualified Vendors that may provide goods and services that are defined after the conclusion of the open bid process.
<b>Qualified Vendor</b>	Means a Vendor: <ul style="list-style-type: none"> <li>• that has passed the scrutiny of whether or not they are to 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</li> <li>• is considered competent to deliver the required goods and/or services as required by BCLC.</li> </ul>
<b>Sole Source Award</b>	Means a business process where a Contract is awarded without an open bid process where performance capabilities are unique to a specific Vendor and cannot be replicated by any other Vendor and is supported by applicable exclusions as defined in the NWPTA, CFTA, other relevant trade agreements and applicable law.

## Policy Ownership

<b>Contact Position</b>	Director, Corporate Procurement
<b>Policy Owner</b>	Director, Corporate Procurement
<b>Approving Body</b>	Vice President, Finance and Corporate Services

## Revision History

Version	Effective	Approved by	Amendment
8.0	Jun 29, 2022	Vice President, Finance and Corporate Services	Major amendments to clarify trade agreement exceptions, trade agreement exception approval requirements, Notice of Intent requirements, and

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Version	Effective	Approved by	Amendment
			recommendation of award requirements. Restructured the Policy Statement and Procurement Value thresholds chart for clarity.
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 Corporate Services	Major amendments to remove the requirement for three quote minimum, and increase the Procurement Value threshold for Direct Award 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 adjustments to the thresholds. New requirement for business units to ensure a Policy Exemption Justification Form is completed prior to approval of exceptions to the open bid process. 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 and Chief Executive Officer	Major amendment to Policy Ownership.
3.2	Jan 29, 2015	Vice President, Corporate Security and Compliance	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.



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Version	Effective	Approved by	Amendment
3.1	Feb 1, 2011	Procurement	Housekeeping
3.0	Nov 29, 2010	Vice President, Finance and Corporate Services	<p>Non-substantive changes to policy:</p> <ul style="list-style-type: none"> <li>• Added, “&amp; Policy” to policy title.</li> <li>• Added an official requirement to sign-off the ‘Recommendation of Award’ at various spend levels.</li> <li>• Added ‘Final Approval’ section to distinguish this as a distinct action from the recommendation of award.</li> <li>• Referenced the ‘Vendor Selection Process Record’ and related procedure in the ‘Compliance’ section.</li> <li>• Wording housekeeping throughout especially in ‘Roles and Responsibilities’ section for clarity of responsibilities.</li> <li>• Added Evaluation Team and Steering Committee under ‘Roles and Responsibilities’ section.</li> <li>• Updated to NWPTA (July 2010) standards</li> </ul>
2.0	Apr 1, 2010	President and Chief Executive Officer	Update to TILMA standards
1.0	Nov 20, 2008		