

DATE: November 4, 2019

FILE: 1200-01

TO: Chair and Directors
Comox Strathcona Waste Management Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: CSWM Procurement Annual Report

Purpose

1. To provide an annual report to the Comox Strathcona Waste Management (CSWM) board regarding solid waste contract awards.
2. To provide an update on social procurement.
3. To respond to the Board's request for information regarding consultant selection and management.

Recommendation from the Chief Administrative Officer:

This report is presented for information only.

Executive Summary

- CVRD procurement policy framework requires that all CSWM contract awards must first be budgeted for and approved by CSWM board during the financial planning process.
- Though the financial planning process the CSWM board continues to maintain the ability to identify projects or procurements of significant value or community interest that require additional board approval.
- A list of all contracts awarded over the past year in excess of \$250,000 is included as Appendix A.
- Subsequent to a CSWM board motion in January 2019, CVRD has registered with the Coastal Communities Social Procurement Initiative (CCSPI)
- Staff have actively engaged in training offered by CCSPI and have begun piloting social procurement concepts with plans to incorporate lessons learned into future procurements.
- At the strategic planning session in March 2019, the CSWM board requested that staff provide a report on practices relating to consultant selection and management.
- Staff routinely conduct procurement processes in line with government procurement best practices when the need arises for an independent third party professional consultant.

Prepared by:

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Concurrence:

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1. Annual Report on Contract Awards

On January 23, 2018, the CVRD board adopted Bylaw no. 510 being “Comox Valley Regional District Delegation of Purchasing Authority”. In parallel, the CVRD board also approved the procurement policy. The updated framework included feedback from the CSWM board, best practices for local government procurement and recommendations from the Auditor General for Local Government. The updated bylaw and policy requires that contract awards may be executed by staff provided that they are budgeted for in the board approved financial plan. During the financial planning process, the board has opportunities to identify projects or procurements of significant value or community interest that require additional approval prior to staff executing a contract award (i.e. Organics Processing Facility).

At the time the policy was adopted, staff committed to reporting back to the board regularly to review contract awards ensuring the board is informed on procurement activities. Appendix A includes a list of all contracts in excess of \$250,000 that have been awarded subsequent to the previous annual report received by the board in October 2018. Other operating and capital contracts of lesser value have been awarded during this time period and are not included in this report.

2. Social Procurement

At the meeting dated January 10, 2019, the CSWM board passed the following motion:

“THAT staff provide a report regarding the application of social procurement in the Comox Valley Regional District Procurement Policy and potential membership in the regional Community Benefit Hub.”

Subsequent to this, at its meeting on April 30, 2019 the CVRD board approved a motion for the CVRD to join the Coastal Communities Social Procurement Initiative (CCSPI, Community Benefit Hub) for a two year period with funding provided by the electoral area administration service, and that staff be authorized to select and pilot social procurement concepts in future procurements. Following the CVRD’s registration, the following activities have occurred:

- Procurement staff have attended Social Procurement 101 – Introduction to Social Procurement as offered through CCSPI.
- Procurement staff are registered to attend Social Procurement 201 on November 15th, 2019.
- Project management staff at the CVRD (CSWM staff included) received an introductory presentation to social procurement.
- Staff have executed social procurement concepts in five procurements to date and continue to look for procurements with appropriate risk profiles for piloting opportunities.
- While the concepts have not been utilized with CSWM procurement as of yet, staff anticipate taking lessons learned and providing the CSWM board an opportunity to consider the inclusion of social procurement concepts in the Regional Organics Facility procurement.

The CVRD procurement policy includes a section with the heading of “Sustainable Procurement”. Included in this section is sub-section 7.3 which includes language on how the CVRD will consider social value (or social procurement concepts) in the execution of public procurements. An excerpt of the policy is attached to this report as Appendix B

3. Consultant Selection and Management

At the strategic planning session that occurred on March 1, 2019, the CSWM board requested staff provide information regarding consultant selection and management.

When the need arises for an impartial independent third-party consultant, and provided the need has been budgeted for in the CSWM board approved financial plan, staff execute procurements for consulting services in line with industry best practice, the CVRD procurement policy and local government trade treaty obligations. Any procurement of moderate or significant value is managed

and executed by dedicated, qualified and experienced procurement personnel through collaboration with CSWM staff.

Generally for large, strategically relevant consulting engagements, a fair, transparent and equitable procurement process would be undertaken with a focus to achieving “best value”. This would typically involve the following:

- Staff work to draft a Request for Proposal (RFP) document which includes the following information:
 - RFP terms and conditions
 - Background information related to the project
 - A scope of services and required deliverables
 - Procedures on how consultants are to respond to the RFP
 - Guidelines on how consultant Proposals will be evaluated in response to the RFP
 - Contractual terms and conditions.
- Through appropriate separation of duties, procurement staff finalize and, as per standard government procurement practice, publically advertise the RFP both on the CVRD website and the BC Bid website. BC Bid notifies interested vendors of the opportunity. Consultants are typically offered 4-6 weeks to review the RFP, ask questions and submit a proposal in response.
- Procurement staff act as the sole contact for the RFP and coordinate all communication and information provided to vendors.
- Processes are in place to ensure all consultants interested in submitting a proposal receive the same information at the same time ensuring fairness and transparency.
- Proposals are received by the procurement department who hold them unopened until the RFP closing date and time.
- After the closing date and time passes, procurement staff open and review each proposal received for compliance. Typically, CVRD will receive three to five proposals for a consultant RFP.
- All compliant proposals are then forwarded to an evaluation committee of three to five staff who each dedicate time to individually review and prepare comments for each proposal. Each member of the evaluation committee is required to sign a declaration that they do not have any conflict of interest and will conduct their evaluation free from bias and in accordance with confidentiality requirements.
- The evaluation committee then meets with procurement staff to document comments and score each proposal through consensus. The consultant receiving the highest score on their proposal is determined to provide “best value” and awarded the contract.
- Unsuccessful consultants are offered an opportunity for a debrief on their proposal with procurement staff. This offers the consultant an opportunity to understand why their proposal was unsuccessful and is an important element to any transparent procurement process.
- Contract award notifications identifying the successful consultant and the contract amount are then posted to both the CVRD website and BC Bid.

The above is a brief summary of the effort required to competitively compete and select a consultant. A typical process will take approximately 8-12 weeks from the time drafting starts on an RFP through to contract execution.

Once the successful consultant has been selected and the contract is finalized the process to receive a final report and recommendations is as follows:

- Staff and the consultant would conduct the initial meeting to share the expectations and timelines for the project to be completed.

- Background information would be shared at the meeting and additional information requested from either party would be provided within timelines mutually agreed to.
- Draft findings are shared to validate the information and conditions assessed within the report. At this point the consultant will consider staff feedback and if deemed appropriate make adjustments to findings.
- Final report is then provided and a summary staff report would accompany the report when presented to the board for consideration.

Policy Analysis

Bylaw No. 510, being the “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 510, 2018” and the CVRD board approved procurement policy authorizes staff to execute contract awards provided the expenditure is approved in the board approved financial plan. The board maintains the ability to identify opportunities during the financial planning process that requires additional approvals prior to the contract being awarded.

Options

This report is presented for information only.

Financial Factors

All contracts awarded during this period are included in the board approved financial plan.

Interdepartmental Involvement

The Financial Services department works collaboratively with CSWM staff when developing and executing procurements.

Citizen/Public Relations

To ensure transparency, procurement opportunities are publically posted to the CVRD website and the BC Bid website. BC Bid is the province of British Columbia’s central electronic tendering website and is the main hub of all public procurement in the province. The successful vendor and the contract award amount is also posted to both of these sites.

Attachments: Appendix A – “Contract Award Report”
Appendix B – “Sustainable Procurement” policy extract

Appendix A – CSWM Contract Award Report

The following CSWM contracts above \$250,000 were awarded between August 31, 2018 and September 30, 2019 and are within the board approved financial plan:

1.	Procurement:	Request for Quotation - Comox Valley Waste Management Landfill Compactor
	Successful Vendor:	Finning (Canada), a division of Finning International Inc.
	Award Value (Budget):	\$957,650 (\$960,000)
	Award Method:	Highest ranked bidder based on evaluation criteria
	Compliant Responses:	3
	Non-Compliant Responses:	0
	Bid/Proposal Ranking:	<ol style="list-style-type: none">1. Finning (Canada), a division of Finning International Inc.2. Superior Truck Equipment Inc.3. Brandt Tractor Ltd.
2.	Procurement:	Request for Proposals - Annual Water Quality Monitoring & Reporting (3 year term)
	Successful Vendor:	GHD Limited
	Award Value (Budget):	\$726,385 (\$1,039,000)
	Award Method:	Highest ranked proponent based on evaluation criteria
	Compliant Responses:	11
	Non-Compliant Responses:	0
	Bid/Proposal Ranking:	<ol style="list-style-type: none">1. GHD Ltd.2. Tetra Tech Canada Inc.3. SNC-Lavalin Inc.4. Next Environmental Inc.5. SLR Consulting Canada Ltd.6. Gwaii Engineering Ltd.7. Morrison Hershfield Ltd.8. McElhanney Consulting Services Ltd.

- 9. WSP Canada Inc.
- 10. Terrawest Environmental Inc.
- 11. Keystone Environmental Ltd.

3. **Procurement:** **Notice of Intent – Campbell River Waste Management Operator (5 year term)**

Successful Vendor: Berry and Vale Contracting Ltd.

Award Value (Budget): \$8,391,475 (\$8,573,880)

Award Method: Absence of a successful challenge

Compliant Responses: 0

Non-Compliant Responses: 0

Bid/Proposal Ranking: N/A

4. **Procurement:** **Initiation to Tender – Comox Valley Waste Management Centre Landfill Closure Phase II**

Successful Vendor: Upland Contracting Ltd.

Award Value (Budget): \$1,427,770 (\$2,500,000)

Award Method: Lowest qualified bidder

Compliant Responses: 3

Non-Compliant Responses: 0

Bid/Proposal Ranking:

- 1. Upland Contracting Ltd.
- 2. Wacor Holdings Ltd.
- 3. Knappett Industries (2006) Ltd.

5. **Procurement:** **Notice of Intent – Cortes Island Waste Management Centre Operator (3 year term)**

Successful Vendor: Brian Pfeifle

Award Value (Budget): \$327,873 (\$340,000)

Award Method: Absence of a successful challenge

Compliant Responses: 0

Non-Compliant Responses: 0

Bid/Proposal Ranking: 1. N/A

6.5 Transaction/Contract Splitting

CVRD staff shall not split transactions or procurements in an effort to fall below thresholds set out in sections 5.3 or 8.0.

7. SUSTAINABLE PROCUREMENT

In an effort to leverage procurement dollars to benefit the community and society; the CVRD may include the consideration of sustainability in Best Value Procurements.

Sustainability could include attention to environmental, ethical and corporate social responsibility as well as social value.

The CVRD is committed to sustainable procurement and will endeavor to design opportunities to minimize environmental and ethical impacts and maximize social value.

Sustainability considerations will be balanced against best value requirements for each individual procurement. The weighting toward sustainability in each procurement may be based on the marketplace, Scope of Work and/or level of risk inherent with the procurement.

When evaluating sustainability factors, CVRD staff shall look to third party verification and certifications when awarding points and may also look to utilize reference checks to verify claims made in response to a CVRD public solicitation.

7.1 Environmental Responsibility

When evaluating environmental responsibility in CVRD procurements, points may be awarded where proponents:

- Minimize environmental harm, including end of life impacts.
- Maximize resource efficiency (e.g. reduce energy and water consumption and minimize waste).
- Minimize carbon emissions.

7.2 Ethical Responsibility

When evaluating ethical responsibility, points may be awarded where proponents:

- Maximize fair trade opportunities.
- Ensure sound working conditions throughout the supply chain that meet or exceed provincial, national or international employment standards.

7.3 Social Value

When considering social value, points may be awarded where proponents:

- Maximize employment, training and apprenticeship opportunities among local, disadvantaged, equity-seeking or marginalized individuals and populations.
- Maximize the diversification of the supply chain by including non-profit organizations, social enterprises and small-medium enterprises.
- Contribute to the strengthening of the community by supporting the social goals and objectives of the CVRD.
- Include any corporate social responsibility initiatives undertaken by the organization that contribute to social wellbeing.