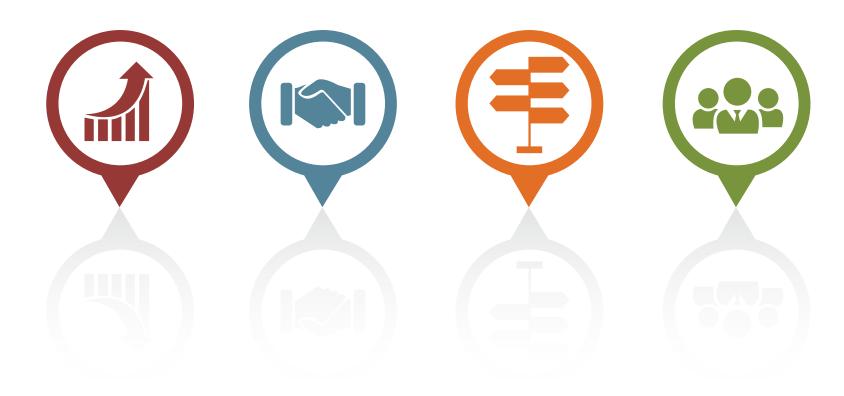


British Columbia Procurement Strategy Update

2020



Minister's Message



HONOURABLE ANNE KANG MINISTER OF CITIZENS' SERVICES

The B.C. government is working hard to make life better for British Columbians, improve the services people count on, and create a strong, sustainable economy that works for everyone. One way we're doing this is by taking advantage of B.C.'s purchasing power.

Government spends nearly \$7 billion on a variety of goods and services each year. We need to ensure that we're getting the best value for this investment and, most importantly, that British Columbians are getting the supports and services they need and deserve.

Last year, we set out to change the way government does business. We went to the B.C. business community to ask them how we could improve, what was working and what wasn't. They told us that working with government was complicated, expensive and time consuming, particularly for small vendors. They asked us to make the procurement process more open and transparent, improve collaboration and innovation and make sure it works for all businesses. And that's what we did.

In June 2018, we launched the British Columbia Procurement Strategy, which is working to remove barriers for small- and medium-sized enterprises and make it easier for companies of all sizes to work with government. Our focus is on providing the best value, while also creating social, environmental, and economic benefits for people.

Since the strategy's launch, we've made solid progress in transforming our purchasing process to make it simpler, faster, and more affordable for companies to work with government. We launched the Procurement Concierge Program, an innovative platform that matches vendors with government buyers, allowing us to discover the latest and greatest that B.C. innovators have to offer, while also saving time for businesses. We introduced new Social Impact Procurement Guidelines to help buyers consider social benefits for people, as well as value. We also started work on the new BC Bid system, which will modernize how vendors access and respond to government procurement opportunities.

It's my pleasure to introduce the British Columbia Procurement Strategy Update, which showcases how far we've come, provides a glimpse at what's coming under the Indigenous Procurement Initiative, and outlines a clear path forward.

As we move forward, collaboration will continue to play an essential role in our work to transform government procurement. We will seek ongoing vendor feedback to help us adjust, improve, and shape the strategy. We have a long way to go, but I am encouraged by the work we have completed so far. I believe together and with the help of British Columbia Procurement Strategy Update, we will get there.

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Introduction

Continuing our commitment to procurement transformation

In 2018, the BC Procurement Strategy committed to transforming the way government purchases goods and services while ensuring British Columbians continue to receive the high-quality services they count on. Based on extensive stakeholder feedback, government established four goals to guide the modernization of B.C.'s procurement system.

The Strategy has four goals



To realize best value and increased **benefit** to British Columbians by using procurement strategically.



To make it easier to do business with government with simpler, more intuitive processes.



To create **more opportunity** for businesses of all sizes, adapting practices towards supporting, growing and sustaining a community of suppliers.



To build greater capacity for procurement in the B.C. public service through enhanced training and support.

Working together

Government's ability to deliver services to citizens relies heavily on procurement. Transforming the way government does business requires involvement and input from across the public service, as well as from partners and suppliers.

B.C.'s procurement system is broad and complex. Hundreds of people in the public service work in procurement, connecting citizens to the supports and services they rely on. The Ministry of Citizens' Services provides overarching government procurement advisory services, the Ministry of Finance oversees government procurement policy, and the Ministry of Attorney General provides legal advice. The BC Public Service Agency also plays a crucial role by building capacity through training and other career-development activities.

Virtually all ministries are leveraging procurement to meet government priorities, which range from government's commitment to true and lasting reconciliation with Indigenous peoples, to promoting environmental benefits in the CleanBC Strategy, and improving access for small and medium businesses across the province. Working together to modernize procurement processes over time, government-wide transformation will be achieved.



Engagement

During development of the BC Procurement Strategy, the Ministry of Citizens' Services worked extensively with the vendor community to explore and understand the challenges and opportunities that existed regarding procurement processes.

Feedback has and will continue to be key in government's work to transform procurement. Since the launch of the strategy, the feedback the Province

has gathered confirmed both the need to change and that government is headed in the right direction. New programs, such as Procurement Concierge and Sprint With Us, are designed to address some of the key opportunities identified and ongoing stakeholder engagement will ensure that progress continues.

Engagement since 2018

Engagement groups included:

- Indigenous business owners, organizations, and government representatives
- **Economic development corporations**
- Community leaders
- Vendors
- Small businesses
- Entrepreneurs
- Tech start-ups
- Government ministries and agencies
- Broader public sector
- Crown corporations
- Municipalities



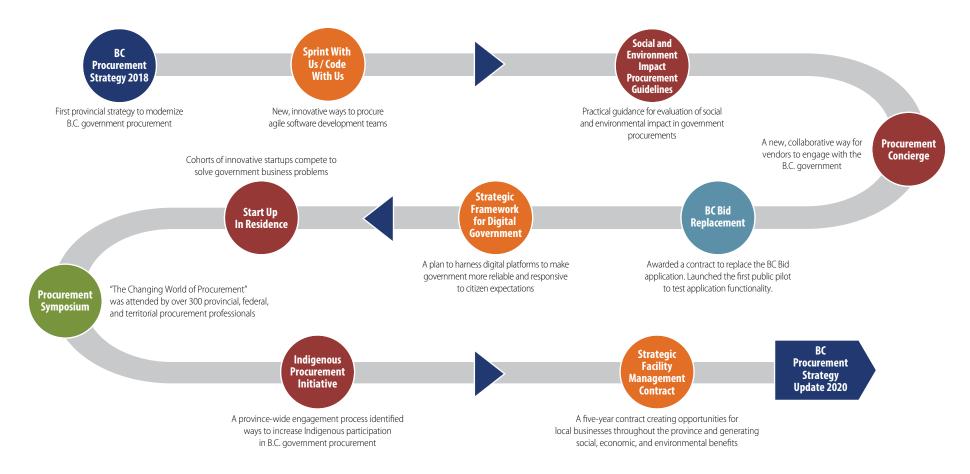
Methods included:

- Regionally specific sessions
- Online surveys
- In person conversations
- Conference calls
- Expos
- Panels
- Newsletters
- Conferences
- Online meetings
- Workshops

Implementing the BC Procurement Strategy

Since the strategy was launched in June 2018, extensive work has been undertaken across government to implement the priority 2018/19 actions. Some actions are complete, others are ongoing, and some are getting underway.

Major Milestones





GOAL 1: Realize best value and increased benefit to British Columbians by using procurement strategically.

What is changing through transformation? While keeping costs down remains central to procurement, government will increase its focus on the social and environmental impacts of the goods and services it purchases, ensuring benefits are returned to all British Columbians.

ACTION	ACCOMPLISHMENTS	FUTURE INITIATIVES
Social and Environmental Purchasing Enhance and coordinate social and environmental benefits through procurement	Released new guidelines to help ministries consider social objectives, such as increasing opportunities for diverse suppliers, and environmental objectives, such as acquiring goods that meet environmental certifications, as part of their purchasing decisions.	 Train staff to support the adoption of B.C.'s new Social and Environmental Procurement Guidelines. Engage with suppliers to explore opportunities to create additional social benefits from B.C. government procurements.
Life Cycle Assessment Framework Measure and evaluate the total environmental impact of a product during its full lifecycle	▶ Engaged with regional, professional, and federal agencies, which led to an opportunity to collaborate with the Government of Canada on the Low-carbon assets through life cycle assessment (LCA²) initiative.	Participate in the Government of Canada's National Research Council LCA ² initiative to investigate building materials and designs that offer both the lowest carbon footprint and the lowest total cost of ownership.
Community Benefits Framework Ensure local communities get long-lasting benefits from public investments into major infrastructure projects	 Established new Crown corporation – BC Infrastructure Benefits Inc. (www.bcib.ca) – to prepare for the implementation of the Community Benefits Agreement (CBA). Facilitated procurement on the Patullo Bridge replacement, Kicking Horse Canyon and the Broadway Subway in Vancouver. Successful completion of the first construction season of the Illecillewaet Highway as part of the Highway 1 project 	 Finalize a policy framework to increase apprenticeship and skills training opportunities. Increase opportunities for members of equity seeking groups who are traditionally underrepresented in the construction workforce through the CBA and Procurement and Contract Terms. Establish a Performance Measurement Framework that will measure impacts of the Community Benefits Framework Policy.
Startup in Residence Program Bring the ideas and expertise of start-up tech companies together with government business areas to co-develop technology solutions	 Launched the second intake of the Startup in Residence pilot program, which included a Ministry of Jobs, Economic Development and Competitiveness challenge to make it easier for organizations to find funding for projects to grow B.C.'s economy. Announced three successful proponents in September 2018, with their work being highlighted at a demo day at the BC Tech Summit. 	Lessons from the Startup in Residence pilot program are being incorporated into related initiatives such as Sprint with Us and Code with Us.

Project Spotlight: Indigenous Procurement Initiative

Supporting increased participation by Indigenous peoples in government's procurement opportunities

ENGAGEMENT HIGHLIGHTS

The Province held nine regional engagement sessions across the province in Victoria, Nanaimo, Williams Lake, Prince George, Terrace, Vancouver, Cranbrook, Kelowna, and Surrey.

This included 315 people via preliminary conversations, information exchange, regional sessions, online surveys, and in-depth conversations.

WHAT IS IT?

The B.C. Government is committed to true and lasting reconciliation with Indigenous peoples. Under the Procurement Strategy, the Province aims to reduce barriers to government's procurement opportunities and better support participation by Indigenous businesses and communities. The Indigenous Procurement Initiative (IPI) aims to create culturally-appropriate procurement practices, an Indigenous-specific procurement strategy, and provide capacity development opportunities for Indigenous

businesses and communities and government employees. Recommendations on specific actions will be developed and implemented in collaboration with Indigenous partners across the province.

WHAT HAS BEEN ACHIEVED SO FAR?

Over the past year, the B.C. government conducted extensive internal and external engagement, including meeting with more than 300 Indigenous partners and business owners across the province. The engagement confirmed that Indigenous procurement requires a holistic and collaborative process that recognizes social values and benefits, rather than focusing exclusively on the lowest bid. This feedback will inform the development of a coordinated government approach to Indigenous procurement.

WHAT WILL HAPPEN NEXT?

IPI intends to lay the foundation for continued collaboration and engagement to support and inform the development and implementation of recommendations to address what has been heard through engagement.

This foundation includes:

- Creating a dedicated project office to support the initiative,
- **Section** Establishing an external advisory committee to advise on the development and implementation of specific short-, medium-, and long-term actions,
- Delivering cultural competency training to B.C. Government employees who deliver procurement, and
- **Section** Establishing or building upon existing Indigenous business directories.



Project Spotlight: Procurement Concierge

Matching government buyers with vendors who have innovative ideas

ENGAGEMENT HIGHLIGHTS

Procurement Concierge has connected with over **400** stakeholders from various levels of government, the broader public sector, and the vendor community since the program launched.

Approximately 200 people from 105 companies have registered to attend Discovery Day Sessions.

330 companies have registered on the Procurement Concierge Web App.

WHAT IS IT?

Procurement Concierge is a new and innovative way for government to embrace market-driven innovation and make it easier for companies of all sizes to work with government. Concierge allows government to take advantage of emerging technologies and cutting-edge solutions. The program works by allowing industry experts to propose potential solutions to government business challenges prior to starting the formal

bidding process. It enables vendors with creative innovations to get their ideas in front of government staff who may need them.

WHAT HAS BEEN ACHIEVED SO FAR?

Over the past year, the Procurement Concierge team has been hard at work to get the program off the ground. The program launched in January 2019. In phase one, the Province made information available through BC Bid Resources and hosted outreach sessions to ensure the program meets vendor needs. In March 2019, the Concierge Web App was launched, allowing public-sector buyers and vendors to create profiles that identify their areas of interest.

Since its launch, four Discovery Day Sessions for twelve Requests for Information have been hosted. Discovery Days bring together government buyers and vendors for in-person meetings to present Requests for Information explaining a government issue or problem. These sessions have garnered positive feedback, giving vendors a better understanding of government's needs and perspective while also informing buyers of the variety of solutions available on the market.

WHAT WILL HAPPEN NEXT?

Moving into the next phase, the Ministry of Citizens' Services will increase the profile of the Concierge Program and shift into operations. Government market engagement will continue through Discovery Day Sessions and the development of a vendor-initiated matching process. Ongoing work on the Web App will provide vendors opportunity to submit ideas about innovative goods or services that can solve government problems.

For more information visit http://procurementconcierge.gov.bc.ca





GOAL 2: Make it easier to do business with government with simpler, more intuitive processes.

What is changing through transformation? Currently, purchasing processes are often complex, time-consuming, restrictive, and unclear. Government is working to design transparent, simple-to-use processes that are proportionate to the size of the procurement.

ACCOMPLISHMENTS	FUTURE INITIATIVES
Began work to revise the B.C. Government's Core Policy and Procedures Manual Procurement Chapter (https://www2.gov.bc.ca/gov/content/ governments/policies-for-government/core-policy/ policies/procurement).	 Implement government's revised procurement policy to support effective government wide procurement practices. Communicate policy updates to procurement professionals across government.
Performed broad internal stakeholder consultation, reviewed approaches taken by other jurisdictions, and engaged with the vendor community to clarify concerns.	 Continue consultation and review potential changes to government's approach to Information Technology contracting. Continue to identify opportunities to clarify and communicate government's approach to risk allocation.
New priority action.	 Undertake a review of the full procurement life cycle to identify opportunities to enhance processes and improve the well being of children and families. Design a future-state contract-management framework. Establish high-level business requirements for an
	 Began work to revise the B.C. Government's Core Policy and Procedures Manual Procurement Chapter (https://www2.gov.bc.ca/gov/content/governments/policies-for-government/core-policy/policies/procurement). Performed broad internal stakeholder consultation, reviewed approaches taken by other jurisdictions, and engaged with the vendor community to clarify concerns.

Project Spotlight: Next Generation BC Bid

Creating a modern, easy-to-use platform for government procurement

BC BID STAKEHOLDER TESTING

Engaging users early means their input can be incorporated into the new BC Bid system.

The project team has been testing the new application with vendors, gathering their feedback, and making changes based on those inputs.

This ensures the design will meet more of vendors' needs as the implementation is rolled out.

WHAT IS IT?

BC Bid is a tool which businesses use to gain access and insight to contract opportunities offered by core government and hundreds of publicly funded organizations, such as Crown corporations, health authorities, and municipalities. The current tool was implemented in 1995 and no longer meets the modern needs of buyers or suppliers. For these reasons, a new BC Bid is under development.

The new BC Bid will deliver a modern user experience, provide functionality that will help streamline and standardize procurement processes, address concerns raised by the supplier community, and provide access to the data government needs to make strategic decisions about purchasing. These features will make it easier for companies of all sizes to do business with the Province and provide the goods and services that government needs to deliver the programs people count on

WHAT HAS BEEN ACHIEVED SO FAR?

The project is now in the implementation phase, with the launch of the new application expected in 2020. A pilot procurement opportunity ran from June to September 2019 to test and evaluate the application prior to the launch. Lessons learned from the pilot will be incorporated into ongoing system development.

Stakeholder engagement has been vital to this work through 2018 and 2019. During this period, the Ministry of Citizens' Services has conducted user-experience sessions, information sessions and demonstrations of the new application with internal and external stakeholders.

WHAT WILL HAPPEN IN NEXT?

In partnership with users, the Ministry of Citizens' Services will continue to develop the system, including developing templates and implementing the new design. This will lead up to implementation in 2020 with targeted support for ministries, the broader public sector, and vendors.

For more information on the BC Bid Replacement Project visit https://bit.ly/2PbEzwb





GOAL 3: Create more opportunity for businesses of all sizes, adapting practices to support, grow, and sustain a community of suppliers.

What is changing through transformation? Government is working to ensure that purchasing processes create sufficient opportunity for small and medium sized businesses and organizations – ensuring a resilient range of suppliers and services providers going forward.

ACTION	ACCOMPLISHMENTS	FUTURE INITIATIVES
Sprint With Us Develop an efficient, electronic process that allows Government to quickly establish agile product development contracts with vendors of all sizes	 Launched an innovative online Request for Qualifications process that allows Agile software development companies to join and qualify in a day. Reduced the cost for a company to submit a contract proposal to government from approximately \$15,000-\$25,000 to \$1,000-\$2,000 using this easily accessible process. Awarded 14 software development contracts worth more than \$10 million using Sprint With Us. 	 Continue to operate and improve the Sprint With Us program. Use lessons learned from this initiative and other related program, such as Code With Us, to support future procurement improvements.
Strategic Framework for Digital Government Enable a future where government is more responsive, adaptive, and cost effective in the face of a rapidly changing world and citizen expectations	 Created the first version of the strategic framework for digital government which was informed through jurisdictional research and stakeholder engagement. Defined a plan to harness contemporary tools and ways of working to make government more modern, reliable and responsive to British Columbians' expectations 	 Increase collaboration and the integration of digital tools and systems across government to deliver more responsive programs, policies, and services. Use modern technology and responsive practices to deliver on service commitments and emerging priorities faster.
Analysis Process for Large Strategic Contracts Right-size procurements and create opportunities for small, medium, and large companies	 Introduced a new framework for assessing options for high-value strategic contracts which includes prioritizing citizen and employee value, aligning contracts with government priorities and taking a coordinated approach to evaluating sourcing options. Established effective governance to improve oversight and guide decision-making for strategic contracts. 	 Continue to embed best value into government's strategic contracts. Continue to improve processes to create the best opportunities for businesses of all sizes.

ACTION	ACCOMPLISHMENTS	FUTURE INITIATIVES
Streamlined Pre-Qualified Lists Streamline how vendors find, join, and are awarded contracts through lists of pre-qualified vendors	 Inventoried and assessed B.C. Government prequalified lists. Developed a new Request for Qualifications (RFQ) template and explored opportunities to further streamline processes. 	 Increase accessibility of pre-qualified lists to improve transparency, reduce duplication and increase consistency for vendors and government. Use the Next Generation BC Bid tool to improve the creation, management, and use of prequalified lists.
Government Market Engagement and Support for Suppliers Encourage fair and open engagement between buyers and suppliers and offer increased training to suppliers on how to do business with government	 Improved government's understanding of supplier needs through engagement on initiatives such as the review of B.C.'s approach to risk allocation and the Indigenous Procurement Initiative. Used supplier feedback to adapt programs such as Procurement Concierge, Sprint With Us and others to make it easier to do business with government and increase support for suppliers. 	 Continue to improve government's approach and structure to promote fair and open government-market engagement during the planning phase of a procurement. Improve communication channels and help guide suppliers and vendors through government procurement process.
Feed BC Increase the use of B.Cgrown and B.C processed foods in hospitals, post-secondary institutions, and other government-supported facilities	 New priority action. Completed extensive consultation and research to understand institutional food supply chain processes and needs. Built the Feed BC framework of four core strategies and key opportunities for action. Supported market-readiness of producers and processors through new/expanded technology, training, and resources such as a 'how to sell to government facilities' guide. Implemented Feed BC partnerships in three health authorities and baseline 'B.C. food spends' tracking across all health authorities. Implemented Feed BC in post-secondary institutions through market intelligence, procurement support, and partnerships. 	 Expand the scope, scale, and reach of Feed BC partnerships and ease of joining Feed BC Build procurement guidance to assist new institutional partners. Identify and create strategic opportunities with private sector supply chain partners. Implement 'value chain' innovation to match-make and problem-solve the food needs of institutions with supply chain partners. Complete a Feed BC Performance Management and Reporting Framework to track, measure, and report on progress.

Case Study – Facilities Management Procurement Project

Government's portfolio of high-value contracts provides critical services to government and the people of B.C. In July 2019, government announced a significant milestone for this portfolio when it awarded a contract to provide facilities management services for the Province's 17-million-square-foot real estate portfolio.

Starting in April 2020, the new contractor will provide repairs, maintenance, landscaping, janitorial and construction services in nearly 1,800 provincially owned, leased, and managed buildings. This new contractor was selecting using a procurement process that considered factors such as environmental responsibility, social benefits, and impacts to people and businesses to assess best value for money.

The five-year contract will create opportunities for local businesses throughout the province, and provide social, economic, and environmental benefits such as:

- Introducing a formal "Supplier Diversity Program" to ensure benefits for minorities, women, Indigenous, veterans and LGBTQ+;
- Allowing local businesses to benefit from a bulk purchasing platform; and,
- Providing guaranteed savings projects that lead to greenhouse gas emission reduction.

Moving forward the Province will continue to align its high-value contracts with government's strategic objectives and seek opportunities to create best value for British Columbians, while also maintaining the high-quality supports and services they count on.



GOAL 4: Build greater capacity for procurement in the B.C. public service through enhanced training and support.

What is changing through transformation? The scale, benefits, and risks of government procurement require the attention of well-supported, well-trained, and often fully dedicated staff. A procurement career stream and enhanced support and training for all staff engaged in this important work will be introduced.

ACTION	ACCOMPLISHMENTS	FUTURE INITIATIVES
Procurement Workforce Strategy and Development Plan Improve government's capacity to conduct procurement effectively	 Assessed B.C.'s procurement system capacity and maturity. Conducted extensive national and international research to identify leading workforce strategies and tactics to optimize procurement capacity. 	 Develop and pilot a procurement career map within the Ministry of Citizens' Services before consultation and implementation across government. Develop a corporate approach to improve recruitment, retention, knowledge, and succession management for procurement professionals.
2019 Procurement Symposium Share knowledge, support continuous improvement, and provide a forum to promote service excellence	Hosted approximately 300 attendees to share their knowledge and participate in sessions led by national and international procurement leaders.	Continue to explore opportunities to build capacity and share knowledge amongst procurement professionals within the B.C. Government, broader public sector, and other levels of government.
Procurement Community of Practice Build procurement knowledge and share information and expertise between employees from core government and the broader public sector	 Grew membership to over 3,000, now the largest community of practice in the B.C. Government. Raised procurement awareness and knowledge across the B.C. Government and broader public sector through quarterly newsletters and monthly webinars. 	Continue to prioritize learning and use multiple communication channels to share the technical information and guidance that procurement professionals need to stay current in the complex and evolving Canadian procurement system.
Provincial Procurement Delivery Model Review the current operating model and develop options for improvement	 Developed a new strategic framework for centralized procurement advisory services. Reviewed the current operating model with a focus on meeting client service delivery needs. 	Continue to review processes and services to ensure they are efficient and client-centred.

ACTION	ACCOMPLISHMENTS	FUTURE INITIATIVES
Cross-government Procurement Governance Ensure that procurement governance communicates the BC Procurement Strategy and priorities effectively across government	 Formalized executive governance committees to provide strategic oversight and guidance for strategy implementation. Initiated committees with membership from 15+ ministries in key areas across government. 	Continue to align and integrate implementation of the BC Procurement Strategy across government ministries.
Procurement Oversight & Compliance System Create a continuous improvement process for government's procurement practice and increase capacity of the procurement oversight and compliance system	 Implemented a risk-based compliance model which includes targeted and predictive data analytics tests. Developed cross-government data sets through 	Monitor compliance to support continuous improvement, mitigate financial risk and implement financial administration efficiencies.
	 stakeholder engagement and collaboration. Expanded monthly compliance monitoring coverage to gather information in support of the first annual cross-government compliance report. 	

Priority Actions and Future Initiatives

Significant progress has been made since the launch of the BC Procurement Strategy, which demonstrates that change is possible.

B.C. will continue to build on this positive momentum by making improvements that are informed by research and feedback from suppliers and procurement professionals. Government will continue to add to this framework, to maximize value for British Columbians and provide them with the high-quality supports and services they need in the most efficient way possible.

Moving forward the Province will focus on delivering better outcomes - from enhanced planning to streamlined processes to increased standardization across government. Government will publish progress reports to detail what's been accomplished, what's been learned and to outline next steps.

If you have questions or want to learn more about what's in store, contact the Ministry of Citizens' Services at *Procurement.Transformation@gov.bc.ca* or visit http://gov.bc.ca/procurementstrategy for updates.



GOAL 1: BEST VALUE AND INCREASED BENEFIT

Priority Actions

- Enhance social and environmental benefits from procurements
- Develop a Community Benefits Framework
- Develop a coordinated government approach to Indigenous procurement
- Continue the Procurement Concierge program



GOAL 2: EASIER TO DO BUSINESS WITH GOVERNMENT

Priority Actions

- Modernize, reduce and simplify procurement policy
- Review B.C.'s approach to risk allocation
- Review procurement and contracting lifecycle for children and family services
- Launch a next generation BC Bid application and services



GOAL 3: MORE OPPORTUNITY FOR BUSINESSES OF ALL SIZES

Priority Actions

- Streamline pre-qualified lists
- Increase government-market engagement and support for suppliers
- Expand Feed BC scope, scale and reach



GOAL 4: GREATER CAPACITY TO SUPPORT PROCUREMENT

Priority Actions

- Develop a procurement workforce strategy and development plan
- Continue the Procurement Community of Practice

