



TSAWWASSEN FIRST NATION
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Tsawwassen First Nation

Procurement Policy

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1. Authority

- 1.1. The selection of individuals or companies from which Tsawwassen First Nation (TFN) will purchase goods and services is known as procurement. This policy outlines a framework to guide procurement decisions made by TFN and applies to all types of procurement.
- 1.2. The Procurement Policy, hereafter referred to as the policy, is governed and constrained by applicable laws and regulations of Tsawwassen First Nation. It is established pursuant section 7 (1) of the *Financial Administration Act*, which permits Executive Council to establish policies and procedures on any matter relating to the financial administration of TFN.
- 1.3. Procurement decisions made pursuant to the policy are subject to the *Conflict of Interest Act*. Any public official exercising their authority under the policy must follow the requirements of that *Act*.

Accordingly, officials must disclose the particulars of a real or apparent conflict of interest and abstain from making or discussing a procurement decision where they are in or may appear to be in a conflict.
- 1.4. This policy replaces the previous policy on 'Procurement' that was effective September, 2008.

2. Purpose and Scope

- 2.1. The purpose of this policy is to provide staff and elected officials with a guide for making procurement decisions. It is intended to be public, and to provide for transparency and accountability. It is also intended to provide direction for the expenditure of funds to complete the programs approved by the Legislature in the annual Budget.
- 2.2. This Procurement Policy describes the principles and the processes that the Executive Council has approved for making procurement decisions.
- 2.3. This policy applies to the members of the Executive Council, all employees and anyone acting on behalf of the TFN or its agencies to make a procurement decision. It does not apply to the TFN Economic Development Corporation, which may establish its own procurement policy subject to the approval of its board.

3. Principles

The following section outlines high-level principles that are intended to guide TFN procurement decisions.

- 3.1. Goods and services shall be acquired according to the following principles:
 - 3.1.1. Planning - Goods and services should be acquired after consideration of needs, alternatives, timing, and availability of funds.

- 3.1.2. Value** – Purchasing decisions should meet TFNs needs in a cost-effective manner. All contracts of a value greater than \$5,000 must include a 10% hold-back provision to ensure that the goods or services provided are satisfactory.
 - 3.1.3. Sourcing** - The process by which suppliers compete for TFN business will be open, fair and consistent.
 - 3.1.4. Purchasing** - Goods and services should be acquired competitively from qualified suppliers to meet specified needs.
 - 3.1.5. Accountability** - Approvals must be obtained and documentation shall be retained for review and auditing.
 - 3.1.6. Sustainability** - Purchasing processes shall be consistent with TFNs four cornerstones of sustainability – economic, environmental, social and cultural.
 - 3.1.7. Community**- Provide preference to businesses that are owned by a Tsawwassen Member or that employ Tsawwassen Members with the objective of building capacity within the community.
- 3.2.** In order to achieve the principle outlined in section 3.1.7. (Community) the Tsawwassen Government must compile a list of Member owned businesses that, to the best of their knowledge, is current and includes a description of any qualifications held by each Member owned business. The list must be made accessible to every manager and director of each department. The intent of the list to ensure that Member owned businesses are provided with the opportunity to supply goods or services to TFN.

4. Purchasing authority and process

The following section lists permitted procurement tools and sets out criteria outlining the circumstances under which each tool may be used.

4.1. Definitions:

- 4.1.1. Request for Proposal (RFP):** An RFP is used to procure the most cost-effective solution based upon evaluation criteria identified in the RFP. Suppliers are usually expected to submit detailed technical, managerial, and cost proposals.

An RFP is used when a supplier is invited to propose a solution to a problem, requirement, or objective. Suppliers are requested to submit detailed proposals (also referred to as bids) in accordance with pre-defined criteria. Negotiations with suppliers may be required in order to finalize any aspect of the requirement.
- 4.1.2. Request for Quotation (RFQ):** An RFQ is an informal request for prices for goods and services is normally used where the cost of the work does not warrant the time and level of effort required for a formal tender or RFP process.

Generally, quotations must be in writing; however, for lesser amounts verbal quotations may be obtained with the written approval of the chief administrative officer.

Where verbal quotations are received the individual obtaining the quotation is responsible for recording and retaining a record of quote including the supplier name, name of the person providing the quote and the price.

- 4.1.3. Tender:** An invitation to tender solicits competitive bids. It is used when detailed specifications are available that permit the evaluation of tenders against clearly stated criteria and specifications. A request for tenders is a formal, competitive, sealed bidding process. It is normally used for the procurement of goods, services, equipment and construction. Normally, bid deposits and performance security are required.

The bids and prices are provided without condition or reservation and where an award can be made without negotiation. The award is normally to the lowest total cost compliant bid received from a responsible bidder meeting the requirements of the tender.

Where lowest total cost is not the sole determining factors on which the award will be made, the tender documents must contain a description of the method to be used to evaluate the bids as well as the weighted scale of each factor to be assessed.

- 4.1.4. Two-Phase Pre Qualification:** A process that is used when it is practicable to first identify qualified bidders. Phase one is conducted through an RFP. Evaluation of phase one bids provides a list of qualified suppliers who may be invited to provide services for recurring events on a rotating basis or be invited to submit bids on opportunities.

4.2. Purchases under \$5,000:

- 4.2.1.** Departmental directors and managers have the authority to approve of purchases of less than \$5,000.
- 4.2.2.** Vendor quotations are not a requirement, but staff should attempt to get a minimum of three where one is solicited. Quotations may be written or verbal.
- 4.2.3.** Purchases may be made using a departmental credit card, a TFN cheque or cash (provided that a receipt is obtained).
- 4.2.4.** Where applicable, a standard purchase order must be used.
- 4.2.5.** Where applicable, a standard TFN contract must be used. In the event that a supplier requests an amendment to the standard contract, the chief administrative officer may approve of the amendments.
- 4.2.6.** Directors and managers should consult the list of Member owned suppliers (section 3.2) prior to making purchases and provide an opportunity, where practicable, for a Member owned supplier to bid.

4.3. Purchases between \$5,000 and \$75,000:

- 4.3.1.** The chief administrative officer may approve of purchases of between \$5,000 and \$75,000.
 - 4.3.2.** Permitted purchasing methods include: sole-source, RFQ, RFP, two-phase pre-qualification, and tender.
 - 4.3.3.** Where practicable, a minimum of three vendor quotations is required.
 - 4.3.4.** Calls for an RFP, two-phase pre-qualification and tender must be written and published in the community notice, in a visible location in the administration offices and on the website. Calls may be published in additional forums.
 - 4.3.5.** Calls for a sole-source contract or an RFQ may be verbal or written. The chief administrative officer must, in writing, approve all verbal calls made under section 4.3.
 - 4.3.6.** Sole-source contracts may be awarded under the following circumstances:
 - 4.3.6.1.** The chief administrative officer has determined that there is only one supplier reasonably available.
 - 4.3.6.2.** The chief administrative officer has determined that there is a time constraint, which reasonably limits the ability to put out a call for quotations.
 - 4.3.6.3.** A genuine emergency necessitates the purchase.
 - 4.3.6.4.** The contract is for second hand goods.
 - 4.3.7.** Where applicable, a standard purchase order must be used.
 - 4.3.8.** Where applicable, a standard TFN contract must be used. In the event that a supplier requests an amendment to the standard contract, the chief administrative officer may approve of the amendments.
- 4.4.** Purchases greater than \$75,000:
- 4.4.1.** Executive Council, by way of an order-in-council, must approve of purchases.
 - 4.4.2.** Permitted purchasing methods include: sole-source, request for quotation (RFQ), request for proposal (RFP), two-phase pre-qualification, and tender.
 - 4.4.3.** Where practicable, a minimum of three vendor quotations is required.
 - 4.4.4.** All calls must be written and published in the community notice, in a visible location in the administration offices and on the website. Calls may be published in additional forums.
 - 4.4.5.** Sole-source contracts may only be awarded under the following circumstances:
 - 4.4.5.1.** Executive Council has determined that there is only one supplier reasonably available.

5. Criteria

5.1. The following general criteria apply in the evaluation of all purchasing decisions:

5.1.1. Cost – While TFN staff reserve the right to not select the lowest bid, the cost of each bid will be considered.

5.1.2. Environmental Impact – TFN will consider the environmental impact of each purchase.

In the event that two or more bids are tied, the bid with the least environmental impact will be awarded the contract.

5.1.3. Public Health – TFN will consider the potential public health impacts of each bid.

5.1.4. Experience – TFN will consider the reputation and experience of each bidder in its assessment of bids.

5.1.5. Schedule of Deliverables – TFN will consider a bidder's proposed schedule for deliverables to ensure that the delivery of agreed upon goods or services are meets TFN's needs.

5.1.6. Employment Benefits to Members – TFN will consider whether a bid provides employment and training opportunities to Members.

5.2. Where practicable, TFN will provide preferential treatment to vendors that are owned by a Tsawwassen Member or provide the service or good with a team/staff that is at least half comprised of Tsawwassen Members.

5.2.1. Any vendor bidding to provide a good or a service that is majority owned by a Tsawwassen Member will receive a 5% dollar value bonus. Under this section, a \$105 bid by a Member owned business will be valued at \$100.

5.2.2. Any vendor that employs at least 50% Tsawwassen Members in the provision of a good or a service will receive a 5% of the dollar value bonus. Under this section, a \$105 bid by business meeting the above criteria will be valued at \$100.

5.2.3. All calls **must** clearly outline that TFN will provide preferential treatment to Members in the evaluation of bids.

5.3. All RFPs and RFQs **must** specify all additional criteria that will be used to evaluate bids.

5.4. Tenders **must** outline detailed project criteria, which will be used to determine whether a bid is deemed compliant and eligible to be considered.

6. Treatment of bids by indebted individuals or suppliers

6.1. Individuals that are indebted to the Tsawwassen Government for an amount greater than \$5,000 for an entire 90 days period at the time a bid is submitted will not be permitted to bid.

6.2. Individuals that are not excluded under section 6.1 may be permitted to bid on and be awarded contracts.

6.3. In the event that an individual in section 6.2 is awarded a contract, 25% of the value of the contract will be set-off against that individual's debt. The chief administrative officer may approve of a reduction of the debt holdback if the supplier has provided acceptable written documentation showing that their margins are insufficient to cover the debt repayment, but may not reduce the holdback to less than 10%.

7. Sustainability performance measures

TFN has established a set of overarching principles of sustainability. These principles are intended to guide TFNs actions; however, it is important that TFN establish measurable targets in order to monitor TFNs progress towards meeting its sustainability objectives. Measures should be reasonable and achievable, representing incremental improvement that is in line with TFNs principles of sustainability.

Sustainability performance measures must be set at the beginning of each fiscal year and may be outlined in that year's Service Plan. Each year's performance will be reviewed by staff to measure whether TFN has met each year's performance measures.

8. Monitoring of contracts

The chief administrative officer, or a delegated authority, must monitor the performance of a supplier to ensure that the provision of the good or service being supplied is satisfactory.

9. Complaint forms

9.1. Bidders may lodge a complaint respecting the bid process or any other matter relating to a contract by completing the prescribed form in Schedule A and submitting it to the chief administrative officer.

9.2. Upon receiving a complaint form from a bidder, the chief administrative officer must first investigate the complaint and reply, in writing, to the complainant.

9.3. The chief administrative officer must make every reasonable effort to respond to the complainant within 30 days of having received a written complaint from a supplier pursuant to section 8.1.

Schedule A
Bidder Complaint Form

Name and Title: _____
Company/Organization: _____
Address: _____ Phone: _____
Email: _____

Describe, in detail, the nature of the complaint (include all relevant background information):

Please attach any additional information not contained above to this complaint form.

Signature: _____ Date: _____

Please submit form to:
Chief Administrative Officer
1926 Tsawwassen Drive
Tsawwassen, BC
V4M 4G2