



Crown Sector Procurement - Multi-Stage Procurement

Issued Date: December 8, 2015

Authority

The Crown Corporations Act, 1993
Cabinet Minute - # 2262
CIC Board Minute - #182/2015

Applicability

This policy applies to CIC and its subsidiary Crown corporations and their subsidiaries for all procurement of goods, services, and construction whether by purchase, contract, or lease.

Purpose

The objectives of this policy are to:

- Improve the planning and effectiveness of large and/or complex procurements in the Crown sector;
- Improve the competitive process for vendors by pre-qualifying those who advance through the competitive stages; and,
- Ensure consistency in Crown sector procurement practices.

Definitions

Multi-staged procurement - A selection process composed of more than one stage and is generally used where information is required from suppliers in order to gain knowledge about the market, obtain industry input or to shortlist suppliers before seeking offers.

Procurement value - The total estimated financial commitment per participating Crown corporation resulting from a procurement, including optional renewals.

Fairness Advisor/Monitor - An independent, third party whose typical role is to observe the procurement process, report on whether the process described in the procurement documents was followed, and to raise issues with the project team that may be of concern.

Policy

CIC Subsidiary Crown corporations shall conduct a multi-stage procurement for each:

- Construction project that has a total estimated procurement value of \$20 million or more; and,
- Goods and/or services project that has a total estimated procurement value of \$10 million or more.

CIC Subsidiary Crown corporations should consider conducting a multi-stage procurement for:

- Projects considered by the Crown corporation to be complex or have a high value;
- Projects where there is uncertainty about the state of competition in the marketplace; and,
- Projects where participating vendors will need to invest significant time and resources to respond.



Any exceptions to this requirement must be approved in advance by the permanent head, President, Chief Executive Officer, or equivalent or designate.

CIC subsidiary Crown corporations shall employ a fairness advisor/monitor for procurements valued at \$50 million or more. A fairness advisor/monitor is recommended where a project has a high value or is considered by the CIC subsidiary Crown corporation to be sensitive.

Policy guidelines for multi-staged procurement are documented in the attached Minimum Standards/Application Guide.

Administrative Information

Contact: Director, Performance Management & Financial Analysis, 306-787-2714.

Reviewed: February 4, 2016

Multi-Staged Procurement - Minimum Standards/Application Guide

1. Policy Guidelines

Each Subsidiary Crown corporation shall:

- Determine the appropriate procurement process and tendering methods to satisfy this policy; and,
- Ensure that the multi-staged procurement policy is adequately reflected in the Crown corporation's existing procurement practices and procedures no later than March 31, 2016.

1.1. Determining the Appropriate Process

In determining the appropriate procurement process, the CIC Subsidiary Crown corporation shall first consider:

- Existing applicable external and internal policies;
- The timelines and complexity of the project;
- The needs of the public entity;
- The expected impact on vendors who may participate; and,
- Other applicable factors.

1.2. Tendering Methods to Consider

A multi-staged purchasing process is a selection process composed of more than one stage and is generally used where information is required from suppliers in order to gain knowledge about the market, obtain industry input or to shortlist suppliers before seeking offers.

Multi-stage procurements may include a pre-qualification stage to identify vendors that may be invited to participate in a competition or final stage of a competition. This is typically a:

- Expression of Interest, or similar process;
- Request for Qualifications; and,
- Request for Proposals.

Additional or alternative stages may be used to short-list vendors based on the criteria and processes outlined in the competition documents. Some examples include:

- Meeting minimum mandatory requirements as an initial evaluation phase;
- Short-listing vendors that obtain a threshold score (e.g., vendors with a score of x % will advance to the next stage) or achieve a certain ranking (e.g., the top three ranked vendors will advance to the next stage); and,
- Best and Final Offer process where short-listed vendors are provided with an opportunity to improve the quality of their proposals in identified areas.

These, or other stages and evaluation criteria, may be used as determined by the CIC Subsidiary Crown corporation.

1.3. Fairness Advisor/Monitor

Procurements with a value over \$50M must utilize a fairness advisor/monitor. Any exceptions to this requirement must be approved in advance by the permanent head, President, Chief Executive Officer, or equivalent or designate. Where utilized, it is recommended the advisor/monitor be engaged as early as possible in the procurement process. Employing a fairness advisor is intended to improve the confidence of all parties that the process will be fair and open. A description of the typical role(s) of a fairness advisor is attached in Appendix A.

1.4. Exceptions

Any exceptions to this requirement must be approved in advance by the permanent head, President, Chief Executive Officer, or equivalent or designate.

2. Glossary

Term	Definition
Multi-staged procurement	A selection process composed of more than one stage and is generally used where information is required from suppliers in order to gain knowledge about the market, obtain industry input or to shortlist suppliers before seeking offers.
Procurement value	The total estimated financial commitment per participating Crown corporation resulting from procurement, including optional renewals.
Fairness advisor/monitor	A fairness advisor/monitor is an independent third party whose typical role is to observe the procurement process, report on whether the process described in the procurement documents was followed, and to raise issues with the project team that may be of concern.
Request for Qualifications (RFQ)	A type of bidding solicitation in which a company or organization asks outside vendors to provide information to assess their qualifications to compete for a project. This information is often financial, technical or related to the vendor's experience.
Request For Quote	A Request For Quote is a variation of a Request For Proposal (RFP), and typically provides more information to the bidder about the project's requirements. It often requires the bidder to break down costs for each phase of the project so as to allow the soliciting company to compare different bids.
Expression of Interest (EOI)	A call to potential suppliers of goods and/or services to register interest in supplying them. An EOI is a multi-staged process used to shortlist potential suppliers before seeking detailed bids.

APPENDIX A

Typical Role of a Fairness Advisor/Monitor

A fairness advisor is an independent third party whose typical role is to observe the procurement process, report on whether the process described in the procurement documents was followed, and to raise issues with the project team that may be of concern. The role of a fairness advisor/monitor may include, but is not limited to, the following:

- Providing an unbiased and impartial opinion(s) on the fairness of the observed procurement process;
- Reviewing any procurement documents at the fairness advisor's discretion, including invitation documents and their addenda, the process framework, and evaluation worksheets;
- Attending meetings where evaluation findings and recommendations are formally presented, monitor the fairness of such proceedings and the findings made there, and attend and monitor any other meetings related to the fairness of the process at the fairness advisor's discretion;
- Participating in meetings as scheduled, identify priority fairness-related issues and fairness-related critical path and constraints; and,
- Preparing and submitting reports to a steering committee that oversees the project team.

The involvement of a fairness advisor in a procurement process in no way diminishes or absolves any project team member of their accountabilities or responsibilities.

The above describes typical roles of a Fairness Advisor/Monitor but public entities may, at their discretion, propose alternate or additional roles as they consider appropriate.