



Core Policy and Procedures Manual - Amendment Summary June 2006

6.0 Procurement	6.3.4 Policy d.4 Disposal of Surplus Assets (d.4) Policy 4 added providing that the disposal of an asset/medium with information storage capacity must be done in a manner to protect the privacy and security of the stored information.
8.0 Asset Management	8.2 Government asset is clarified to comprise tangible capital assets and property, inventory, financial assets, and other non-capital items that include a multitude of portable device technologies with information capacity and the information that is held on such devices/media. 8.3.2 The section is revised to emphasize the internal controls for protecting the information that is stored on a portable device/medium, the disposal of these assets with information capacity, and to underscore the safeguarding of information as asset and the devices with storage capacity irrespective of the physical asset's financial value. 8.3.3 The section is revised to draw attention to the requirement for the immediate reporting of a loss of sensitive, confidential information or the loss of a portable storage device or a hand-held device containing such information.

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Procurement

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PART I: Procurement

6.1 Objectives

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

- acquisitions are managed consistent with government policy and requirements of trade agreements
- government receives the best value for money spent on contracts
- vendors have fair access to information on procurement opportunities, processes and results
- acquisition and disposal opportunities are competed, wherever practical
- ministries and [Common Business Services](#) (CBS) only engage in a competitive process with the full intent to award a contract at the end of that process
- ministries and CBS are accountable for the results of their procurement decisions and the appropriateness of the processes followed
- government buying power is leveraged through corporate supply arrangements (CSAs) and demand aggregation, wherever practical
- the cost of the procurement process, to both vendors and ministries, is appropriate in relation to the value and complexity of each procurement
- assets surplus to the needs of government are disposed of in a coordinated way to maximize the dollar return to government, and to minimize the risk to the environment

6.2 General

This policy applies to government contracts (i.e. agreements to procure goods, services and construction) and to contract expenditures chargeable to the Consolidated Revenue Fund (including special funds) and trust funds. This policy does not apply to statutory and formulae-driven contributions, such as government transfers (entitlements) to school boards, hospitals, universities and colleges that do not normally require a contract.

The Province is a party to the national [Agreement on Internal Trade](#) (AIT) and the [British Columbia - Alberta Trade, Investment, and Labour Mobility Agreement](#) (TILMA). Ministries must abide by the terms and conditions of the agreements when undertaking contracts.

Roles and Responsibilities

Ministries are responsible for:

- planning, managing and fully documenting the process to acquire goods, services and construction;
- using all existing CSAs for goods and services to meet program requirements;
- managing solicitation and contract award processes in a prudent and unbiased manner that fairly treats all potential vendors and bidders;
- ensuring that contracts for goods, services and construction are designed to provide the best value to government;

- ensuring that all ministry acquisitions and disposals are consistent with policy, applicable legislation and trade agreements;
- declaring goods surplus when their use to the ministry has ended; and
- ensuring compliance with this policy.

Common Business Services (CBS) is responsible for:

- identifying, planning, negotiating, establishing, managing and fully documenting corporate supply arrangements that will provide best value to the Province;
- managing and fully documenting the processes used to acquire goods, services and construction when requested to do so on behalf of a ministry;
- managing solicitation and contract award processes in a prudent and unbiased manner that fairly treats all potential vendors and bidders;
- ensuring that contracts for goods, services and construction are designed to provide the best value to government;
- ensuring that all CBS acquisitions and disposals are consistent with policy, applicable legislation and trade agreements;
- disposing of all tangible and intangible assets that are surplus to government except as provided by ministry legislation, or Treasury Board directive(s);
- providing operational advice to ministries for procurement services within the scope of CBS's activities;
- providing advice on all transactions involving Crown Copyright and Intellectual Property; and
- ensuring compliance with this policy.

The *Procurement Governance Office* is responsible for:

- developing and revising corporate procurement policy and providing official communications and interpretations of this procurement policy;
- monitoring and reporting for compliance with this procurement policy;
- establishing and managing policy for a formal government vendor complaints resolution process, including an internal escalating complaint resolution procedure in ministries and CBS, and a last resort procedure in PGO;
- providing support and advice on corporate procurement policy, including development and management of a procurement training curriculum (currently under development); and
- being the contact point for the negotiation, compliance and reporting requirements for the national Agreement on Internal Trade chapter 5 – Procurement and for procurement related matters in the British Columbia - Alberta Trade, Investment, and Labour Mobility Agreement.

The *Financial Management Branch* is responsible for developing and revising corporate contract administration and monitoring policy and providing official communications and interpretations of this policy.

The *Procurement Council* supports an effective and productive relationship between procurement governance, procurement service and clients for shared service procurement delivery, including promotion of best practices for government procurement and corporate resolution of procurement policy and service issues.

6.3 Policy

6.3.1 Procurement Planning

1. Procurement planning must be undertaken as part of the program/service planning process.
2. CBS must identify opportunities for demand aggregation that provide overall savings to the Province. Ministries and the agencies within their authority must participate in CSAs established by CBS, and advise CBS of their procurement plans and requirements for common goods, services and construction in advance of program needs.
3. Ministries must review alternatives to acquiring new goods, services and construction such as considering repairs to

existing assets and transfer of used assets.

4. Ministries 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.
5. For service contracts greater than \$100,000, before taking any steps to find a contractor, a ministry must ensure that a cost / benefit 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 resources were available. Contract outcomes must be defined; and the contract must be consistent with policy, applicable legislation, and trade and collective agreements.
6. 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 ministry may rely upon the original cost / benefit justification if it is still relevant. If not, the ministry must update the original justification or provide a new justification.
7. A contract must not result in the contractor occupying an ongoing organizational position, or take the place of work normally conducted or acquired by a central agency. In addition, a contract must not result in the establishment of an employer/employee relationship. Every contractor engaged by the government must be independent and operating at arm's length from government.
8. Ministries and staff must not divulge any information that could impair the negotiating position of the government or that could benefit the competitive position of one contractor at the expense of another.
9. 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 a ministry; the assets created as a result of the contracted services; or the assets that are purchased by the contractor with funds provided by the ministry. 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.
10. Ministries must not provide government assets to contractors, or fund a contractor's asset acquisition, where doing so could be viewed as a business subsidy or would create an employer/employee relationship.
11. Ministries and CBS must not bestow a favour on, or grant preferential treatment to, any prospective contractor.
12. An employee who has received benefits under a voluntary exit program must repay all or a portion of the lump sum payment if remuneration is received from a contract with the government within the period beginning with the date of termination of employment and for the number of months equivalent to the amount of the benefits.
13. An employee who has received a severance payment on termination of employment must repay all or a portion of the lump sum payment if remuneration is received from a contract with the government within the severance settlement period.
14. Ministries and CBS are encouraged to follow the Guidelines for Procurement of Environmentally Responsible Products and Services. These guidelines are available under the Procurement Procedures available on the [CBS website](#).

6.3.2 Pre-award and Solicitation

a. All Procurement

1. Ministries must not use any procurement or solicitation instrument (e.g., RFP) to acquire goods or services that are currently available through a CSA. CSAs must be used where available. The following is an illustrative list of CSAs in government and the responsible organizations through which these commodities must be obtained.

Goods and Services	Responsible Office
Goods and services CSAs which are identified at the following website: http://www.pss.gov.bc.ca/csa/csa.html	Purchasing Services Branch, Common Business Services, Ministry of Labour and Citizens' Services
Advertising and publications (excluding recruitment advertising) – all informational communications for the Province including Agencies of Record	Public Affairs Bureau, Ministry of Finance
Common IT Services	Common Business Services, Ministry of Labour and Citizen's Services
Employee household relocation services	BC Mail Plus, Common Business Services, Ministry of Labour and Citizens' Services
Insurance and insurance related services	Risk Management Branch, Provincial Treasury, Ministry of

	Finance
Legal services	Legal Services Branch, Ministry of Attorney General
Mail processing and distribution services, which are identified at the following website: http://www.pss.gov.bc.ca/bcmp/	BC Mail Plus, Common Business Services, Ministry of Labour and Citizens' Services
Mail Processing Equipment	BC Mail Plus, Common Business Services, Ministry of Labour and Citizens' Services
Paper, office products, protocol giftware, and stationery products which are identified at the following website: http://www.pss.gov.bc.ca/dcv	Distribution Centre Victoria, Common Business Services, Ministry of Labour and Citizens' Services
Uniforms, protective clothing and emergency preparedness products which are identified at the following website: http://www.pss.gov.bc.ca/pdc	Product Distribution Centre, Common Business Services, Ministry of Labour and Citizens' Services
Polling services	Public Affairs Bureau, Ministry of Finance
Printing equipment and servicing	Queen's Printer, Common Business Services, Ministry of Labour and Citizens' Services
Printing services which are identified at the following website: http://www.pss.gov.bc.ca/qp/	Queens' Printer, Common Business Services, Ministry of Labour and Citizens' Services
Recruitment advertising – the BC Public Service Agency has assigned an Agency of Record for this service.	BC Public Service Agency
Real property and accommodation infrastructure services	Accommodation and Real Estate Services
Records storage services	Corporate Records Management Branch, Ministry of Labour and Citizens' Services
Risk assessment and consulting	Risk Management Branch, Provincial Treasury, Ministry of Finance
Statistical services	BCStats, Service BC, Ministry of Labour and Citizens' Services
Vehicle acquisitions, repair and maintenance	Purchasing Services Branch, Common Business Services, Ministry of Labour and Citizens' Services

2. An employee must not participate in a contracting decision if the contract involves a direct relative, a person married to a direct relative, or a person sharing the same household as the employee. A direct relative means a spouse, parent, grandparent, grandchild, brother, sister, son, or daughter.
3. An employee 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/or the contract manager. If, after review, it is determined that there is a conflict, the supervisor or contract manager must remove the employee from this particular contract situation. An employee who fails to disclose a conflict of interest can be subject to disciplinary action up to and including dismissal. Any suspected conflicts of interest must be investigated and resolved (Personnel Management Policy Manual, Standards of Conduct, policy 5.4).
4. Ministries may directly acquire goods and services when an unforeseen emergency exists. Emergency Purchase Orders (EPOs) must only be used to meet extraordinary deadlines that have pre-empted the ability to access the normal acquisition processes for goods and services (e.g., CSAs, CBS's distribution centres, requisitioning). Ministries must limit the authority to issue EPOs to designated positions with appropriate signing authority. Where the appropriate ministry authority determines that it is essential to proceed, a written explanation of the need for an EPO must be kept on record.
5. Ministries must use the standard government formats for solicitation documents (e.g., [ITT](#), [RFP](#), [RFQ](#), [ITQ](#), [RFSO](#)) available from CBS. Ministries must obtain the approval of CBS and legal counsel for any changes to the standard formats. Only current versions of the solicitation documents may be used.
6. 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, by the expense authority, must be sought on the combined value of all contracts issued for a sub-divided project.
7. All standard competitive processes (i.e., ITT, RFP, ITQ, RFSO, RCSA) must provide identical information for potential bidders or proponents to the solicitation, to fairly and equally base their response. For Joint Solution Procurements, the amount of information and how it is provided to potential contractors differs depending on the phase of the process. See policy [6.3.2 c\(3\)](#).
8. 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.

9. Objective selection criteria for the awarding of a contract must be established prior to inviting bids and proposals and must be consistent with those specified in the solicitation documents. Selection procedures and timelines must not limit anyone from competing.
10. Ministries and CBS must be alert to the potential for bid rigging, and report any suspicious bidding patterns.
11. An expired contract must not be retroactively extended. When a contract expires and the original deliverables have not been fully met, a 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 (6.3.6 [Contract Administration and Monitoring c.3](#)).
12. Projects cannot be subdivided to avoid requirements of policy or trade agreements.
13. To establish a pre-qualified supplier list, a process must be undertaken which uses the standard Request for Qualification template, unless an alternate form is approved by CBS and Legal 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.
14. 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.
15. As required in accordance with the provisions of the AIT and the BC - Alberta Trade, Investment, and Labour Mobility Agreement (TILMA), if the expected contract value is over the goods, services or construction threshold (see section 6.4.4), the contractor is to be selected through a competitive process between all suppliers on the pre-qualification list that meet the criteria for a specific project (e.g., specialization). The competitive process will evaluate each supplier's proposed approach, or pricing, or other elements required for the project.
16. 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.
17. If the requirement for goods, services or construction falls within the provisions of the AIT or TILMA, the process to identify pre-qualified suppliers of goods, services and construction opportunities which may be over the associated threshold (see section 6.4.4) must be advertised annually on BC Bid.

b. Goods

1. Requests for goods valued over \$5,000 that cannot be met through a pre-existing CSA must be directed to CBS, except where CBS and the ministry have negotiated a different arrangement which is included in the Service Level Agreement, or other agreements as required, between the Parties.

The criteria used in the negotiation to determine the nature and degree of procurement services provided by CBS for the ministry will include:

- availability and level of procurement skills of ministry procurement specialists
 - uniqueness of ministry procurement and degree of specialized product and supplier knowledge of ministry procurement specialists
 - historical ministry compliance with the Core Policy and Procedures Manual
 - the degree of adverse impact on other CBS clients
 - degree of risk of ministry vs CBS undertaking procurement in relation to precedence and application of best practices
 - procurement process value-add by CBS particularly on high risk or complex procurements
 - cost reduction generated from aggregation of demand and centralized procurement by CBS
2. Where ministry requirements can be met by an existing CSA, goods must be purchased through that arrangement.
 3. Unless a specific exemption is available under TILMA, or unless the conditions for direct awarding apply (see section 6.3.3. a), all acquisitions, supply arrangements, and processes to select pre-qualified bidders with an estimated value of \$10,000 or more must be competed by advertising on [BC Bid](#) (see section 6.4.2). In addition, opportunities may also be distributed to all vendors on a source list maintained for the specific goods, or they may be advertised in a national newspaper (Vancouver Sun).

4. Goods acquisitions with an estimated value less than \$10,000 must be awarded using a competitive process that is appropriate to the value, complexity and profile of the business opportunity, unless the conditions for direct awarding apply (see section [6.3.3a](#)). Opportunities can be posted on BC Bid, and/or an RFQ process can be followed, or at least three quotes must be obtained.
5. When a contract for goods valued at \$10,000 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 policy 6.3.3 a (1), 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 substantiated, a direct award may be made.

A Notice of Intent is not required if it is determined that the direct award meets one or more of the allowable exceptions specified in policy 6.3.3 a (1).

C. Services and Construction

1. Ministries are to determine, in negotiation with CBS, the service and construction solicitations in which CBS will be involved. These negotiated arrangements will be included in the Service Level Agreement, or other agreements as required, between the Parties.

The criteria used in the negotiation to determine the nature and degree of procurement services provided by CBS for the ministry will include:

- availability and level of procurement skills of ministry procurement specialists
 - uniqueness of ministry procurement and degree of specialized product and supplier knowledge of ministry procurement specialists
 - historical ministry compliance with the Core Policy and Procedures Manual
 - the degree of adverse impact on other CBS clients
 - degree of risk of ministry vs CBS undertaking procurement in relation to precedence and application of best practices
 - procurement process value-add by CBS particularly on high risk or complex procurements
 - cost reduction generated from aggregation of demand and centralized procurement by CBS.
2. Ministries must utilize CSAs for services where they exist.
 3. All services procurements using the Joint Solutions Procurement (JSP) acquisition method must be planned in conjunction with CBS and the procurement process managed by CBS.
 4. Unless a specific exemption is available under TILMA, or unless the conditions for direct awarding apply (see section 6.3.3. a) any service opportunity, process to select pre-qualified bidders, or supply arrangement for the supply of services with an estimated value of \$75,000 or more must be competed by advertising on [BC Bid](#) (see section [6.4.2](#)). In addition, opportunities may also be distributed to all vendors on a source list maintained for the specific service, or they may be advertised in a national newspaper (Vancouver Sun).

Unless a specific exemption is available under TILMA, or unless the conditions for direct awarding apply (see section 6.3.3.a), any opportunity or supply arrangement for construction with an estimated value of \$100,000 or more must be competed by advertising on [BC Bid](#) (see section [6.4.2](#)). In addition, opportunities may also be distributed to all vendors on a source list maintained for the specific type of construction, or they may be advertised in a national newspaper (Vancouver Sun).

5. Any service opportunity with an estimated value from \$25,000 up to \$75,000, or the establishment of a supply arrangement for the supply of services with an estimated value from \$25,000 up to \$75,000 must be awarded using a competitive process that is appropriate to the value, complexity and profile of the business opportunity unless the conditions for direct awarding apply (see section 6.3.3a). Opportunities can be posted on BC Bid or at least three quotes must be obtained.

Any construction opportunity with an estimated value from \$25,000 up to \$100,000, or the establishment of a supply arrangement for construction with an estimated value from \$25,000 up to \$100,000 must be awarded

using a competitive process that is appropriate to the value, complexity and profile of the business opportunity unless the conditions for direct awarding apply (see section 6.3.3a). Opportunities can be posted on BC Bid or at least three quotes must be obtained.

6. Any service or construction opportunity, or supply arrangement for the supply of service or construction, with an estimated value of less than \$25,000 should be competed to the extent reasonable and cost-effective.
7. When a contract for services or construction 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 policy 6.3.3 a (1), 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 are not substantiated, a direct award may be made.

A Notice of Intent is not required if it is determined that the direct award meets one or more of the allowable exceptions specified in policy 6.3.3 a (1).

d. Continuing Service Agreements

1. A contract in the form of a [Continuing Agreement](#) for a period of not less than three years may be made between a ministry(ies) and a contractor for the delivery of one or more of the following community health and social services:
 - Child, Family and Community Services
 - Child Care Services
 - Stopping the Violence Services
 - Community Support Services
 - Income Support Services
 - Community Justice Services
 - Correctional Services
 - Employability, Skills and Training Services
 - Mental Health Services
 - Continuing Care Services
 - Community Health Services
 - Alcohol and Drug Services
 - Multicultural/Immigration Services.
2. A contract in the form of a continuing agreement must be used where the ministry has determined that the following criteria have been met:
 - the services are to be rendered to a third party of behalf of the government;
 - service provider continuity is desirable and the services are to extend for three years or more; and
 - the services are applicable community health and social services.
3. To be eligible, contractors must meet government organizational standards for continuing agreements, must meet documented ministry performance and program standards, and must have an established relationship with the provincial government, i.e. the contractor has provided continuous community health and/or social service under a service contract for a minimum of three consecutive years immediately preceding the start date of the continuing agreement, and there are no unresolved compliance issues or concerns with any of the services provided by the contractor.
4. Contractors who are entering a continuing agreement for the first time must immediately meet the performance and program standards, but may negotiate a time period not to exceed one year from the commencement of the continuing agreement, in which they commit to a work plan with progress reports to demonstrate to the contract manager that the contractor meets the organizational standards for continuing agreements.

5. Any new services, and all services not included in a component schedule of an existing continuing agreement, must be subject to a competitive selection process. Ministries may direct award where at least one of the following applies:
 - standard service contract direct award policy conditions apply (see section [6.3.3a](#));
 - service is developed jointly with a service provider in response to an identified need.
6. The competitive selection process must take into account: continuity of service; service provider availability; degree of community participation and investment; efficiency of operations; and effectiveness demonstrated by past performance.
7. Where the services to be obtained may be eligible for a continuing agreement, that information must be disclosed in the solicitation documents.
8. Once a contractor has been chosen to deliver a new service, ministries must determine the appropriate contract mechanism to define the relationship, (i.e., service contract or continuing agreement). Ministries must determine if the services to be delivered meet the criteria for a continuing agreement. If the services do not meet these criteria, ministries must follow the policies and guidelines for service contracts until such time as the criteria for a continuing agreement are met.
9. Where component services currently provided under existing continuing agreements are modified and/or expanded, ministries must first consult with current qualified contractor(s) to determine whether these existing continuing agreements can accommodate the modification and/or expansion. The scope of consultation may be limited where service requirements specify geographic location.
10. Where modification and/or expansion of component services cannot be accommodated under existing continuing agreements, the services must be subject to the competitive selection process. Where more than one existing continuing agreement holder can accommodate the expanded or modified services, ministries must conduct a solicitation process.
11. The conditions for negotiation and direct award for modified and/or expanded services without a competitive process are the same as the conditions for direct award of new continuing services agreements listed in #5 above.
12. Except as described above for modifications or expansions, services provided under a continuing agreement are not subject to a competitive selection process for the duration of that continuing agreement.
13. Where the services are to be delivered on behalf of more than one ministry, a representative of each ministry must sign the contract.
14. A ministry must agree in an annual funding letter to make payments of a negotiated amount to the contractor. The letter must also specify the outputs, and where feasible, the outcomes. Where more than one service is to be delivered by a contractor, the funding letter must specify the annual funding amounts and outputs and/or outcomes for each service. The funding letter may be amended during the year to modify the outputs/outcomes, or to change payments for new or emerging services, by mutual agreement of the ministry and the contractor.
15. Appropriate measures for success and evaluation methods (best practices) must be established jointly by the contract manager and the contractor. Contractors' performance relating to outcomes of contracted services must be evaluated at least once every three years.
16. Every continuing agreement must contain a provision that allows the agreement and/or a component schedule of the agreement, to be terminated by the minister(s) with cause at any time without notice. Every continuing agreement must contain a provision that the agreement or a component schedule of the agreement may be terminated by either party without cause on notice not exceeding one year.
17. Ministries must establish their own guidelines and procedures to set appropriate time periods, by program, for notice of termination consistent with this continuing agreements policy, and the guidelines and procedures established by other ministries receiving similar services in the community health and social services sector.

6.3.3 Contract Award – all procurement

a. Direct Awards

1. 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 applies:

the contract is with another government organization;

- the ministry can strictly prove that only one contractor is qualified, or is available, to provide the goods, services or construction or is capable of engaging in a disposal opportunity;
- an unforeseeable emergency exists and the goods, services or construction could not be obtained in time by means of a competitive process;
- a competitive process would interfere with a ministry's ability to maintain security or order or to protect human, animal or plant life or health; or
- 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.

The contract manager is responsible for documenting, in the contract file, the rationale, or the circumstances, that supports the use of one or more of the above exceptions. This documentation must be appended to the contract file and be available when requested.

2. The direct award of a Transfer Under Agreement must meet a direct award condition of 6.3.3 a (1), or be:

- financial assistance provided to a specified target group or population (e.g., a First Nation, or a direct beneficiary- individual or family or legal guardian of that individual under a community/social service program); or
- a shared cost agreement or a public private partnership where a competitive selection is not appropriate.

b. Selection and Award

1. Ministries must award contracts on the basis of the criteria set forth in the solicitation documents.
2. The rationale for the ranking of all proponents must be documented.
3. Ministry staff must participate in the evaluation process to select the successful contractor(s).
4. Before considering a bid or proposal, ministries must ensure that it meets all mandatory requirements specified in the solicitation documents.
5. 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.
6. 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.
7. In all situations where an alternate evaluation methodology is required (e.g., dual track negotiation, best and final offer), a full description of the methodology must be provided in the solicitation document and the process as stated must be followed to determine the successful proponent.
8. Ministry staff must not do or say anything to create a verbal contract on behalf of the government.
9. Multi-year contracts are permitted when the stability of the longer time frame supports better value to government. 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.
10. Ministries and CBS, where practical and depending on the size of the contract, must undertake measures to conduct appropriate due diligence on prospective contractors such as, but not limited to: credit and background checks; business reference checks; and identification of shareholders, directors and officers of the company.

C. Responses

1. A written confirmation must be sent to the contractor who was successful on a solicitation. Unsuccessful respondents to a RFP must be notified and offered the opportunity for a debriefing on their proposal. Unsuccessful bidders on an ITQ must be notified of the winning bidder through a listing on BC Bid or other means.

d. Pricing

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

e. Administration

1. Ministries must maintain adequate contract documentation for all phases of the procurement process, including planning, solicitation, award, management, amendments, schedules of payment, progress reports and contract evaluations.
2. 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).
3. 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 the Province with apparent authority.
4. The [General Services Agreement](#) should be used for service contracts in all instances *except* those listed below. No changes can be made to this form without review by the ministry's legal counsel.
 - any contract with a value greater than \$250,000;
 - contracts for office assistance services or with employment agencies where a CSA exists;
 - vehicle and equipment rentals;
 - contracts for third party delivery;
 - capital construction projects;
 - goods;
 - software licensing; and
 - service contracts requiring a guarantee or indemnity to the contractor by the Province
5. If the General Service Agreement is not appropriate, as described above, a ministry will develop an alternative contract, which legal counsel must approve. The [Risk Management Branch](#) must also approve the indemnity clause in any alternative contract form where the Province indemnifies the contractor.
6. Ministries must not use letters of agreement to enter into a contract without seeking advice from legal counsel.
7. Some contractors prefer to use their own standard forms. Ministries may accept the use of such forms, but the forms must meet government requirements and must be reviewed by ministry legal counsel. Where the forms provide for the giving of an indemnity to a contractor, Risk Management Branch must also approve the indemnity.
8. Supply arrangements are competed in the same manner as an individual contract. Where a supply arrangement may give rise to a contract that would require central agency approval because of its amount or nature, the ministry must request approval of the supply arrangement.
9. Whenever a contract is to be modified, the standard form of [modification agreement](#) must be used unless legal counsel has approved an alternative modification process or form.

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.

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.

A modification agreement must not be used to substantially change the nature and intent of the original contract.

Expense authority approval, when applied, must reflect the total dollar value of the contract and not just the dollar value of the modification agreement.

10. 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.
11. Ministries must ensure that the contractor's agent or broker completes and signs the Province of British Columbia [Certificate of Insurance](#) (FIN 173 MS Word), in compliance with the insurance requirements of the contract.
12. A Privacy Protection Schedule (PPS) must be completed and attached as a schedule to any contract between the government and a contractor that involves "personal information" as defined in the *Freedom of Information and Protection of Privacy Act* unless it is not intended that the public body will own or control the personal information.

A PPS must be in the form set out at <http://www.mser.gov.bc.ca/privacyaccess/PPS/> unless an alternative version has been authorized by the Information Policy and Privacy Branch, Ministry of Labour and Citizens' Services.

Ministries and staff must not divulge information regarding a contract unless it is available to the general public or prior authorization for its release has been given by the ministry's Information and Privacy Officer.

6.3.4 Corporate Supply and Disposal Arrangements

a. Rentals and Leasing

1. Ministries may use Purchasing Cards to rent or lease goods where the total cost does not exceed \$5,000. Renewals are not permitted and ministries must obtain a receipt from the lessor for the return of a leased item when the lease expires. Exceptions include vehicle rentals for operational purposes exceeding 30 days and vehicle rentals while an employee is on travel status.
2. Ministries must requisition leases, including potential capital leases, through CBS and provide justification for leasing in lieu of purchase.

b. Photocopying Equipment and Supplies

1. Ministries must access the CBS photocopier equipment and supplies CSA for requirements up to the limits specified therein.
2. Photocopier paper must be ordered from CBS.
3. Government photocopy equipment is to be used for government business only. Personal use of government photocopier equipment is prohibited.

c. Repairs and Maintenance

1. Service contract requests for repairable assets must be submitted to CBS.

d. Disposal of Surplus Assets

1. Where an opportunity exists to replace an outdated asset with a similar asset, details of the potential trade-in must be forwarded to CBS, which will conduct an analysis of the potential trade-in to determine the best overall value to government. Ministries must only negotiate trade-in arrangements after consultation with CBS.
2. Assets that are surplus to the needs of the government are to be disposed of at fair market value by CBS who will determine the appropriate method for disposal of such assets.
3. Where assets are to be disposed of by a ministry under specific legislative authority or under a Treasury Board Order or Directive, CBS must be notified prior to initiating the disposal in order to ensure there are no issues

that may arise from the disposal in relation to other pre-existing disposal agreements.

4. 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 [information and records disposal policy \(see 8.3.2 policy 6\)](#).

e. Crown Copyright

1. All government employees must perform their duties in compliance with the *Copyright Act*. It is the responsibility of deputy ministers to ensure that their employees are aware of the provisions of the *Copyright Act*, which pertain to making copies of Works (whether in paper or electronic format). A notice provided by the Intellectual Property Program must be prominently affixed on or near all government-operated photocopiers. The Intellectual Property Program is responsible for providing information to ministries regarding the Crown copyright policies, including the provisions of the *Copyright Act*.
2. Crown Copyright of any Work means it belongs to the Province and not to individual ministries or any other government agencies. Unless there is a written agreement to the contrary, including terms of a collective agreement, the copyright for any Work that has been prepared or published by the Province's employees in the course of their employment belongs to the Province.
3. The right to reproduce Work may only be granted to a third party under the authority of:
 - the Intellectual Property Program operating under the *Procurement Services Act*, section 2(1)(f);
 - specific legislation granting such authority; or
 - Treasury Board directive under authority of the [Financial Administration Act](#), section 46, Public Property.
4. If a Third party wishes to reproduce a Work or a portion of a Work for non-commercial purposes, the Third Party must send a completed Copyright Permission Request Form to the Intellectual Property Program. Subject to policy 7 below, the Intellectual Property Program will administer the request.
5. If a Third Party wishes to reproduce a Work or a portion of a Work for commercial purposes, the Third Party must contact the Intellectual Property Program to obtain a license agreement. Subject to policy 7 below, the Intellectual Property Program is responsible for license negotiations on behalf of the Province. A fee and/or royalty will be charged unless waived at the Province's discretion.
6. The Province will refuse permission to reproduce a Work or a portion of a Work if that reproduction:
 - is not in the financial or public interest of the Province;
 - does not comply with the policies of the Intellectual Property Program;
 - is not consistent with the [Freedom of Information and Protection of Privacy Act](#) or any other applicable legislation; or
 - is not approved by the Intellectual Property Program Committee.
7. The Province will require a Third Party to withdraw or cease reproducing a Work if that reproduction:
 - purports to be the official version and is not;
 - is inaccurate;
 - is considered to be misleading for any other reason, (e.g., out of date material presented as current); or
 - is for commercial purposes and is being done without a license agreement with the Province.
8. If a ministry obtains authority from Treasury Board, under the authority of section 46 of the [Financial Administration Act](#), to grant a license to a Third Party to reproduce a Work or a portion of a work, or to assign the copyright in a Work to a Third Party, the ministry must comply with the policies of the Intellectual Property Program.
9. If a ministry does not have the authority outlined in policy 7, any request from a Third Party to reproduce a Work for Commercial Purposes or for the sale of the Province's copyright in a Work must be forwarded to the Intellectual Property Program with details outlining the Work affected, intended use, method of distribution, target date for release, and contact person.
10. Unless a ministry's legal counsel approves an exception, a ministry must ensure that each Standard Service

Contract includes specific wording ensuring that copyright in any material produced under contract belongs exclusively to the Province. The wording must also require the contractor to deliver, upon request of the ministry, documents waiving any moral rights of the contractor, contractor's employees and subcontractors over the material, and confirming the vesting of the copyright in the Province.

f. Disposal of Intellectual Property

1. Disposals of intellectual property involve the sale, transfer or licensing of these rights to third parties. Such disposals can only take place under the following authorities:
 - the Intellectual Property Program operating under the *Procurement Services Act*, section 2(1)(f);
 - legislation applicable to a specific ministry; or
 - Treasury Board directive(s) under the [Financial Administration Act](#), section 46.
2. Where intellectual property is to be disposed of by a ministry under specific legislative authority or under a Treasury Board Order or Directive, CBS must be notified prior to initiating the disposal in order to ensure there are no issues that may arise from the disposal in relation to other pre-existing intellectual property licensing agreements.
3. The Province's intellectual property must be protected during its development and life span, and when providing access to or releasing the intellectual property to third parties.
4. Ministries must not allow materials to be copied or used for commercial purposes by third parties, except under a license agreement executed by CBS, or by a ministry with the specific legal authority to dispose of the intellectual property at hand.
5. Materials must be developed solely to meet the program needs of government, rather than to create marketable products.
6. Providing access to information under the [Freedom of Information and Protection of Privacy Act](#) does not include the transfer of intellectual property, such as the rights to copy and redistribute for commercial purposes.
7. Where a disposal of intellectual property includes information or data, the licensee must be obligated to comply with the *Freedom of Information and Protection of Privacy Act*.
8. If a ministry is contacted by a Third Party that is interested in acquiring any intellectual property, or a ministry becomes aware it has intellectual property that has commercial value, it must notify the Intellectual Property Program to evaluate the potential disposal opportunity.
9. Where the disposal of intellectual property is a sale, transfer or a license that provides exclusive rights, the disposal must be done through a competitive bidding process.
10. Revenue from disposal of intellectual property will be paid into the CBS \$1000 Vote. Annually, Treasury Board Staff will add, as approved by Treasury Board in the Estimates, the ministry share of revenue received in the given fiscal year to that ministry's base budget for the following fiscal year.

6.3.5 Information Management and Information Technology (IM/IT) Procurement

For detailed information on the Chief Information Office's IM/IT policies and standards, refer to the [Chief Information Office](#).

a. General

1. Previous approval requirements are superseded by [Treasury Board Directive 5/04](#) (February 4, 2004).
2. All IM/IT goods and services must be procured in accordance with the business requirements of the ministry as identified in the Ministry Service Plan.
3. Prior to initiating procurement of all IM/IT-related products or services, ministries must discuss their IT requirements with Workplace Technology Services (WTS) and their IM requirements with the Chief Information Office (CIO), which will determine whether a corporate solution will be implemented for the requirement.
4. Large projects frequently include smaller IM/IT-related component projects. These component projects must be considered at the same time as the larger project.
5. All IM/IT goods and services must be procured in accordance with government financial and procurement policies, including the Core Policy and Procedures Manual, and must be consistent with the ministry Information

Resource Management Plan, the Agreement on Internal Trade, and the Chief Information Office (CIO) policies, strategies and standards, and all legislative requirements.

6. All ministry IM/IT hardware and software requirements, including shared devices (e.g., desktop, laptop, server, and printer devices) must be ordered through WTS. Where available, CSAs, pre-established by CBS, will be utilized for the supply of these items. Any exceptions to this policy must be approved by CIO, or WTS, as appropriate. This policy applies to purchases of any volume or dollar value.
7. If 51% or greater of the estimated value of a contract is for hardware and/or software and the value of this contract is \$10,000 or more, the opportunity must be advertised on [BC Bid](#) (see section [6.4.2](#)).
8. If the estimated value of a service contract is \$75,000 or more, the purchase must be advertised on BC Bid. Unless a specific exemption is available under TILMA, or unless the conditions for direct awarding apply (see section 6.3.3.a) any service opportunity, process to select pre-qualified bidders, or standing offer for the supply of services with an estimated value of \$75,000 or more must be advertised on BC Bid.
9. Except where CBS and the ministry have negotiated different threshold values which are included in the Service Level Agreement, or other agreements as required, between the parties, all solicitations for IM/IT projects valued between \$100,000 and \$500,000 must be reviewed by CBS prior to proceeding with the acquisition and all IM/IT projects valued over \$500,000, and all procurements utilizing the Joint Solutions Procurement (JSP) acquisition method, must be planned in conjunction with CBS and the procurement process managed by CBS.
10. Government Purchasing Card: standard regulations for the use of this card apply to all IM/IT-related purchases.
11. BC Business Opportunities: Ministries must identify opportunities for regional-based IM/IT service providers, and ensure that alliances with large firms provide opportunities for smaller BC companies, subject to the provisions of the Agreement on Internal Trade and the British Columbia - Alberta Trade, Investment, and Labour Mobility Agreement.

b. Unsolicited Proposals

1. In this section, an "unsolicited proposal" is defined as a supplier-initiated offering of Information Management or Information Technology (IM/IT) goods, services, or solutions to government. The aim of such a proposal is to enable an IM/IT supplier to establish a sales contract or business alliance partnership with government that is neither the result of a competitive solicitation nor the result of a ministry-initiated direct award.
2. Ministries can receive unsolicited proposals from the private sector. If the ministry determines that the proposal warrants consideration, then the proposal must be submitted to the Unsolicited Proposals Review Panel.
3. The proposal must demonstrate that:
 - it is unique; and
 - it addresses the current or future needs of government; and
 - the goods or services are not otherwise available in the marketplace.
4. Unsolicited proposals, received in the proper format, must be reviewed by the Unsolicited Proposals Review Panel. The Panel will be chaired by the Procurement Governance Office (PGO) and comprised of members drawn from:
 - the Common Business Services (CBS);
 - the interested ministry(ies);
 - Treasury Board Staff;
 - the Common Information Technology Services Division (CITS);
 - the Chief Information Office (CIO);
 - the Procurement Governance Office (PGO); and
 - optionally at the discretion of the PGO, disinterested third-party(ies).
5. Panel members will be selected by the Chair based on the nature of the proposals requiring review.
6. The Panel must ensure that the unsolicited proposal meets the criteria as stated in policy 3 above before contract negotiations commence.
7. Ministries must not enter into contract negotiations before the Panel review is complete. If there is any doubt that an otherwise acceptable proposal is unique, CBS shall issue a Notice of Intent prior to the ministry entering

contract negotiations.

8. Any proposal not meeting the criteria under policy 3 above will be rejected. If the proposal is accepted and approved by the Panel, the ministry may enter into contract negotiations, subject to funding availability and any required Treasury Board approvals.
9. Notwithstanding the reference to Notices of Intent under policy 7 above in this section, all contracts resulting from unsolicited proposals must be subject to the Procurement chapter of the Core Policy and Procedures Manual, including policies related to direct awards.
10. Funding for contracts resulting from unsolicited proposals must be drawn from within the existing appropriation of the contracting ministry.
11. Ministries must not use the unsolicited proposals process to bypass the competitive tendering process for goods or services requirements that are initially identified by the ministry.
12. In the event that the Panel approves an unsolicited proposal, ministries must ensure that all contracts resulting from unsolicited proposals with a value of \$10,000 or over for goods and \$75,000 or over for services comply with the British Columbia - Alberta Trade, Investment, and Labour Mobility Agreement, Part V, Government Procurement, paragraph 2, and that they comply with the requirements of the Agreement on Internal Trade Article 511.3, annual reporting on procurement excluded under Article 506(12).

6.3.6 Contract Administration and Monitoring

a. Receipt of Goods

1. Ministries must ensure that adequate receiving processes are in place to confirm that goods are received as ordered (i.e., correct quantity and suitable quality).
2. Ministry employees, before signing for the receipt of goods, must inspect the shipment for damage and/or missing or incorrect items. Goods received must match the shipment's documentation.
3. Discrepancies between goods received and goods ordered must be reported immediately to the supplier. If the supplier does not take appropriate corrective action, CBS should be contacted for assistance.
4. Ministries must not accept product substitutions by suppliers without prior CBS approval. Purchase Order Amendments are required to cover any substantial changes to the original purchase order.
5. Ministries must maintain adequate receipt records or other documentation to support account verification and payment.

b. Payment

1. A contract summary record must be maintained for all service contracts, either by using a contract summary sheet, or equivalent electronic record.
2. 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.
3. Fees, Expenses, Maximum Amount, Statements of Account, and Payments Due, must be contained in Schedule B to contracts. This applies whether the contract is established on the basis of Daily Rate, Hourly Rate, Rate per Unit/Deliverable or Flat Rate. (For contractor travel, refer to Travel, [Contractors](#).)
4. All contract quotations must exclude the GST. All contracts must include a GST Certification Clause (see clause 30 of the General Service Agreement).
5. Ministries 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*.
6. Payments made in advance must be specifically provided for in the contract or in accordance with a formal modification agreement. The contract or modification agreement must specify how the advances are:
 - 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.

Procedure Requirements - D.3

C. Monitoring, Evaluation and Reporting

1. For every contract, ministries must clearly establish the outputs and outcomes required, together with their quality and quantity, against which the performance of the contractor can be monitored throughout the duration of the contract. These output and outcome requirements must be included in the contract.
2. Ministries 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.
3. A post-completion evaluation is required on every contract over \$50,000 to provide a record of the contractor's performance and to assist in future contracting activity.
4. Under the Agreement on Internal Trade, provinces are required to calculate the number and aggregate value of procurements over and under the applicable thresholds, and report on them annually. In addition, the Provinces must report on any contracts established by utilizing the allowable exemptions or exclusions from the AIT. Therefore, ministries must ensure that methods are in place for collecting this information. Ministries should report the information for the previous fiscal year to the Procurement Governance Office by the date specified in the report call letter issued each year. AIT [Article 511](#) contains further details on these information and reporting requirements.

d. Deficient Performance and Breach

1. 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:
 - i. 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.
 - ii. Step 2 – Issue a notice to comply if the contractor persists in deviating from the terms and conditions of the contract.
 - iii. Step 3 – Issue a stop work order if the contractor ignores the notice to comply.
 - iv. Step 4 – Terminate the contract, subject to the advice of the ministry's contract specialist and/or legal counsel.
2. Where the breach or deficiency puts public safety at risk, the ministry must proceed immediately to Step 2 and issue a notice to comply, or to Step 4 and terminate the contract.
3. If fraud is suspected, refer to [Loss Management](#), CPPM 20.2.2.

e. Asset Management

1. Ministries must identify and manage any asset maintenance, risk and liability issues arising from their contracting activities.
2. Where assets are determined to be owned by the Province, they must be appropriately safeguarded, controlled and accounted for. Assets being replaced due to being damaged, lost or stolen must be reported on the [General Incident or Loss Report](#) (government access only). See CPPM M, [Loss Reporting](#).
3. Ministries must not fund a contractor's amortization as part of a contractor's administration costs for the contractor's assets acquired with government funding.

f. Disputes

1. Any dispute arising out of a government 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 government contract must ultimately be resolved according to the terms of the contract.
2. For contracts that are subject to the AIT, ministries must settle any AIT-related disputes in accordance with the dispute resolution process provided in AIT [Article 513](#). Ministries will be responsible for the Province's share of the cost of any dispute panel that is established to investigate the dispute.

PART II: Vendor Complaint Review Process for Government Procurement

6.1 Objectives

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 government.

6.2 General

The VCRP is designed to ensure that there is a process for the review of vendor complaints about a government procurement process. The intent of the VCRP is to assist government in identifying and responding to problems in the establishment and application of government procurement policy and procedures.

This VCRP requires that ministries, CBS and vendors provide full access to all information pertinent to complaints. All information under this VCRP is subject to the *Document Disposal Act* and the access and privacy provisions of the *Freedom of Information and Protection of Privacy Act*.

6.2.1 Definitions

PGO means the Procurement Governance Office, Office of the Comptroller General, Ministry of Finance.

CBS means Common Business Services, Solutions BC, Ministry of Labour and Citizen's Services (see section [6.4.1](#)).

Procurement means those processes, including direct awards, related to the purchase of goods, services and construction.

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.

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.

Complainant

1. 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.
2. 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.

6.2.2 Scope of VCRP

- The application of this VCRP is limited to ministries and direct government entities (i.e. excludes municipalities, academic institutions, school boards, health and social service authorities, and Crown corporations) whose procurement is subject to government procurement policy as described in Chapter 6 of this Core Policy and Procedures Manual. It does not apply to procurement undertaken by CBS for a public sector entity that is outside of direct government.
- This VCRP is limited to issues of procurement policy and procedures. This VCRP is not available for issues related to vendor or ministry/CBS performance or conduct during a contract. These issues are to be dealt with through the dispute resolution processes identified in the contract document.
- This VCRP does not limit or impair the rights of any vendor to seek a review through the Ombudsperson's Office, or to seek remedies of law through the judicial or other process.

6.2.3 Roles and Responsibilities

Ministries/CBS Responsibilities:

- Establishing and managing an accessible and fair process for responding to vendor complaints related to procurement activities undertaken by ministries or CBS.
- In the case of those complaints submitted to the PGO, providing all pertinent and required information.
- Recording information on all vendor complaints managed under their vendor complaint review process, and providing reports to the PGO as required.
- Implementing changes required to ministry/CBS procurement processes identified through their complaint review process.
- Implementing any outcomes recommended by the PGO, and any subsequent remedial action.
- Making all reasonable efforts to review complaints.

PGO Responsibilities:

- Ensuring that ministries and CBS have a vendor complaint review process as described in these policies and procedures.
- Managing a last resort process for complaints not satisfactorily concluded through the ministry/CBS vendor complaint review process.
- Providing guidelines regarding the information and reporting requirements for ministries and CBS.
- Monitoring and reporting on government-wide VCRP activity and outcomes of complaint reviews.
- Implementing changes required to government procurement policies and procedures, and to procurement training methods and tools identified through the complaint review process.

Vendor Responsibilities:

- Making reasonable efforts to review the complaint with the ministry or CBS by contacting the entity and following their complaint review process.
- Providing all pertinent and required information related to a complaint.

6.3 Policy

1. The ministries and CBS 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 ministry/CBS web site which is linked to the PGO web site.
2. The PGO must establish and administer a process that deals with complaints that have not been satisfactorily concluded by the ministry or CBS.
3. 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. Where appropriate, such correspondence will be issued by Legal Services.
4. If a vendor submits an FOI request related to the procurement, the timeframes for the VCRP may be extended, due to resource limitations, until after the FOI request is completed.
5. The VCRP is not intended to detract from a vendor's access to legal recourse or to the Ombudsperson's Office. However, VCRP complaints will not generally be considered concurrently with one of these other processes.
6. No compensation will be awarded to a complainant under the VCRP.
7. A decision of the PGO shall be the final determination on a complaint registered with the VCRP process.

6.4 Information and References

6.4.1 [Common Business Services \(CBS\)](#) in Solutions BC provides a wide range of purchasing-related services to

ministries, agencies and their employees, including but not limited to:

- procuring goods and services through fair and open tendering, and providing advice and consultation on purchasing matters;
- posting solicitations on BC Bid for electronic procurement;
- providing information to suppliers about how to do business with government;
- managing lists of qualified suppliers;
- analyzing spend data across government and participating public sector agencies in order to identify opportunities for demand aggregation and volume procurement, establishing standards and specifications, and establishing and managing CSAs for common use goods and services;
- managing the government's vehicle management outsourcing contract, purchase card, and travel card programs and any other cross government supply contracts;
- managing the catalogue within the iProcurement module that is used by all ministries;
- determining how to choose the right procurement method;
- providing a reference library, including common use formats such as solicitation templates and sample contract forms; and
- managing disposals of tangible and intangible property through fair and open disposal processes, and providing advice and consultation on disposal matters.

6.4.2 BC Bid is the Province's online tendering system. Ministries, Crown corporations and public bodies use the system to distribute Opportunity Notices, complete bid documents and bid results for suppliers. BC Bid offers suppliers unrestricted access to government procurement. The disclosure of bid results supports monitoring of the fairness and value of government purchases.

6.4.3 Request for Proposals – CBS has developed an RFP template and guide to the Request for Proposal process. Refer to: <http://www.pss.gov.bc.ca/psb/procurement/procurement-templates.html>

6.4.4 Trade Agreements

- a. Agreement on Internal Trade (AIT) – the Agreement came into effect on July 1, 1995. The AIT applies to:
 - all ministries, agencies, boards and commissions;
 - all acquisitions of goods of \$25,000 or more; and to
 - all acquisitions of services and construction of \$100,000 or more.
 - Entities excluded from the AIT are listed in AIT Annex 502.2A.
- b. The British Columbia - Alberta Trade, Investment, and Labour Mobility Agreement (TILMA) - Effective April 1, 2007 TILMA applies to:
 - ministries, agencies, boards, councils, committees and commissions;
 - procurement of goods: \$10,000 or more;
 - procurement of services: \$75,000 or more; and to
 - procurement of construction \$100,000 or more.

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

6.4.5 Disclosure of Contract information – [Freedom of Information and Protection of Privacy Act](#) governs policy related to the disclosure of any contract information. The [Freedom of Information and Protection of Privacy Policy and Procedures Manual](#) contains policy and guidance. In addition, each ministry has a Director/Manager of Information and Privacy who can provide direction and advice.

6.4.6 Risk Management Branch – The [Risk Management Branch](#) is accountable for the effective management of the

risks of loss to which the government is exposed by virtue of its assets, programs and operations. In delivering its mandate, the branch has assumed four different roles: central risk management agency within government, risk management advisor/consultant, risk management program development and delivery, and claims and litigation management.



Asset Management

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8.1 Objectives

- effectively manage and safeguard government assets
- ensure that asset purchases and disposals are properly authorized and carried out in accordance with core policy, legislation and regulations
- maintain accurate and timely asset information for decision-making and reporting purposes
- encourage efficient and economic use of government assets

8.2 General

Government assets include tangible capital assets and property such as buildings, computer hardware and software, transportation equipment, highway infrastructure and Crown land, as well as public monies, accounts receivable, inventories, investments, and other non-capital assets including [hand-held devices](#) and the information stored on a [medium with information capacity](#) such as magnetic tape, magnetic disks, optical disks, hard drives, jump drives, memory cards, etc.

Statutory authority for the management and control of government assets is set out in the *Financial Administration Act*. The Act holds ministers and deputy ministers accountable for government assets.

See CPPM 20, [Loss Management](#), for information on identifying and reporting asset loss.

Roles and Responsibilities

- Treasury Board is responsible for policy governing the management, custody and control of government assets.
- Each ministry is responsible for the administration, control, proper accounting and safeguarding of government assets coming under its custody or control.
- The Procurement and Supply Services Division, Ministry of Labour and Citizen's Services, plans and negotiates corporate supply arrangements, ensures acquisitions and disposals are in accordance with legislation, core policy and trade agreements, provides warehousing and storage services, and advises on procurement practices and proposed policy.
- Ministry of Agriculture and Lands is responsible for the management, development and marketing of the majority of Crown land uses.

8.3 Policy

8.3.1 Inventory

Inventory consists of items in stores or held in stock that will be consumed in ministry operations. Inventory also includes materiel and supplies that are held for issue at a later date. Inventory needs to be safeguarded from the point of purchase, to the receipt of goods through to usage. Procedures to account for and safeguard inventories until disposed or consumed can vary, depending on dollar values, quantities and attractiveness. Control over inventories should be established whenever the benefits of additional information or incremental control outweigh the associated implementation costs.

1. Ministries must establish appropriate control systems for the effective management, control and reporting of inventory, and ensure that processes are clearly communicated to staff.
2. Ministries must ensure that inventory items purchased can be subsequently accounted for. Inventories must be adequately protected and safeguarded from unauthorized personnel.
3. Inventories must be physically verified at least once a year. Significant differences from accounting records must be investigated and corrective action taken. A report of inventory losses must be filed (see CPPM M, [Loss Reporting](#)), as appropriate.
4. Ministries must review at least annually the adequacy of inventory levels on hand. If there is a surplus and supplies are no longer required, ministries must notify Procurement and Supply Services (PSS) for transfer and reuse elsewhere.
5. Ministries must not dispose of damaged or obsolete items without authority of PSS. Disposal of inventory must be by PSS (unless authority has been specifically delegated to a ministry for that purpose). With adequate notice, the Asset Investment Recovery Branch, PSS, will fund the cost of transporting supplies or assets for disposal or reuse.

8.3.2 Tangible Capital Assets and Other Assets

[Tangible Capital Assets](#) (TCAs) are identifiable long-term government assets that are acquired, constructed or developed and held generally for use rather than for sale. TCAs, for example, include land, highways, buildings, automobiles, equipment, computer hardware and software, but not inventories. Other Assets consist of all government assets (other than TCAs, public monies, accounts receivable, inventories or investments) that are normally non-capitalized, expendable public property and include the information stored on a [medium with information capacity](#).

1. Tangible Capital Assets and applicable Other Assets must be (a) purchased through Procurement and Supply Services, unless purchasing authority has been specifically delegated to a ministry (see [chapter 6.3](#)), and (b) properly recorded or accounted for in the ministry accounting records.
2. Ministries must implement adequate safeguarding techniques for government assets commensurate with the asset value and attractiveness. TCAs must be physically verified at least annually, any significant discrepancies investigated and any losses reported in line with CPPM M, [Loss Reporting](#).
3. Information stored on a medium with information capacity must be evaluated and categorized for sensitivity/confidentiality in accordance with the [Security Standards and Guidelines](#) (government access only). Reasonable safeguards and security measures must be in place to adequately protect the information commensurate with its value and sensitivity.
4. Safeguard processes and control requirements must be clearly communicated to the responsible asset and information custodian.
5. The disposal or transfer of Tangible Capital Assets and applicable Other Assets must be done in accordance with 6.3.4(d) [Disposal of Surplus Assets](#).
6. The disposal of a medium with information capacity must be done in a manner to protect the stored information in accordance with information and records disposal policy:
 - Chapter 12.3.2 [Destruction of Records](#) and the [Recorded Information Management Manual](#); and
 - Chapter 15 [Security](#) and the [Security Standards and Guidelines](#) (government access only).
7. An appropriate signing officer must authorize the disposal (or trade-in) of a government asset.

[Procedure Requirements - I.6](#)

8.3.3 Equity Investments

Equity investments by government are generally restricted to investments that provide some measure of financial support to

commercial or quasi-commercial business entities consistent with fulfilling government objectives. Equity investments by government have also occurred as the result of the settlement of a business entity's financial affairs where a government guarantee was called and the equity and assets are turned over to the government. An equity investment can also arise when a loan made by government is converted or exchanged for shares in the business entity that received the loan.

1. The policies in this section apply regardless of whether the equity investment is the purchase of a controlling interest in a business entity (thus determining its status as a government corporation) or the purchase of a minority interest.
2. Where legislation permits the making of an equity investment, the ministry responsible must develop the program policy and criteria that determine when an investment can be made.
3. Approval requirements for equity investments are summarized as follows:

Program Minister	Minister of Finance	Treasury Board	Lieutenant Governor in Council
Directive to make equity investments under legislation	X		X
Program policy and criteria for making an equity investment	X		X
Conversion of a government loan to an equity investment	X		X
A guarantee in respect of the government and the invested entity	X (unless delegated)		
Dilution of the government's equity (shareholdings) in the invested entity	X	X	
Disposal of the equity investment	X	X	
If agreement with invested entity does NOT impose conditions and protective restrictions (see policy 4)	X		

4. The terms of an equity investment generally include restrictions on the invested entity, which are written as an agreement between the government and the entity. All agreements entered into with respect to the purchase of equity investments require, as a minimum, that:
 - proper accounting books and records be maintained by the invested entity;
 - audited financial statements of the invested entity are provided to the ministry at least annually. Copies of audited statements must be submitted to the Office of the Comptroller General;
 - the equity in the invested entity must not be diluted without the prior written authorization of the appropriate minister and the approval of Treasury Board; and
 - the invested entity may not acquire or dispose of assets nor assume any new debt obligations without the prior authorization of the appropriate minister or deputy minister. An exemption to a maximum of \$100,000 may be specifically provided for in the agreement so as not to unduly hamper the operations of the entity.
5. The invested entity may be restricted in the payment of management and employee bonuses, dividends, stock dividends and similar items until debt has been reduced to a prescribed level or until certain profit targets are met. Modification to the above requirements may be made in the case of minor equity investments, but avoidance of any obligation requires the prior approval of the Minister of Finance.

6. Equity investments must be properly accounted for and reported according to government accounting policies. Equity investment files must include agreements between the government and the investee, the latest financial reports and permanent information of the investee, terms and conditions of ownership, changes in shareholdings and percentage ownership since initial purchase and, where required, approval of the Lieutenant Governor in Council.
7. The Consolidated Revenue Fund (including approved revolving funds) must be credited with dividends (revenue) received from the invested entity and with full or partial repayments of the investment. All repayments are recorded as repayment of an asset.
8. Ministries must determine the book value of equity investments at least annually. The ministry must report to the Minister of Finance if the book values of equity investments have materially decreased from their original cost.
9. The accounting policies of an invested business entity that is controlled by the Province must be referred to the Office of the Comptroller General to review and determine if any differences in accounting policies require accounting adjustments when the government reports its equity investments.
10. The security instrument bestowing title in the Province of its percentage share in the invested business entity must be deposited for safekeeping with the Debt Management Branch, Ministry of Finance. The ministry's chief financial officer must retain copies of these documents at the time the investments are made.

8.3.4 Performance and Security Bonding

Individuals or organizations holding licenses or other statutory privileges may be required by statute to post a performance bond (security or other financial guarantee) to safeguard the government when doing business with it. The *Bonding Act*, other statutes and, in some instances, government agreements require persons or companies to post performance bonds or other security with the government to:

- guarantee the performance of future acts;
- ensure the financial security of the government; and
- safeguard the interests of individuals doing business with persons or companies holding licenses or other statutory privileges.

A performance or surety bond is used extensively in construction contracts and in licensees providing services to the public. The surety company agrees to pay to the government if a contractor fails to fulfill an obligation. The contractor brings the bond into force by the payment of a fee to the surety and the surety's maximum liability is the amount specified in the surety bond.

A financial guarantee may also be in the form of a security deposit, the value of which is intended to provide redress in the event of non-performance.