

Interior Health (IH) has a responsibility to undertake planning for current and future needs of its facilities and sites. In addition to planning, IH is also tasked with the on-going maintenance, renovation, construction and equipment replacement in the various buildings. Capital Planning & Projects (CPP) is the department within IH that undertakes this role as it pertains to capital investments.

### 1.0 Summary Statement

As a major purchaser of goods and services, CPP has the responsibility to comply with policy and trade agreements, achieve best value for money and at the same time foster effective business relationships. It is in the best interest of CPP to promote fair and ethical business practices by promoting a climate that is equitable, open, accessible and accountable to third party providers of goods and services. CPP will balance the interests of fair business and the considerations of value for money in the acquisition of goods and services.

### 2.0 Purpose and Scope

The purpose of this document is to establish principles and guidelines to ensure fair business practices are used in the procurement of goods and services by CPP.

This document applies to the procurement of all third party goods and services initiated by CPP, such as:

- planning, design and construction and maintenance of IH facilities;
- purchase of capital equipment as part of a CPP project;
- procurement and disposition of real property; and
- award of service contracts as they relate to capital projects (i.e. architect/engineering services).

This document does not apply to procurement processes initiated by British Columbia Clinical Support Services (BCCSS) or other departments within IH (who will follow their own guidelines), and more specifically does not cover:

- purchase and maintenance of equipment not undertaken as part of a CPP project;
- procurement of leased facilities;
- acquisition of supplies (e.g. maintenance equipment & tools, medical/surgical, laboratory, etc.);
- maintenance services of IH facilities not undertaken as part of a CPP project; or
- award of service contracts not related to a CPP project (i.e. health/support services).

### 3.0 Principles

CPP will conduct its procurement processes according to the following guiding principles:

- providing transparency in CPP procurement processes;
- following the procurement processes as outlined in the procurement documents;
- clearly defining CPP business requirements;
- providing suppliers with information on business opportunities;
- affording each supplier similar treatment;
- providing opportunities for open competition where appropriate;
- requiring staff to be accountable for procurement decisions;
- providing comparability with Government of BC *Core Policy and Procedure Manual (Chapter 6 – Procurement)*;
- receiving the best value for money;
- meeting the rigor and responsibility as a public body; and
- leveraging buying power and/or supporting standardization initiatives through Preferred Supply Arrangements (PSAs).

## 4.0 Types of Business Arrangements

This document is mainly intended to apply to business arrangements initiated by or resulting from a procurement process. The typical arrangements, as they relate to CPP projects, would be:

- Construction Contracts
- Consultant Contracts
- Equipment Contracts
- Purchase Orders
- Project Agreements

CPP engages in various project delivery methods for the design and construction of buildings, including:

- Design Bid Build
- Construction Management
- Design Build
- Public Private Partnerships

This results in a variety of documents and arrangements that may be considered.

### 4.1 Purchasing Cards

Various goods and services are procured using IH corporate purchasing cards. Although CPP may utilize these cards for certain expenses on projects, the terms of the Purchasing Card policy shall be adhered to. The policy outlines transaction limits and also goods and services that are not appropriate for a purchasing card transaction, such as service contracts and construction.

### 4.2 Non-competitive solicitations

In some cases CPP may want to provide an opportunity for potential suppliers or other interested parties to submit information on a potential project or to assist CPP in understanding the interest in a particular initiative. CPP will utilize non-competitive solicitations, such as Expressions of Interest (EOIs) or Requests for Information (RFIs) (refer to Section 12.0 – Definitions), in order to obtain responses and in some cases assist in the development of a future competitive procurement process. These solicitations are not intended to create any contractual obligations on IH or the Respondents.

## 5.0 Guidelines for Competitive Procurement

CPP adheres to the Agreement on Internal Trade (AIT) guidelines and the terms of the New West Partnership Trade Agreement. This requires CPP to conduct an open, competitive procurement process based on established dollar thresholds and ensures equal access to procurement opportunities for all Canadian suppliers. Competitive processes will be transparent and non-discriminatory. Where applicable, the World Trade Organization agreement is also considered.

Competitive procurement processes will be used for the acquisition of equipment, supplies and services, with exceptions (see Section 8.0). Competitive Bid processes will be initiated where appropriate to the value, complexity and profile of the business opportunity through the following approaches:

- **Direct Award:** A Direct Award is permitted for smaller expenditures where the total value of the equipment, supplies and/or services does not exceed \$25,000. A Direct Award will result in a contractual relationship that meets CPP business needs, demonstrates cost effectiveness, and quality that reflects market value. No competitive procurement process is required, but a written quote is required.

- **Select Bid:** A Select Bid process may be used where the value of equipment, supplies and/or services does not exceed \$75,000 and construction contracts do not exceed \$200,000. A minimum of three potential suppliers will be provided a scope of work and requested to submit Bids/Proposals. Inviting more than the minimum number of suppliers is preferred practice. The entire process is documented in an approved format and all decisions/results are clearly justified.
- **Open Bid:** An Open Bid is used where the value of equipment, supplies and/or services exceeds \$75,000 and construction contracts exceed \$200,000. This highly structured process ensures the opportunity for all interested suppliers to submit Bids/Proposals. It should be noted that if a List of Qualified Suppliers has been established through an open solicitation for the work type anticipated, then the subsequent request to submit Bids/Proposals may be limited to those on the List of Qualified Suppliers.

## 6.0 Competitive Procurement Processes

CPP will use a range of procurement tools such as ITBs, ITQs, RFPs or RFQs (refer to Section 12.0 - Definitions) based on the specific needs and requirements. Each process shall be carried out following the laws of competitive procurement as they pertain to Canada and, more specifically, British Columbia where applicable. CPP will strive for general consistency with the Government of BC *Core Policy and Procedure Manual (Chapter 6 – Procurement)* as well the BC - FOIPP (Freedom of Information and Protection of Privacy Act) and the corresponding Bill 73 - 2004 amendment. At a minimum, the following requirements will be addressed:

- All solicitation documents contain basic information to meet legal requirements and ensure robust responses;
- All requirements will be clearly defined and made available to all suppliers as a means to ensure transparency of process and decision-making;
- All potential suppliers are provided identical information on which to submit a response;
- Where procurement documents require posting (per this guideline), BCBid will be used;
- All Bids/Proposals must meet certain mandatory requirements (e.g. closing period) for consideration in CPP competitive processes. Minor irregularities in the mandatory requirements (e.g. number of copies) may be accepted by CPP;
- Objective selection criteria will be established prior to and used for reviewing Proposals and awarding contracts. The subsequent award of a contract will be made on the basis of the criteria set forth in the solicitation documents;
- All unsuccessful Bidders/Proponents will be notified at the conclusion of the competitive procurement process. Notification will be posted at: <http://www.interiorhealth.ca/AboutUs/BusinessCentre/Construction/Pages/Awarded-Contracts.aspx>;
- The entire procurement process will be appropriately documented with all decisions clearly justified;
- IH officers, employees, or other individuals acting on behalf of IH shall not disclose confidential information or disclose information provided through the process or use the information for their own gain; and
- IH officers, employees, or other individuals acting on behalf of IH shall disclose any real or perceived conflict of interest they may have that might jeopardize a procurement process they are participating in or have direct influence over.

## 6.1 Green Procurement

CPP endorses any measures that can be taken on projects to follow environmentally sustainable practices, including applying those principles and practices outlined in Section 6.3.1(14) of Government of BC *Core Policy and Procedure Manual (Chapter 6 – Procurement)*, and may in some cases include as specifications – such as requirement to build to LEED Gold – or a component of evaluation/selection criteria (which would be outlined in procurement documents).

## 6.2 Regional Procurement

Some jurisdictions allow for restrictive evaluation/selection criteria for regional economic development or other purposes. Currently there is no specific procurement policy that CPP is governed by that allows for contract awards based on location of Bidders/Proponents being within the area where the opportunity exists. Furthermore, based on trade agreements (see Section 5.0) opportunities in some cases must allow for advertising the opportunity to a large geographic catchment and treating all responses equitably.

## 7.0 Managing Procurement Processes

CPP shares the responsibility to manage procurement processes as follows:

### 7.1 Capital Planning and Construction

Except as excluded in Sections 7.2, 7.3, 7.4 and 7.5, procurement processes for facility planning, design and construction projects are managed by CPP. This may include one or more of: goods, equipment, services, consultants or construction. Preferred Supply Arrangements developed by CPP or BCCSS may also be used.

### 7.2 Public Private Partnerships (P3s) and Design-Build Projects

Procurement processes for facility planning, design and construction that may be considered or approved for a P3 or Design-Build may utilize the services of Partnerships BC (PBC) to lead or provide support during the project development, procurement and/or implementation. The scope of such engagement is determined by government policy and IH leadership and will be undertaken through the approval of a service contract.

### 7.3 Equipment and Supplies

Procurement processes for equipment or supplies or a combination of equipment and supplies not related to a capital design/construction project and not including an invasive construction process (i.e. complex installation) are managed by BCCSS. Preferred Supply Arrangements may also be used.

### 7.4 Goods and Services

Procurement processes for goods or services or a combination of goods and services not related to a capital design/construction project and not including an invasive construction process (i.e. asbestos removal) are managed by BCCSS. BCCSS may coordinate with CPP to ensure appropriate service contract provisions are in place. Preferred Supply Arrangements may also be used.

### 7.5 Client Services and Leases

Procurement processes for client services (clinical and residential services) and leases are managed by the Business Integration and Development (BID) department of IH. Leasehold improvement projects may be managed by CPP in consultation with BID.

### 7.6 Unsolicited Proposals

For the purposes of the work undertaken by CPP, unsolicited Proposals or offers of in-kind services or materials from private sector suppliers are generally not considered and it is expected the principles outlined herein will be followed for the awarding of opportunities. In-kind services or materials may be considered where the timing and all commercial requirements (such as insurance, warranty and licensing) and standardization (such as systems, supplies and

maintenance) allow for the acceptance and there is prior written approval by IH's Corporate Director, Facilities Management & Operations or Corporate Director, Capital Planning.

## 8.0 Exceptions to Competitive Procurement

The following apply for exceptions to the Guidelines for Competitive Procurement requirements detailed in Section 5.0:

### 8.1 Direct Award threshold

A competitive procurement process is not required to be undertaken if the anticipated value of the opportunity is below the threshold set in the IH Signing Authority policy, which is currently \$25,000. IH periodically reviews the limits it has in place for direct awards to ensure the principles of fair and open procurement are balanced against operational efficiencies, risk mitigation and industry best practices.

### 8.2 Waiver of Competitive Procurement

An individual waiver of competitive procurement may be applied for by staff on an exceptional basis under the following circumstances:

- **Proprietary** – an item/service produced or marketed by one company having the exclusive legal right;
- **Single Source** – an item/service that can be purchased from one manufacturer or supplier only;
- **Authority Standard** – equipment/supplies that have been standardized through the facility;
- **Crown Corporations** – equipment/supplies/services that are provided by Crown Corporations; or
- **Emergency Purchases** – reserved for one-time urgent purchases required to resolve an emergent situation where the urgency of the purchase will not permit the time required for a formal competitive procurement process.

All waivers of competitive procurement must be applied for in writing and in advance, in the required format and approved by:

- IH's Corporate Director, Facilities Management & Operations or Corporate Director, Capital Planning for commitments up to \$50,000; and
- IH's Chief Financial Officer (CFO) for commitments exceeding \$50,000.

### 8.3 Notice of Intent

All waivers over \$50,000 are to be posted as a Notice of Intent (NOI) on BC Bid or other similar mechanism providing interested suppliers ten calendar days to respond with any concerns. The Chief Financial Officer (CFO) may make exception to this requirement for an NOI in circumstances where the need for confidentiality outweighs the need for transparency. An NOI will not be required for waivers issued on the basis of Authority Standard, Crown Corporation or Emergency Purchases. A summary report of all waivers of competitive procurement and NOIs issued by CPP will be maintained to monitor compliance with fair business practices.

### 8.4 Open Source Specifications

Although CPP may not always procure specific components within a project directly, they will have the specifications developed that a Contractor must adhere to. CPP will ensure the specifications are 'open source' wherever possible to support competitive pricing and equal access to opportunities. Open source refers to not naming a specific brand, model or supplier, but instead providing metrics, performance requirements and other characteristics to define what is expected from the Contractor or the equipment provided. Some specifications may use a certain brand or model as a reference point to indicate a level of finish/quality/technical conformity, but the specifications should still outline the detailed metrics, performance requirements and other characteristics required. In some cases it may be required to specify a certain brand, model or supplier in order to have consistency on a site for training and maintenance, for interchangeability of parts, for integration with existing systems or where patient safety may be a factor.

## 9.0 Supplier Engagement

### 9.1 Debriefing

For the purposes of Proponents receiving feedback and enhancing their future responses, IH encourages Proponents to request a debriefing meeting with a representative from the evaluation team. These meetings can be scheduled once a notice of award for the competition has been issued and should be scheduled no later than 30 days following this notice of award. IH provides general information on scoring and corresponding rationale to the level of detail IH deems necessary to assist with providing the feedback and assist in future responses, but is not able to provide specifics of other Proponent's responses in the debriefing meeting. This debriefing opportunity is not a prerequisite to or part of the Complaint Review Process.

### 9.2 Complaint Review Process

A supplier may initiate a complaint if they are dissatisfied with the general procurement process or the application of the principles outlined in this document.

CPP is only able to address issues of procurement policy and procedure through this Complaint Review Process. Any concerns related to Contractor or IH contract performance or conduct are to be dealt with through the provisions of the contract.

The following steps are available as part of the Complaint Review Process:

- **Step 1** – Contact the IH contact person named in the procurement document and they may be able to provide the information or clarification required to satisfy the concern.
- **Step 2** – If the result of Step 1 does not close the concern, the complaint can be submitted in writing with the specific details and concerns and any specific action or review being requested. The complaint should be sent to the IH contact person named in the procurement document and it will be directed to the appropriate person to respond. A response will be provided within 30 days of the complaint being received. Where a response cannot be provided within the 30 days, such notification will be provided by IH within the 30 days and the expected response time will be provided.
- **Step 3** – If the final response from Step 2 does not provide a resolution to the matter, a request can be made to the Director, Capital Projects to escalate and he/she will initiate the process. A response will be provided within 30 days of the escalation being initiated. Where a response cannot be provided within the 30 days, such notification will be provided by IH within the 30 days and the expected response time will be provided.
- **Step 4** – If the outcome of Step 3 results in the matter still being unresolved, a final step which is further escalation to a member of the IH executive team would be undertaken. Such request would only be considered after following the prior steps and the process will be initiated upon submitting the request to the Corporate Director, Facilities Management and Operations.

All submissions can be either directed to the contact person named in the procurement document or by sending to the title of the person noted for the specific step above and using the address outlined in the procurement document.

CPP will consider complaints submitted in writing through this process, however, responses will be provided in consideration of timing of making a specific award and may be required to be delayed so the integrity of the procurement process is not compromised.

## 10.0 Promoting Fairness

As part of CPP's objective to promote fair and ethical business practices and in order to provide a climate that is equitable, open, accessible and accountable to third party providers of goods and services, CPP has the following expectations of its staff and its suppliers:

### 10.1 Conflict of Interest

Conflict must not exist between an employee's private interests and the discharge of their public service procurement process duties. A conflict of interest occurs when an employee's private affairs or financial interests are in conflict, or could result in a perception of conflict, with the employee's duties or responsibilities in such a way that:

- the employee's ability to act in the public interest could be impaired; or
- the employee's action or conduct could undermine or compromise:
  - the public's confidence in the employee's ability to discharge work responsibilities, or
  - the trust that the public places in the public service.

Employees who find themselves in an actual, perceived or potential conflict of interest must disclose the matter to their supervisor or manager. Employees who fail to disclose may be subject to disciplinary action up to and including dismissal.

Where a supplier is aware of a real, perceived or potential conflict of interest between their organization and IH or an IH employee, they must also disclose this to the IH contact person named in the procurement document as soon as it becomes known so the circumstances can be reviewed and a recommendation by IH can be determined. Suppliers who fail to disclose may be subject to no further consideration in a procurement process, the cancellation of a subsequent contract or the costs borne by IH to address any dispute resulting from the conflict of interest. A conflict disclosure notice is normally part of the submission package requirements for CPP procurements.

### 10.2 Confidentiality

To ensure fairness, employees must exercise the strictest confidentiality regarding information pertaining to a procurement process. Examples include commercially useful information about IH not publicly available, bids and proposals, plans to evaluate responses and results of evaluations. Employees who are in doubt as to whether certain information is confidential must ask the appropriate authority before disclosing it. Cautions and discretion in handling confidential information extends to disclosure made inside and outside of IH.

Confidential information that employees receive through IH procurement processes must not be used by an employee for the purpose of furthering any private interest, or as a means of making personal gains.

### 10.3 Gifts

Although promotional products are received from private sector suppliers by IH employees as a normal supplier relationship activity, there is a requirement to ensure such actions are not perceived as causing undue influence or pre-determined bias on current or future procurement decisions.

To ensure fair application is provided to all suppliers, an IH employee shall not request or accept from an individual, corporation or organization, directly or indirectly, a personal gift or benefit that arises out of their employment with IH, other than:

- the exchange of hospitality between persons doing business together;
- tokens exchanged as part of protocol;
- the normal exchange of gifts to support partnership development and team-building for long term contracts;
- the normal presentation of gifts to persons participating in public functions; or
- the normal exchange of gifts between friends

Unless protocol or custom dictates otherwise, the maximum value deemed to be acceptable for gifts from suppliers shall be \$20. This guideline applies to all IH employees who may in anyway be involved in the procurement/selection/supplier management process on a CPP project. If any exception is desired, this must be pre-approved by the IH employee's manager.

## 11.0 Communication

### 11.1 During procurement

All communications between IH and any potential Respondent during the procurement process shall follow the directions as stated in the procurement documents. Any information or instructions received by other means cannot be relied upon. Any communication inconsistent with the directions stated in the procurement documents may jeopardize the validity of any response received from that Respondent.

### 11.2 During contract

All communications between IH and a Contractor during the contract term shall follow the directions as stated in the contract documents. Any information or instructions received by other means cannot be relied upon.

### 11.3 Electronic Information

CPP continually pursues ways to streamline processes and reduce its carbon footprint. This includes on-line processes and systems to submit bids, invoices, specifications, submittals, communications or other project-related transactions to CPP by a Contractor. Once new or revised processes or systems are implemented, it will be a requirement for all Contractors to transition to these processes or systems that will be used for CPP projects.

CPP also utilizes its website in order to provide electronic access to information and documents related to CPP:

<http://www.interiorhealth.ca/AboutUs/BusinessCentre/Construction/Pages/default.aspx>

## 12.0 Definitions

Where possible the following definitions have been used consistently throughout this document, however, these definitions are for guidance only and specific circumstances and industry protocols may result in a variety of uses and interpretations of similar terms.

**BC Bid:** the website [www.bcbid.ca](http://www.bcbid.ca) used to post procurement opportunities. See also Bid Central.

**Bid (also Tender or Quote):** the formal document submitted in response to an ITB or ITQ.

**Bid Central:** the website <https://ps12.planrooms.com/iha/index.html> used to post ITB opportunities. See also BC Bid.

**Bidder:** an individual or legal entity that submits a Bid, Tender or Quote.



**Contractor (also Consultants, Suppliers or Vendors):** an individual or legal entity that is awarded a contract by IH for the provision of services, construction, equipment or other deliverables set out in the contract documents.

**Direct Award:** the award of a contract without a competitive procurement process.

**Invitation to Quote (ITQ) (also Quick Equipment Quote (QEQ)):** the competitive procurement process of inviting suppliers to submit a Bid when a product has been selected or service defined and price quotations and availability are primary considerations for selection. ITQs are used in place of ITBs mainly based on value of opportunity and in some cases if only supplies or equipment are required.

**Invitation to Bid (ITB):** the competitive procurement process of inviting suppliers to submit a Bid for well-defined services where a solution is not required and price is the primary consideration for selection. CPP may also verify information submitted in the Bid prior to award.

**List of Qualified Suppliers (also Pre-Qualification List):** a list of Suppliers developed through an RFQ process and used by IH to award future contracts or to solicit submissions. This list will be used as per the process outlined in the RFQ it was created from.

**Notice of Intent (NOI):** the method by which IH informs suppliers that negotiations with a specified supplier will take place without a competitive procurement process.

**Open Bid:** a procurement process that is equally accessible to all Canadian suppliers and is issued through BC Bid (electronic tendering system) and/or other advertising methods, such as Bid Central, trade associations or trade publications, to ensure open competition.

**Preferred Supply Arrangements (PSA):** long-term contracts for supplies and equipment created to give IH a discount based on estimated volumes within a term or period of time. These arrangements may also support standardization initiatives for IH. These privileges may also be attained through prior procurement processes for similar supplies or equipment, as long as such options are provided for in the original procurement documents.

**Proponent:** an individual or legal entity that submits a Proposal.

**Proposal:** the formal document submitted in response to an RFP.

**Request for Qualifications (RFQ):** the process of requesting suppliers to submit their qualifications, credentials or other information for a specific good or service with the intention of creating a List of Qualified Suppliers.

**Request for Information (RFI) or Expression of Interest (EOI):** the process where interested parties are requested to submit their ideas, solutions and capabilities to address a particular issue or requirement of IH. These processes are generally not deemed to be 'competitive' and therefore not used to award a contract or to create a shortlist of suppliers. The solicitation will explicitly state this intention if it applies.

**Request for Proposal (RFP):** the competitive procurement process of requesting suppliers to submit a Proposal for the provision of services where IH may not have well-defined needs, requirements or specifications. IH is searching for Proposals that in some instances provide creative or innovative approaches to IH's requirements and the price is not the only criteria considered for selection.

**Respondent:** an individual or legal entity that submits a response to a solicitation. See also Bidder and Proponent.

**Select Bid:** is a competitive process where a select number of Bidders/Proponents are invited to participate in a tendering process. This may be determined based on the value of the opportunity or if the requirement falls within the services provided through a List of Qualified Suppliers.