

## **Strait Talk, January, 2010**

A large portion of a local government's budget is spent on the goods, services, and capital projects which support its activities and responsibilities. These range from the purchase of equipment and supplies to consulting services and construction projects. To the private citizen, it might seem like local governments are bogged down in needless bureaucracy when it could be so simple... a decision is made to do or buy something, so just go out and do it! But it is a bit more complicated than that.

In addition to meeting the specific requirements of individual projects and adhering to the values and strategic directions of the SCRD, three principles govern how the providers of goods and services are selected: fairness and equity, openness and transparency, and obtaining the best value for public dollars. As a public institution, we are also governed by a combination of our own internal procurement policies and provincial competitive bidding laws. The SCRD has a threshold policy requiring that expenditures over \$25,000 follow a competitive bidding process. For smaller expenditures, there is greater flexibility. However, staff still must explore multiple options and obtain several offers from potential suppliers.

For larger projects, purchases and contracts, in order to ensure the best value for dollar, formal tendering processes are used. These must conform to the strict rules of contract law which are designed for fairness and equity so that competition between prospective vendors is unrestricted and political favoritism cannot come into play. This means that all vendors or bidders must have the same access to information about the requirements of the SCRD for the particular project or service being tendered. In the Requests for Proposals, for Quotations, for Information, or for Expressions of Interest, bid packages are prepared which detail the deliverables the SCRD is looking for and the scope of the work or goods required. Evaluation criteria are developed using a points system so that bids can be evaluated evenly and objectively. These are included in the bid packages which are shared equally with all prospective bidders. New rules or criteria cannot be introduced or undisclosed factors considered midway through the process. Nor can rules and criteria be applied differently from one bidder to the other. In this way, no one provider of goods or services can receive preferential treatment.

The governments of BC and Alberta have an agreement called TILMA, or the Trade, Investment, and Labour Mobility Agreement. Under TILMA and through the competitive bidding process, public entities are obliged to extend the fairness provisions beyond provincial borders so there is no preferential treatment of BC providers over Albertans. Therefore the SCRD cannot have purchasing policies which give preference to local providers of goods and services. All this is intended to ensure that public procurement and contracting are both fair and accountable.

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