

---

**MODULE 3 - BUSINESS OPPORTUNITIES OBJECTIVES AND PROCESSES**

---

- › Core bid objectives
- › Complementary objectives – Sustainability
- › Bid policies and guidelines

***Purpose:***

The purpose of Module 3 is to help businesses understand the basic bid objectives and process for the public sector generally and VANOC specifically.

***Public Sector Bid Objectives***

Public sector agencies have various objectives when they are seeking bids for products and services – and it's not always about getting the lowest price. Most governments have a variety of objectives that seek to achieve the best overall value by looking at factors such as price, delivery capabilities, after-service care, warranties, ability to supply to one or more geographic locations, etc. They also must ensure that the process by which they purchase goods and services is open, fair, transparent and meets any legal requirements around unrestricted trade between provinces or internationally (if applicable).

While there will be many sources of government and private business opportunities, you need to review the specific policies of each organization as they may differ. Everyone is different. However, the process outlined below for VANOC is a good example. Everyone has something different that is particularly important to them – you need to check it out for each buyer.

**CORE BID OBJECTIVES**

VANOC has the following set of standard *core purchasing objectives*:

1. **Product effectiveness, efficiency and affordability** – Goods and services must meet the specified performance standards for their particular function and be delivered on time and within budget. When responding to public sector bids it's critical to think about how your product or service solution will help VANOC to achieve these objectives – especially in terms of issues like 'on-time delivery' and risk minimization.
2. **Transparency and accountability** – The bid process needs to be transparent, fair and respectful of vendors through open bidding and equitable opportunities. The integrity of the process should be supported by clear accountabilities and authorities that are regularly monitored. Consequences for abuse need to be clearly articulated and applied if necessary.
3. **Legal compliance** - Meeting all applicable regulatory and trade requirements is mandatory, as is adhering with the Host City Agreement, agreements in respect to utilizing the COC licensees, and other applicable IOC or Member Partner requirements.
4. **Socially responsible sourcing** – VANOC believes that products and services delivered through the supply chain should be manufactured and distributed ethically and with regard for international standards on human and labour rights.
5. **'Value in Kind' (VIK)** - Prior to initiating the formal purchasing process most opportunities need to be assessed to determine if the good or service required could be provided as part of a sponsorship or 'value in kind' (VIK) opportunity (See special note below on VIK).

## COMPLEMENTARY OBJECTIVES – SUSTAINABILITY

### *VANOC Sustainability Commitments*

Sustainability is a critical element of the 2010 Winter Games and purchasing is a key mechanism by which VANOC will meet its sustainability commitments and objectives. The following is a summary of the *sustainability* bid objectives for VANOC.

These highlight how VANOC intends to use purchasing of goods and services to ensure that the 2010 Winter Games are as ‘sustainable’ as possible. Almost every VANOC bid has a requirement for vendors to provide information about sustainability – in terms of the supplier’s operations and how the supplier’s product or service can help VANOC achieve its sustainability objectives. It is highly recommended that you become familiar with VANOC’s interest in sustainability and use this to your advantage as you prepare your bid (this will be discussed again in Module 7 – Preparing Successful Bids).

1. Environmental Performance
  - › Showcasing ‘green’ products
  - › Eco-efficient operations
2. Social Inclusion and Compliance
  - › Employing vulnerable members of the inner-city community
  - › Locating and engaging in the inner-city
  - › Participating in inner-city economic development programs (e.g. Social Purchasing Portal)
  - › Having regard for Human Rights
3. Aboriginal Involvement
  - › Aboriginal business opportunities
  - › Aboriginal employment

Sustainability is an area of potential competitive advantage for you! Think about how your business can contribute to VANOC goals. Also, Aboriginal involvement is a very important element of the Vancouver 2010 Winter Games and the overall sustainability program for VANOC. If you are an Aboriginal business or your business contributes to Aboriginal development, this can be an advantage – don’t forget to mention it in your bid!

Accessibility is another critical element of the 2010 Winter Games and purchasing is a key mechanism by which VANOC will meet its accessibility commitments. The following is a summary of the accessibility bid objectives for VANOC. These highlight how VANOC intends to use purchasing of goods and services to ensure that the 2010 Winter Games are as ‘accessible’ as possible. Use this to your advantage as you prepare your bid (this will be discussed again in Module 7 -Preparing Successful Bids).

1. **Physical Accessibility** - Athletes, staff, volunteers and spectators with mobility and sensory limitations must be able to access all venues and use all technologies such as kiosks and point of sale terminals.
2. **Information Accessibility** - All information products must be available in the multiple formats used by print-disabled athletes, staff, volunteers and visitors.

Accessibility is an area of potential competitive advantage for you! Think about how your business can contribute to VANOC goals.

**BID POLICIES AND GUIDELINES**

The following is an overview of the VANOC bid process. This will provide you with a complete picture of the overall bid solicitation, evaluation, negotiation and contract management process. If you're interested in doing business with VANOC then you need to be familiar with this process.

1. **Functional Plans** — Development and approval of a functional plan activates a project or program by identifying the need for goods and services.
2. **Specifications and Criteria** — Functional plans will identify milestones and deliverables that in turn indicate goods and services required for project or program implementation. Product and service criteria are developed to specifically define VANOC requirements and performance expectations, and to set out expectations regarding supplier relationships. These criteria include both core objectives and complementary objectives that are appropriate to the particular opportunity.
3. **Value in Kind (VIK)** — Before initiating the formal purchasing process, the requirements will be assessed to determine if the good or service required could be obtained from a sponsor as part of a sponsorship or VIK opportunity.
4. **Bid Solicitation** — Procurement solicits bids and prices from vendors and suppliers.
5. **Evaluation and Award Process** — A VANOC evaluation and selection committee evaluates prices and bids against specified criteria using a pre-determined evaluation criteria and weighting scheme that is specified in the bid document. The evaluation committee approves bids and prices that best meet specifications and provide guidelines for negotiation (in consultation with key organizational stakeholders, as required).
6. **Negotiation** — Procurement negotiates a final agreement for goods and services.
7. **Contracts** — Purchasers and suppliers execute contracts that document the terms and conditions for the provision of goods and services.
8. **Receipt of Goods** — VANOC receives goods and services and document that they meet specifications and contractual terms and conditions.
9. **Contract Management** — Business units and Procurement monitor to ensure that terms, conditions and milestones identified in contracts are actively applied and met.
10. **Payment** — Upon satisfactory performance or delivery of goods, payments are released to vendors according to terms outlined in contracts.
11. **Evaluation** — Ongoing evaluation of product and vendor performance is conducted to provide guidance to future purchasing decisions.
12. **Records Management** — Contracts and other process documentation are maintained according to financial policies and procedures that ensure transparency and to ensure ease of overall contract administration.

If you want to do business with VANOC, familiarize yourself with this purchasing process beforehand. Other purchasing organizations will have a somewhat similar process.

***Important Note: Step 3 – Value in Kind***

VANOC is often looking to acquire goods and services through sponsorship agreements. This is a key step within the purchasing process for an organizing committee. Bids are typically issued after it is determined that there isn't a sponsorship opportunity available for the product or service. If you see an opportunity to provide a good or service through a sponsorship then learn more about VIK on the VANOC website.

***Some Final Thoughts***

Here are a couple of final thoughts relating to the purchasing objectives and the purchasing process:

1. Not all organizations have the same purchasing policies and guidelines - you must do your research first to see what policies or guidelines apply to whom.
2. VANOC is not a government agency and therefore will have unique purchasing considerations (e.g. Value in Kind considerations).

Remember - suppliers do not have the same rights as sponsors. VANOC does not provide suppliers with the right to advertise or promote themselves as "official suppliers" or that they are in any way connected to the Vancouver Organizing Committee.

This right to advertise or promote oneself as an "official supplier" belongs to sponsor organizations as do the rights to use the official marks or symbols associated with the Games. Do not expect that becoming a supplier to VANOC will give you any special status for marketing purposes. In fact, you must be very careful to ensure that you don't use any 2010 Winter Games logos or official marks unless this right has been granted to you through a sponsorship or licensing agreement.