

REPORT OF:

# Buy BC Program

## Ministry of Agriculture and Food

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## Executive Summary and Overall Conclusion

This audit evaluated the Buy BC program (program or Buy BC), a province-wide marketing program within the Ministry of Agriculture and Food (Ministry).

The objectives of the program are to promote BC food and beverages so that consumers can identify and purchase local food products. Buy BC contributes to the Ministry's broad agriculture and food priorities by promoting BC food and beverages across the province and supporting farmers and agriculture businesses.

Since it was relaunched in 2018, Ministry staff have worked to implement Buy BC in an evolving and complex operating environment. Like many government programs operating in a post-pandemic setting, Buy BC's processes and capacity are still impacted, creating risks to program effectiveness and policy implementation.

For our audit, we considered whether the Ministry has established a clear strategic framework, strong planning and monitoring activities, and sound procurement practices to support Buy BC.

### Audit Observations

Overall, we found that the Ministry has worked to promote Buy BC through a series of initiatives. We identified gaps in strategic planning and performance tracking which meant that the Ministry was unable to clearly demonstrate program successes.

We identified two key observations in this audit:

**Strategy:** We found that Buy BC is not supported by a strong planning framework. We found that there was no formal, long-term strategy. This resulted in a lack of alignment between the program and broader ministry objectives. This also meant that targets for Buy BC activities, could not be tied back to a long-term strategy and goals for the program.

Comprehensive organizational planning and performance tracking would allow the Ministry to better demonstrate program success.

**Procurement:** The Government of British Columbia (Government) has established procurement principles through legislation and policy. These principles include accountability, transparency, competition, and value for money. Approximately 90% of the contracts for the program were directly awarded, rather than through a competitive process. Our analysis of a sample of Buy BC procurements shows that the Ministry could strengthen its procurement processes.

The high proportion of direct award contracts means that procurements may not be achieving the best value for money or meeting Government's procurement principles.

## Recommendations

Our audit recommendations provide the Ministry with a roadmap to mature the Buy BC program. We have developed [six recommendations](#) for the Ministry:

Five recommendations address Buy BC strategy and operations. Developing a long-term plan will help the Ministry capture goals and better measure and report on its program activities:

- Three recommendations address strategy development and governance; and
- Two recommendations strengthen planning, monitoring, and reporting of Buy BC initiatives.

One recommendation addresses the Ministry's procurement framework. It aims to align the Ministry's procurement practices with Government's policy requirements and industry good practices.

We found that the Ministry was attentive to program challenges. During this audit, the Ministry began implementing changes to key elements of the program. These include conducting stakeholder analysis and revising budgeting and planning processes for Buy BC initiatives.

The nature of Buy BC is not unique to government. These recommendations can be applicable for various programs across government, highlighting key elements ministries should consider in their program design and execution.

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We would like to thank all Ministry staff who participated in and contributed to this review. Your cooperation and assistance are greatly appreciated.

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## Introduction

### Buy BC Program

The Buy BC program (program or Buy BC) is a province-wide marketing program led by the Ministry of Agriculture and Food (Ministry). The goal of the program is to promote BC food and beverages so that consumers can identify and buy local food products. This in turn, supports farmers and businesses across the province.

Buy BC is delivered through the Food and Beverage Branch, within the Agriculture Resource Division. The Food and Beverage Branch includes 52 full-time employees. In fiscal year 2022, Buy BC had a budget of \$3.75M for program activities.

The program is delivered through several key initiatives, including those outlined in Figure 1.

**Figure 1: Buy BC Initiatives<sup>1</sup>**



**Source:** Internal Audit & Advisory Services, adapted from Buy BC documentation

The program also includes contracts and strategic partnerships with external stakeholders, in addition to working with government parties, such as [Government Communications & Public Engagement \(GCPE\)](#), within the Ministry of Finance.

**GCPE** is an organization within the Ministry of Finance. It provides centralized communications and advice to ministries. Ministries are required to work with GCPE for advertising and communication, such as traditional advertising and digital communication.

<sup>1</sup> As of February 2023

## Buy BC Program History

Over its 30-year history, the program has been managed by organizations both internal and external to the Government:

- In 1993, the Government launched Buy BC to help increase demand and sales of B.C. agriculture and food, and seafood products within the province. The early program focused on cost-shared funding arrangements with industry organizations and associations.
- In 2002, the Government discontinued funding for marketing and transferred the management and delivery of the program to the BC Agricultural Council – an industry organization that advocates for the interests of BC farm and ranch families; and
- Starting in 2018, the Government relaunched the program with a mandate to bring back an enhanced Buy BC with the intent of helping local producers market their products within B.C.

## *Agriculture and Food Pillars*

In 2018, when the Government of British Columbia (the Government) relaunched the program, it also introduced two new agriculture and food pillars: Grow BC and Feed BC.

**Figure 2: Agriculture and Food Pillars**



**Source:** IAAS, adapted from Buy BC documentation

The stated objectives of Grow BC include helping young farmers access land and supporting fruit and nut growers and processors to expand local food production.

Grow BC is supported through initiatives including:

- Climate adaptation and mitigation; and
- Seafood and aquaculture activities.

The stated objectives of Feed BC include increased awareness and local demand for BC food products. This is facilitated using “food hub” networks that are composed of shared-use food and beverage processing facilities.

Feed BC is designed to increase the use of BC foods in:

- Hospitals;
- Residential care centres;
- Schools; and
- Other government facilities.

## About the Audit

### *Audit Purpose*

The purpose of this audit was to assess Buy BC activities and identify opportunities to improve its efficiency and effectiveness.

The objectives of the audit were to determine whether the Ministry:

- Established a clear strategic framework for the program;
- Planned and monitored Buy BC initiatives to ensure objectives were achieved; and
- Conducted procurements for Buy BC that align with Government policy and industry good practices.

### *Audit Approach and Scope*

Our approach involved:

- Interviews with Ministry staff and stakeholders;
- Documentation review; and
- Selecting a sample of Buy BC procurements to confirm alignment with Government policy and industry good practices.

Our detailed audit procedures focused on Buy BC which is an established Ministry program. In addition, the scope of our work also considered how Buy BC aligned with the more recently developed Grow BC and Feed BC pillars—together forming the Ministry's broader agriculture and food strategic framework.

We conducted fieldwork between October and February 2023. During this time, we met with Ministry staff to discuss specific findings from our work. This report consolidates those findings.

### *Ministry Action Plan and Follow-up*

The Ministry is required to develop and submit an action plan in response to the recommendations provided, including the timeframe for implementation.

Internal Audit & Advisory Services (IAAS) conducts an annual follow-up process. IAAS will assess how ministries are progressing on the implementation of action plans.

This review focused on the Ministry's processes. These recommendations, however, are relevant across government. We encourage other ministries to review their processes and consider the recommendations identified in this report.

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## 1.0 Organizational Planning and Program Initiatives

Organizational planning is important for guiding ministry activities, communicating goals, and managing accountability. Planning should occur broadly at the ministry level, and more specifically at the division, branch, or program level.

While there is not a single best approach to planning activities, ministries should consider both long-term strategic planning, and annual operational planning. We looked at whether the Ministry had established a clear strategic framework for Buy BC. This included whether the Ministry supported the Buy BC program through:

- Strategic alignment with Grow BC, Feed BC and Ministry agriculture and food objectives; and
- A forward-looking Buy BC plan with clear goals and performance metrics.

### 1.1 Agriculture and Food Strategy

Strategic planning is an organization's process of defining its direction and making decisions that support the achievement of its goals. It should:

- Align with operational planning;
- Encourage an organization to set priorities; and
- Focus resources on achieving mandated responsibilities.

When multiple program areas share a purpose or have overlapping goals, there are benefits to coordinated strategic planning.

#### *Agriculture and Food Strategic Framework*

Buy BC, along with Grow BC and Feed BC, represent three pillars of an agriculture and food approach. In 2018, the Ministry envisioned an integrated strategy, shared purpose, and performance measures for these three pillars.

Considering the linkages between these pillars, we looked at whether the Ministry had developed an integrated strategy and monitored its progress.

We found that the Ministry has not formalized and implemented an agriculture and food strategy. While Buy BC, Grow BC and Feed BC pillars represent a suite of activities, there is no defined strategic plan connecting these programs. Without a strategic plan, it is challenging to demonstrate effective program delivery and alignment between the agriculture and food pillars.

In addition, we found that the Ministry had not established a formal governance structure to connect the three pillars. Engagement between staff was infrequent, and there was no integrated monitoring or reporting. This risks duplication of work and inefficiencies. An effective strategic plan that integrates the agriculture and food programs would help to coordinate goals and activities so the Ministry can better leverage initiatives and resources to deliver agriculture and food objectives.

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### Recommendations:

- (1) The Ministry should formalize a strategy that incorporates monitoring, evaluation and reporting for Buy BC and other agriculture and food programs, and is aligned with key ministry agriculture and food objectives.
  - (2) The Ministry should establish a governance framework to help support, coordinate and monitor Buy BC and other agriculture and food programs.
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## 1.2 Buy BC Plan

Program-level planning allows an organization to:

- Establish performance measurements;
- Report on key objectives; and
- Demonstrate success and effective use of resources.

It is good practice for organizations to consider both long-term strategic planning, and annual operational planning as part of these activities.

We considered whether the Ministry has conducted planning activities for Buy BC, including:

- A long-term vision;
- Key program objectives;
- Clear measurements for monitoring progress, such as **Key Performance Indicators**; and
- Executive endorsement.

**Key Performance Indicators** measure performance against a set of targets, objectives, or industry peers.

They should include quantifiable and qualitative targets, be aligned with a strategy, and used as an index to track progress over time.

Overall, we found opportunities to enhance Buy BC's planning activities. While the Ministry has recently conducted some annual planning work, it has not established a long-term plan for Buy BC with defined metrics for success and executive endorsement.

For instance, a fiscal year 2022 operational plan outlined broad goals and some consideration of performance indicators (such as number of website downloads or number of businesses reached). The Ministry, however, was unable to demonstrate effective implementation of the operational plan. We found that the Ministry did not align performance indicators with other planning documents or actively track and report on operational plan outcomes.

As part of its planning, the Ministry developed future-focused outcomes for Buy BC aimed at educating the public and influencing consumer purchasing decisions (see sidebar). To effectively achieve these outcomes, Buy BC requires forward-thinking plans and multi-year goal setting.

Developing a long-term plan would help program staff plan and measure against targets. A formalized Buy BC plan would also help the Ministry to monitor and report on program success, and consider resources required for effective program delivery.

**Buy BC outcomes include:**

- Increased consumer awareness of Buy BC brand as a key identifier of B.C. food and beverages.
- Expanded consumer knowledge of how purchasing local can help communities and improve long-term food security.
- Increased consumer motivation to purchase B.C food and beverages over alternatives.

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## Recommendations:

- (3) The Ministry should establish a multi-year plan for the Buy BC Program with clear goals and performance metrics that align with program and Ministry food and agriculture objectives.
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## 2.0 Planning and Monitoring Buy BC Initiatives

Ministries should clearly identify goals and actively monitor and report on progress to demonstrate program success.

Buy BC initiatives are designed with the goal of broadly supporting the program. Each initiative is planned to deliver certain components. A key focus was the Buy BC Partnership Program (Partnership Program) and advertising campaign. These represent nearly 75% of Buy BC's fiscal year 2022 budgeted activities.

We considered whether the Ministry plans and monitors Buy BC initiatives to ensure objectives are achieved. We looked at all key initiatives. In doing so, we reviewed program documents and met with Ministry staff and stakeholders.

Overall, we found that the Ministry has developed a suite of activities that broadly support the program. We found however, that:

- The Ministry had not adequately defined success when planning program initiatives;
- Performance metrics were not formalized; and
- Monitoring and reporting was inconsistent or did not align with other project initiatives and broader Ministry objectives.

The lack of a long-term Buy BC plan and strategic framework is a root cause for some of the gaps identified in this section. Establishing long-term objectives will strengthen how the Ministry plans and monitors on program initiatives.

### 2.1 Buy BC Partnership Program

The stated goals of the Partnership Program are to influence consumer behavior and encourage the purchase of BC food and beverages which in turn supports local businesses and strengthens food security. It focuses on two key activities: cost-shared funding and logo licensing. We considered how the Ministry plans and monitors the Partnership Program to ensure objectives are achieved.

#### *Cost-shared Funding for Industry-led Marketing*

The Partnership Program provides up to \$2 million annually in cost-shared funding to B.C. producers, processors, and industry associations to support local marketing activities. The Ministry developed the program

Since 2018, the Ministry has invested \$10M to support over 315 producers, processors, cooperatives, agriculture fairs, farmers' markets, and associations to undertake marketing activities in B.C.

framework and goals, and uses a third-party vendor to administer and deliver the program.

With this arrangement, eligible businesses, such as farms and food producers, may submit funding applications that are reviewed against a suite of criteria. Each year the funding requests exceed the funding available. In 2021 for example, 118 applications were processed, and 70 projects were funded.

### *Logo Licensing*

The Ministry uses the Buy BC logo to enhance consumer awareness and visibility of BC foods and beverages. To receive funding, recipients must first apply for use of the Buy BC logo. This process was administered by a third-party vendor.<sup>2</sup> In addition, producers and processors can apply to use the logo, without pursuing cost-shared funding.



Since 2018, the Ministry has licensed 720 businesses that promote over 3,200 of their products with the Buy BC logo.

### *Planning and Monitoring the Partnership Program*

We found that the Ministry could strengthen how it plans and monitors activities for the Partnership Program. The third-party contract that guides the Partnership Program provides broad objectives but does not include defined key performance targets that allow for consistent reporting.

For example, the Ministry monitors activities, like dollars spent by sector, or applications approved. Monitoring could be strengthened by focusing on desired outcomes that are tied to performance. For example, if monitoring was based on increased sales amounts, or new markets, it would be easier to conclude that funding is having a positive effect. Establishing measurable targets will strengthen how the Ministry monitors and reports on the Partnership Program and other Buy BC initiatives.

We identified some good practices related to program evaluation. In 2022, the Ministry conducted stakeholder engagement consultations and engaged a consulting firm to review key aspects of the program and provide recommendations. As a result, the Ministry has planned some structural and administrative changes to the Partnership Program for fiscal year 2024 aimed at improving efficiency and effectiveness.

<sup>2</sup> Since this audit, the Ministry has taken over for the administration of licensing for the Buy BC logo.

## 2.2 Buy BC Advertising Campaign

The purpose of the advertising campaign is to build brand recognition and encourage consumers to buy local foods. All government advertising must work with GCPE on the content and timing of its advertising campaigns. We considered how the Ministry plans and monitors the advertising campaign to ensure objectives are achieved.

### *Planning and Monitoring the Advertising Campaign*

The Ministry delivers the advertising campaign through a suite of marketing initiatives. These include print, digital and radio. The advertising campaign runs during certain periods of the year. For example, one campaign advertised on social media, websites, and TV, from February to March 24, 2021. Social media was a key driver of the campaign.

Between February and March 2021, the advertising campaign reached 1.2 million Facebook users and generated 1.4 million YouTube impressions.

We found that the budget process for the advertising campaign led to timing issues. We were informed that the advertising campaign did not have accessible advertising funds in its budget at the start of each fiscal year. As a result, Buy BC did not receive budget approval until the agricultural growing season was already underway, reducing the impact of agricultural advertising campaigns.

We were advised during the audit that the Ministry is working to address its planning challenges and create a longer-term advertising campaign budget process.

We found however, that the Ministry could strengthen how it plans and monitors the advertising campaign:

- Measurements were not consistent from one campaign to another;
- A third-party contractor monitored the campaign and results were not directly reported to Ministry staff; and
- Advertising campaign reports were not provided to the Ministry on a consistent basis.

As a result, it is challenging for the Ministry to demonstrate the success of the advertising campaign. The Ministry conducted surveys in 2018 and 2022 to assess the strengths of the Buy BC brand. Regular program evaluation for the advertising campaign and other Buy BC initiatives will lead to strengthened program success and continuous improvement.

### *Additional Buy BC Initiatives*

In addition, we considered how the Ministry plans and monitors other Buy BC initiatives: the Consumer Engagement and Local Food Literacy Campaign, and the Retain and Restaurant Promotion.

We identified similar opportunities for the other Buy BC initiatives reviewed:

- **Consumer Engagement and Local Food Literacy Campaigns:** It was created to increase consumer awareness through promotions, exhibits and online resources. Activities include food exhibits at the Pacific National Exhibition in Vancouver and promotions at farmer's markets and fairs across the province. The Ministry had identified some metrics for this initiative, such as social media posts and engagement. We found that these indicators could not be directly attributed back to program activities, or overall objectives.
- **Retail and Restaurant Promotion:** It was designed to encourage consumers to buy local foods and connect restaurants with food processors. A key activity is the "Eat Drink Local" campaign, which promotes regional cuisine at BC restaurants and works to connect restaurants and chefs with local food producers. We found that the promotion activities overlapped with other Buy BC initiatives and had limited performance-based objectives.

Overall, we found that these initiatives would benefit from defined targets and consistent and measurable reporting. Establishing a comprehensive Buy BC plan with executive endorsement, would strengthen how the Branch plans and defines each initiative, identifies measurements for success, and demonstrates alignment with Buy BC objectives.

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### **Recommendations:**

- (4) The Ministry should regularly monitor and report on Buy BC initiatives to ensure objectives are being met.
  - (5) The Ministry should coordinate with Government Communications & Public Engagement, within the Ministry of Finance, to create a marketing plan that aligns with Buy BC objectives and includes annual evaluation.
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### 3.0 Buy BC Procurement Processes

Ministries often outsource goods and services when internal expertise or services are not available. We considered whether the Ministry’s procurement practices align with the Government’s procurement framework, including the Core Policies and Procedures Manual (CPPM), and industry good practices.

The CPPM is a key Government policy document. It includes policies that enshrine the procurement principles established through the *Procurement Services Act*. These principles include accountability, transparency, competition, and value for money.

Buy BC relies on vendors to support its program delivery. We selected a sample of seven procurements conducted between 2018 and 2022. We then reviewed each procurement to assess alignment with government procurement policy and industry good practices.

We considered the key phases of the procurement lifecycle, excluding close out. Contracts were assessed based on their contract type primarily using CPPM Chapters 6 and 21 on Procurement and Government Transfers.

**Figure 3: Procurement Lifecycle**



Source: IAAS, adapted from the CPPM.

### 3.1 Procurement Framework

The CPPM is principle-based, and policy requirements are written broadly to focus on outcomes. This allows ministries to tailor procurements based on their needs. As a result, ministries should supplement documented policies and procedures with guidance and industry good practices to ensure a robust procurement process. Developing internal guidance and procurement training are important to maintain staff knowledge and skills.

We considered whether staff were supported by training, guidance, and feasible procurement timelines.

We found that the Ministry did not leverage existing guidance or training for Buy BC staff through Corporate Services for the Natural Resource or the broader public sector. Ministry staff generally completed procurements, in addition to their existing duties, under tight timelines.

The limited use of competitive procurements for Buy BC has also impacted the development of staff knowledge for key procurement phases. Providing training, guidance and adequate timelines can help ensure better outcomes when planning and executing procurements.

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#### Recommendation:

(6.a) The Ministry should provide adequate procurement guidance and training for staff.

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### 3.2 Procurement Planning

Contracts require a rationale for the procurement method used. Procurement planning includes identifying procurement needs and potential costs, as well as considering alternatives to procurement such as providing services through ministry staff.

The CPPM encourages open procurement processes that are competitive and transparent. Ministries may use a **direct award** process only where particular circumstances apply (see sidebar). In such cases, the procurement team must document the rationale in formal templates for approval.

A **direct award** process allows a ministry to select a vendor without a competitive process. The CPPM establishes clear requirements that must be justified to use a direct award, including:

- only one contractor is qualified or available;
- an unforeseen emergency exists, limiting a competitive process; or
- when a competitive process would impact security or public safety

All contracts reviewed were awarded through a direct award process. We found that the Ministry did not consistently:

- Include sufficient justification and documentation to support its rationale for a direct award;
- Clearly explain the procurement need;
- Assess whether services could be provided in-house; and
- Provide a rationale for estimating the contract value.

The Ministry has used a direct award process for approximately 90% of Buy BC contracts awarded. This includes the seven contracts sampled. Long-term planning for the program could better support effective procurement practices. Overall, we found that the Ministry's use of direct award contracts means that procurements may not be achieving meeting Government's procurement principles.

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### **Recommendation:**

(6.b) The Ministry should support procurements with well-documented planning activities and analysis.

(6.c) The Ministry should ensure Direct Award contracts include appropriate rationale, evidence, and disclosure.

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## **3.3 Contract Management**

### *Contract Development*

During contract development, ministries select a vendor, and negotiate contract provisions. Contracts should include key deliverables and be approved by appropriate personnel.

We found that awarded contracts applied the correct templates, included key requirements, and were approved by the appropriate personnel. In some cases, we found that the Ministry did not clearly define vendor deliverables. Clearly identifying deliverables for vendors will strengthen Ministry contract management processes.

## Vendor Management

Vendor management includes active and documented monitoring of vendor financial and performance outputs. This includes receiving and verifying the quality of contract outputs and monitoring contract progress and vendor performance.

We found that contracts reviewed were generally fulfilled by the contractor. Additionally, payments were approved by a relevant **expense authority**.

An **expense authority** is a ministry staff member who has delegated authority to approve accounts and expenditures, including procurements.

We identified some areas where Ministry processes could be strengthened. For example, we found instances where:

- Vendor activities began before contract sign-off;
- Contract payments were not appropriately tied to the amount, or stage of work that had been completed;
- Vendors did not have the appropriate insurance policies in place; and
- Monitoring of vendor performance could be improved. Some contracts did not include formalized check-in points with contractors as a mechanism to provide feedback as contracts progressed.

The Ministry can better track and report on vendor performance. This can be done by clearly defining and actively evaluating vendor performance.

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### Recommendation:

(6.d) The Ministry should include clear and measurable indicators in contracts.

(6.e) The Ministry should effectively monitor performance of vendors and financial data.

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## Appendix A - Summary of Recommendations

1	The Ministry should formalize a strategy that incorporates monitoring, evaluation and reporting for Buy BC and other agriculture and food programs, and is aligned with key ministry agriculture and food objectives.
2	The Ministry should establish a governance framework to help support, coordinate and monitor Buy BC and other agriculture and programs.
3	The Ministry should establish a multi-year plan for the Buy BC Program with clear goals and performance metrics that align with program and Ministry food and agriculture objectives.
4	The Ministry should regularly monitor and report on Buy BC initiatives to ensure objectives are being met.
5	The Ministry should coordinate with Government Communications & Public Engagement, within the Ministry of Finance, to create a marketing plan that aligns with Buy BC objectives and includes annual evaluation.
6	<p>The Ministry should ensure that all procurements align with relevant requirements of the Core Policies and Procedures Manual, including:</p> <ul style="list-style-type: none"> <li>a) Adequate procurement guidance and training for staff</li> <li>b) Well-documented planning activities and analysis</li> <li>c) Appropriate rationale, evidence, and disclosure of direct award contracts</li> <li>d) Clear and measurable indicators in contracts</li> <li>e) Performance monitoring of vendors and financial data.</li> </ul>

## Appendix B - Abbreviations

Buy BC or Program	The Buy BC Program
CPPM	Core Policy and Procedures Manual
GCPE	Government Communications & Public Engagement
Government	Government of British Columbia
IAAS	Internal Audit & Advisory Services
Ministry	Ministry of Agriculture and Food
Partnership Program	Buy BC Partnership Program