



## ADMINISTRATIVE REPORT

Report Date: May 7, 2019  
Contact: Magnus Enfeldt  
Contact No.: 604.871.6268  
RTS No.: 13156  
VanRIMS No.: 08-2000-20  
Meeting Date: May 28, 2019

TO: Vancouver City Council  
FROM: Deputy City Manager  
SUBJECT: Report Back on Proposed Amendments to City Sponsorship Policy

### **RECOMMENDATION**

- A. THAT Council receive this report for information as a follow up to the Administrative Report dated March 2, 2019, entitled "City Sponsorship Policy" considered by Council on April 2, 2019, and attached as Appendix 1.
- B. THAT Council approve the City Sponsorship Policy recommended in the Administrative Report referenced in A, above.
- C. THAT, in order to align with the City Sponsorship Policy, Council approve the consequential amendments highlighted or set out in the Procurement Policy and Operating Budget Policy recommended in Administrative Report dated March 2, 2019, entitled "City Sponsorship Policy".
- D. THAT, if Council approves Recommendations A through C:
  - i. The attached City Sponsorship Policy and amendments to the Procurement Policy and Operating Budget Policy (the "Policies" are effective immediately;
  - ii. The Deputy City Manager provide copies of the Policies to the Park Board, Police Board, Library Board and the City's affiliates for consideration;
  - iii. The City Manager, Director of Finance, and City Solicitor be authorized to make all such administrative amendments and modifications as are considered appropriate from time to time, to incorporate the policies of the Library, Police, Park Board and City Affiliates that may be adopted by

them from time to time to better align with the City's Policies, and any other elements of the Policies other than the elements which legally delegate authority reserved to Council from Council to Staff.

- E. THAT staff provide a report back to Council including a list of participants and the impact of the City Sponsorship Policy in Q2 2020.

### ***REPORT SUMMARY***

On April 2, 2019, Council considered a report from staff that recommended adoption of a City Sponsorship Policy. At that meeting, Council directed staff to provide additional information regarding the impact of proposed amendments to the Policy. This report provides further clarification of the Sponsorship Policy as initially recommended by staff and addresses Council's request for an assessment of the proposed amendments.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

In 1995, the Vancouver Board of Parks and Recreation adopted Sponsorship Guidelines governing corporate participation in programs, events and activities. There were also guidelines put in place for the naming of parks.

In 1996, City Council deferred entering into a major City sponsorship program, pending a review of sponsorship experience through Park Board and Library Board sponsorship initiatives.

In 1997, City Council approved the guiding principles and implementation of a City sponsorship program for revenue generation opportunities and the acquisition of goods and services. A City sponsorship program was not pursued. The guiding principles were not put into practice, and are not active today.

In 1998, Council approved corporate sponsorship for limited components of the street banner program. Further sponsorship opportunities were not pursued.

In 2003, the Library Board adopted a sponsorship policy including the naming of rooms within library buildings and in 2004, and approved related donor recognition guidelines.

In July 2005, Council approved the development of commercial and commemorative naming rights policies for City-owned buildings, including those operated by the City and those leased to non-profit tenants.

On November 2, 2006, Council approved the City's Naming Rights Policy, Civic Community Facilities.

On April 2, 2019, Council considered a draft City Sponsorship Policy, and referred the Policy back to staff to provide information on how pending amendments will affect the implementation of the proposed policy.

## **CITY MANAGER'S/GENERAL MANAGER'S COMMENTS**

The City Manager recommends approval of the foregoing.

### ***Background/Context***

On April 2, 2019, Council considered a City Sponsorship Policy that was developed by staff and recommended for adoption. Council referred the Policy back to staff to provide information regarding the implication of proposed amendments to Section 6.2 of the Policy.

Section 6.2 of the Policy as recommended by staff states that any person or party that engages in the following business is ineligible to be a Sponsor:

- a. producing, distributing or selling products and services that may be considered harmful to the health of the target audience such as gaming, tobacco, liquor or cannabis unless explicitly authorized by the City Manager, or
- b. manufacturing of armaments and weapons, or
- c. producing and selling pornography, or illegal sexual services, or
- d. any other categories as reasonably determined by the City Manager;

The proposed amendments to Section 6.2 would add the following business categories to the list of those ineligible to be a Sponsor:

- e. fossil fuel corporations;
- f. pharmaceutical corporations;
- g. large property owners, developers, organizations and corporations that stand to derive financial benefit from rezonings and/or dealing with the City.

This report provides clarity on the scope of the City Sponsorship Policy (Policy) as proposed by staff in the April 2, 2019 report to Council (RTS #12525) and responds to Council's request for information on potential impacts of Council's proposed amendments outlined in e through g above.

### ***Strategic Analysis***

#### ***1. Scope of Proposed City Sponsorship Policy***

The proposed Policy would apply to all City departments, except those with independent boards, which includes the Park Board, Police Board and Library Board. Departments with independent boards would receive the approved Policy for consideration to adopt in whole or in part.

Under the proposed Policy, City Assets available for sponsorship are defined as including include wholly-owned and operated City events, programs, services, and other assets that the City Manager deems appropriate. Examples include City events such as the Drum is Calling Festival hosted in 2017 as a signature event of Vancouver Commemorates Canada 150+, City programs such as the annual Neighbourhood Cleanup Party (formerly Keep Vancouver Spectacular), City awards, vehicles and equipment, publications, websites and other digital applications.

Third-party events taking place on City property, or third-party events, programs and services the City supports through grants or provision of City services would not be subject to the proposed Policy. Naming rights for City-owned real property and donations to the City would also be outside the scope of the proposed Policy. The table below provides an overview of naming rights, sponsorship and donations, and the area shaded in grey illustrates the limited scope of the proposed Policy.

Naming Rights Real Property	Donations or Gifts to the City	Sponsorship of Third Party owned Events, Programs and Services	Sponsorship of City owned Events, Programs, Services
Naming rights of buildings or places in exchange for money or goods and/or services	Money, goods and/or services given without any expectation of benefits in return	Money, goods and/or services given without any expectation of benefits in return	Marketing rights in exchange for money or goods and / or services
<p><b>Examples:</b>  <i>West Coast Reduction Stage at the York Theatre</i></p> <p><i>BMO Theatre Centre</i></p> <p><i>Rogers Arena</i></p> <p><i>Telus World of Science</i></p> <p><i>VanCity Culture Lab at the Vancouver East Cultural Centre</i></p>	<p><b>Examples:</b>  <i>Sonder donation to the City to refurbish non-market housing in Vancouver</i></p> <p><i>BC Gay and Lesbian Archives (BCGLA), a collection established and maintained since 1976 by Ron Dutton, an active, long-time member of the Vancouver LGBTQ2+ community has been donated to the City of Vancouver Archives.</i></p> <p><i>Private cash donation to support development of Temporary Modular Housing at 220 Terminal Ave.</i></p> <p><i>Postmedia donated Vancouver Sun and Province photographic negatives collection to the City Archives</i></p>	<p><b>Examples:</b>  <i>Vancouver Pride Parade and Festival</i></p> <p><i>Italian Days on the Drive Honda Celebration of Lights</i></p> <p><i>Kiwassa Neighbourhood House Eastside Teen &amp; Youth Programs</i></p>	<p><b>Examples:</b>  <i>Neighbourhood Cleanup Program Sponsored by Glad, Pattison, Breakfast Television, Oceanwise and WWF, Tourism Vancouver, VPD and Call2Recycle</i></p> <p><i>City hosted Welcome Reception for the FCM 2013 Annual Conference and Tradeshow sponsored by Egg Farmers of Canada and Port of Vancouver</i></p> <p><i>The Drum is Calling Festival's volunteer program sponsored by Tim Hortons</i></p>

**2. Alignment of Recommended Policy with other Canadian Municipal Jurisdictions**

*a. Excluded businesses*

The Policy as proposed by staff is well aligned with other Canadian municipal jurisdictions regarding business categories ineligible to sponsor City Assets. The following table provides a list of typical ineligible business categories or exclusions in Canadian municipal sponsorship policies, and how Vancouver’s proposed Policy compares.

Research did not find any other jurisdiction that explicitly prohibits sponsorship by fossil fuel and pharmaceutical corporations, large property owners, developers or corporations that stand to derive financial benefit from rezonings and/or dealings with the City.

Exclusions	City of Vancouver	# of municipalities with same exclusions
Production, distribution or selling products harmful to health	√	3
Tobacco	√	10
Pornography/Sexual Services	√	7
Weapons/Life Threatening Products	√	7
Terrorism/Religion/Politics	√	4
Fossil Fuels	Proposed by Council	0
Pharmaceuticals	Proposed by Council	0
Large property owners, developers or corporations that stand to derive financial benefit from rezonings.	Proposed by Council	0

*b. Threshold for Council Approval of Sponsorship Proposals*

Staff proposed to align the threshold for Council approval of sponsorships with the threshold set out the City’s Procurement Policy, giving Council approval authority on all sponsorship agreements \$2M and over. Across Canada, there was a wide variation in requirements for Council approval of sponsorship agreements. The table below illustrates the range of dollar values that require approval by city councils across the country.

Canadian Cities	Council Approval Required Sponsorship Value
Aurora	Council approval required on all sponsorship agreements
Brampton, Coquitlam, Kitchener Windsor, Peterborough, Oshawa,	>\$100,000 - >\$175,000
Toronto, Kelowna	>\$500,000
City of Vancouver	>\$2 M
Milton, Ottawa, Vaughn, Winnipeg, Calgary*	Council approval not required on sponsorship agreements *Calgary: staff to report sponsorships >\$100,000 to Council annually

**3. Impact of Additional Categories of Ineligible Businesses**

It is not possible to predict with any certainty the future impact of excluding “fossil fuel corporations, pharmaceutical corporations, large property owners and other corporations that could derive financial benefit from rezonings” from sponsoring City events, services and programs. However, by specifying such broad and overarching exclusions, staff believe there is a reasonable likelihood that the City would forego opportunities to partner with corporations deemed ineligible without the necessary discovery sessions to explore fit and strategic business alliance. Staff note, for example, that many corporations that otherwise would be potential prospects for sponsorship agreements with the City of Vancouver own property.

It is also possible that the City could miss opportunities to form partnerships that encourage business practices that better align with the City’s values, goals and objectives. For example, a fossil fuel company may be interested to sponsor a City

project aimed at reducing greenhouse gas emissions and increasing investment in energy efficiency.

The proposed condition excluding parties that could derive a financial benefit from rezoning would be particularly difficult for staff to apply in practice. Beyond the developer and owner, the rezoning of a particular property typically generates benefits for parties in many industries, including financial institutions, construction firms and professional service providers.

On April 25, 2019, Council received a letter from the Chair of the Vancouver Public Library Board addressing the proposed amendment to the Sponsorship Policy as recommended by staff. While the Library Board is independent of Council and has authority to establish its own policy in this regard, the Chair's letter expresses concern regarding the impact of the expanded restrictions if applied by the VPL and notes that \$10M of \$13M in donations collected by the VPL Foundation were received from sources that would be ineligible to enter into a sponsorship agreement with the City pursuant to the amended Sponsorship Policy.

### ***Financial***

The Policy is expected to create a financial benefit to the City over the long term.

The Policy proposed by staff is intended to create a framework for City to ensure consistency and alignment between departments, standardizes requirements etc. Pending adoption of a Sponsorship Policy or other direction from Council, staff will continue with the current practices with regard to the acceptance of sponsorships for City programs and events.

## **CONCLUSION**

The City Sponsorship Policy as recommended to Council on April 2, 2019 aligns with best practice and would ensure consistency between departments and provide clear authorization for staff to pursue sponsorship opportunities that both align with City objectives and deliver financial benefits to City-owned events, services and programs.

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**ADMINISTRATIVE REPORT**

Report Date: March 2, 2019  
Contact: Magnus Enfeldt  
Contact No.: 604.871.6268  
RTS No.: 12525  
VanRIMS No.: 08-2000-20  
Meeting Date: April 2, 2019

TO: Vancouver City Council  
FROM: Deputy City Manager  
SUBJECT: City Sponsorship Policy

**RECOMMENDATION**

- A. THAT Council approve the City Sponsorship Policy attached as Appendix A.
- B. THAT, in order to align with the City Sponsorship Policy, Council approve the consequential amendments highlighted or set out in:
  - i. the Procurement Policy attached as Appendix B; and
  - ii. the Operating Budget Policy attached as Appendix C.
- C. THAT, if Council approves Recommendations A and B,
  - i. The attached City Sponsorship Policy and amendments to the Procurement Policy and Operating Budget Policy (the "Policies") are effective immediately;
  - ii. The Deputy City Manager provide copies of the Policies to the Park Board, Police Board, Library Board and the City's affiliates for consideration;
  - iii. The City Manager, Director of Finance, and City Solicitor be authorized to make all such administrative amendments and modifications as are considered appropriate from time to time to the Policies to reflect changes in organizational structure or staff titles, to incorporate the policies of the Library, Police, Park Board and City Affiliates that may be adopted by them from time to time to better align with the City's Policies, and any other elements of the Policies other than the elements which legally delegate authority reserved to Council from Council to staff.

## **REPORT SUMMARY**

This report recommends approval of the Policies set out in this report.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

In 1995, the Vancouver Board of Parks and Recreation adopted Sponsorship Guidelines governing corporate participation in programs, events and activities. There were also guidelines put in place for the naming of parks.

In 1996, City Council deferred entering into a major City sponsorship program, pending a review of sponsorship experience through Park Board and Library Board sponsorship initiatives.

In 1997, City Council approved the guiding principles and implementation of a City sponsorship program for revenue generation opportunities and the acquisition of goods and services. A City sponsorship program was not pursued. The guiding principles were not put into practice, and are not active today.

In 1998, Council approved corporate sponsorship for limited components of the street banner program. Further sponsorship opportunities were not pursued

In 2003, the Library Board adopted a sponsorship policy including the naming of rooms within library buildings and in 2004, and approved related donor recognition guidelines.

In July 2005, Council approved the development of commercial and commemorative naming rights policies for City-owned buildings, including those operated by the City and those leased to non-profit tenants.

On November 2, 2006, Council approved the City's Naming Rights Policy, Civic Community Facilities.

## **CITY MANAGER'S/GENERAL MANAGER'S COMMENTS**

The City Manager recommends approval of the foregoing.

## **REPORT**

### ***Background/Context***

In 2006, Council approved a Naming Rights Policy for Civic Community Facilities. That policy remains in effect. The Naming Rights Policy allows for corporate naming of City-owned buildings, operated by either the City or by a non-profit group, in exchange for money.

However, no policies exist to guide acceptance of sponsorship of other marketable City assets such as City personal property, events, programs and services. Despite the lack of formal policy, over the past number of years the City has accepted —on an



event-by-event basis—sponsorship for selected events and programs. Expanded sponsorship and commercial naming rights opportunities are a potential source of additional non-tax revenue for the City.

The purpose of this report is to seek Council's approval of the recommended Sponsorship Policy (and consequential amendments to the Procurement Policy and Operating Budget Policy) to establish a consistent, City-wide approach to accepting sponsorships for City events, programs, services and non-real estate assets.

Staff will also undertake a review of the Naming Rights Policy and report back to Council after further research, analysis and public engagement with any recommended amendments to that policy.

### ***Strategic Analysis***

Commencing in 2016, staff initiated a review of 1) the City's current sponsorship practices, 2) other Canadian municipalities' approach to sponsorship, and 3) public sentiment about municipalities seeking sponsorship as a way to generate revenue.

The review indicated that sponsorship is an acceptable practice in many municipal jurisdictions across Canada; and the public generally supports municipalities' practice of soliciting sponsorship to generate revenue.

#### **Current City Practices:**

At present, practices differ across departments, and there is no central point of contact for coordinating and facilitating sponsorship arrangements. Several departments have obtained sponsorships to offset costs for City-owned events, programs and services (100% funded, operated and produced).

Examples of City events and programs that have utilized sponsorship to offset costs include Birthday Live for Vancouver's 125<sup>th</sup> Birthday in 2011, City hosted events related to the 2013 Federation of Canadian Municipalities Conference and Tradeshow, the City's 2015 International Women's Day event, the Drum is Calling Festival hosted in 2017 as a signature event of Vancouver Commemorates Canada 150+, and the year-round Neighbourhood Cleanup Party, the City's volunteer-led litter pickup program. Sponsorships for these range from over \$800,000 for the Drum is Calling, which included cash, budget enhancement and value in kind support, to \$1500 in cash for the 2015 International Women's Day event.

#### **Scan of Municipal Approaches to Sponsorship:**

A scan of other Canadian municipalities revealed that cities across Canada are increasingly engaging in sponsorship as a way to generate revenue. A 2015 national benchmarking survey on municipal sponsorship and naming rights conducted by the Centre of Excellence in Public Sector Marketing showed that:

- 66% of Canadian municipalities surveyed were involved in corporate sponsorship
- 82% of those municipalities had a sponsorship policy

- Almost 1 in 2 municipalities had been engaged in corporate sponsorship for the preceding 5 years.

### **Public Sentiment:**

Staff research pointed to general public support of sponsorship of municipal activities, both in Vancouver and across Canada. A 2015 Consumer Sponsorship Ranking Survey revealed that 85% of individuals surveyed felt that companies should be able to sponsor public spaces; however, 75% felt that sponsorship should not result in, or be perceived to result in, a competitive advantage, benefit or preferential treatment for the sponsor outside of the sponsorship agreement.

The City of Vancouver's own Talk Vancouver survey on the Signage Bylaw in 2016 showed that 73% of respondents agreed that sponsorship is an effective way for the City to offset costs of services and programs.

### **Guiding Principles for Sponsorship**

Based on research of other municipal government sponsorship programs, policies and best practices, staff developed the following set of principles to guide the sponsorship policy:

- Sponsorship shall be used to advance Council priorities and support City events, programs, services and assets. Sponsorship revenue shall replace funding for events, programs, services and assets, thus reducing the impact to the taxpayer, or enable activities not possible without external funding.
- Sponsorship sales must be approached in a manner that protects the reputation, integrity and aesthetic standards of the City and its assets.
- Sponsorship must align with the City brand, events, programs, services and assets, and the sponsor must ensure its sponsorship marketing is appropriate for the citizens of Vancouver.
- Sponsorship shall be pursued in a transparent and objective manner, and must not result in, or be perceived to result in, a competitive advantage, benefit or preferential treatment for the sponsor outside of the sponsorship agreement.
- Sponsorship must not create conflicts of any appearance of a conflict of interest, nor ongoing obligations (financial or otherwise) beyond the terms of the agreement, nor interfere with existing contractual obligations.
- Rights and benefits to sponsors shall be proportionate to the size and scope of the sponsorship.
- Sponsorship agreements shall not be approved from organizations or individuals that could prove detrimental to the City's public image, such as those that engage in the business of:
  - Producing, distributing or selling products and services that may be considered harmful to the health of the target audience such as gaming, tobacco, liquor or cannabis unless explicitly authorized by the City Manager,
  - Manufacturing of armaments and weapons, or
  - Producing and selling pornography, or illegal sexual services, or
  - Any other categories as reasonably determined by the City Manager.

## **Approvals and Authority**

To support the application of the above principles, the proposed Sponsorship Policy outlines a process and levels of authority for committing to, and signing sponsorship agreements.

Only designated authorized staff will be permitted to commit, and sign sponsorship agreements. Such authorized staff will be determined by the level and type of solicitation being pursued to seek sponsorship; including:

- Competitive and Open Solicitation of Sponsorship Opportunities, and
- Non-Competitive Sponsorship Solicitation

### Competitive and Open Solicitation of Sponsorship Opportunities:

As a general rule, staff recommend the City follow a competitive and open solicitation process for sponsorship, which means that the City would go out to the market and invite sponsorship proposals from a range of potential partner organizations in support of a particular City asset, event, program or service. Authority to go out to market, and commit to proposals is proposed to align with the City's Procurement Policy (as set out in the proposed amendments to same in Appendix "B").

### Non-Competitive Sponsorship Solicitation:

There are two types of non-competitive sponsorship solicitation: Direct Sponsorship Solicitation, and Un-solicited Sponsorship Solicitation.

Direct Sponsorship Solicitation is an outcome of the City's ongoing work with a prospective sponsor to develop an alliance that results in a high-value sponsorship for the City. Direct solicited opportunities are proposed to be pre-approved as set out in Appendix "A", including demonstrating that the relationship is likely to achieve a significant sponsorship for the City.

Un-solicited Sponsorship Solicitation comes in the form of direct proposals that do not come through a competitive, open bid process, or through direct discussions with an organization specifically sought after by the City. These are proposed to be reviewed to determine if the proposal is with merit and deemed appropriate.

Non-competitive proposals will be reviewed and considered, but the City has no obligation to accept any of them. Non-competitive sponsorship solicitation is common practice, and consistent with the approach used in other jurisdictions. 87% of the Canadian municipal sponsorship policies reviewed permit non-competitive sponsorship proposals to be considered. Sponsorship marketing is unique in that the alignment of values and goals of the sponsor and sponsee is paramount to the success of the sponsorship, which cannot always be achieved through the open, competitive process.

The attached Appendix "B" sets out the proposed amendments to the Procurement Policy and the attached Appendix "C" sets out the proposed amendments to the Operating Budget Policy which would align them with the proposed new City Sponsorship Policy attached as Appendix "A", including a revision to clarify that non-competitive sponsorship proposals are to be dealt with by the City Sponsorship Policy,

competitive proposals are to be dealt with by the Procurement Policy and that revenue from sponsorships are to be dealt with by the Sponsorship Policy instead of the Operating Budget Policy.

***Legal***

As with the Procurement Policy, the proposed Sponsorship Policy will require that the City Solicitor develop and approve standardized templates for routine Competitively Procured Sponsorships, custom agreement for Non-Competitive Sponsorships, and provide negotiation and legal advice support to the Sponsorship Review Group and other specifically authorized staff so as to ensure compliance with the Sponsorship Policy.

***Financial***

There are no financial implications to approving the Policy. The Policy is expected to create a financial benefit to the City over the long-term.

**CONCLUSION**

In conclusion, the proposed Sponsorship Policy recommended in this report will better align the City with current best practices, ensure consistency and alignment between departments, standardize requirements, and empower City staff to pursue sponsorship opportunities that can bring long-term, sustainable financial benefits to City-owned events, services and programs.

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## City of Vancouver – Corporate Policy

<b>POLICY TITLE</b>	Sponsorship Policy	
<b>CATEGORY</b>	Council	<b>1.</b>
<b>POLICY NUMBER</b>	For City Clerk's Office use	<b>2.</b>
<b>POLICY OWNER</b>	City Manager's Office	<b>3.</b>
<b>ACCESS</b>	Internal only	<b>4.</b>

**1. LEGAL**

The *Vancouver Charter* (and *Police Act*, *Library Act*, and other applicable legislation) does not permit any employee or officer of the Vancouver Group to enter into Contracts for the Vancouver Group unless Council or the applicable Board has delegated such authority to such employee or officer in writing. The intent of this Policy is that it be approved by City Council, and referred to other members of the Vancouver Group for consideration so as to set out the extent of certain Vancouver Group employees' and officers' restricted legal authority to undertake the actions expressly authorized under this Policy.

**2. SCOPE**

Subject to the approvals and adoptions referred to in section 1 above, this Policy applies to the Vancouver Group. The Vancouver Police Board, Vancouver Park Board, Vancouver Public Library Board, and City Affiliates, will be provided with this Policy, and encouraged to adopt this Policy, or a policy comparable in spirit and intent.

This Policy applies only to City Assets. This Policy does not apply to City-owned real property or City supported assets owned by a third party, where the City provides funds to an outside organization through grants, funds or provision of City services.

This Policy applies to all Sponsorships where the Sponsor (such as businesses, not-for-profit organizations and individuals) agree to contribute, either financially or in-kind, to City Sponsorship opportunities in return for recognition, public acknowledgement, activations, or other promotional considerations specific to the sponsored City Asset. This Policy does not apply to the City's relationships with other government agencies.

**3. PURPOSE**

The City of Vancouver encourages Sponsorship as a means to profile corporate and community partners while providing the City with additional revenue and in-kind benefits to enhance City Assets and operations.

The purpose of this Policy is to create a Sponsorship framework that ensures the City's brand, values, image, policies, community commitments, City Assets and interests are safeguarded while increasing opportunities for corporate and community sponsorship. This Policy provides a systematic approach to soliciting, managing and reporting Sponsorships.

#### 4. ADMINISTRATION OF POLICY

The CMO, overseen by the City Manager, is the owner and administrator of this Policy. Except where separately authorized by Council, all Sponsorship activities are to be administered by the Sponsorship Review Group and the staff designated by them pursuant to this Policy.

#### 5. DEFINITIONS

In this Policy, the following terms have the following meanings. All other capitalized terms not otherwise defined have the meanings given to them in the Procurement Policy.

**Background/Ethical Scans** are a general search of a potential Sponsor's operations, background and reputation that is performed to determine if the Sponsor meets the requirements set out in this Policy, the principles of the Ethical Purchasing Policy and Supplier Code of Conduct.

**Best Value** has the meaning given in Section 9.3 (c) of this Policy.

**Chief Procurement Officer means the** person designated from time to time by the City Manager to oversee and lead Supply Chain on behalf of the Vancouver Group.

**City Manager:** The person appointed by Council pursuant to section 162A of the *Vancouver Charter* as the City Manager.

**City Solicitor:** The person appointed by Council as the City Solicitor.

**City Affiliates** means the following affiliates of the City of Vancouver: Vancouver Economic Commission, Vancouver Affordable Housing Agency Ltd., Vancouver Public Housing Corporation, Vancouver Civic Development Corporation, Harbour Park Development Corporation, The Hastings Institute Inc., and the Pacific National Exhibition.

**City Assets** are events, programs, services or other wholly-owned and operated City activity or asset which the City Manager approves as being appropriate to receive Sponsorships. Examples of other City activity or asset could include, but are not limited to vehicles, equipment, publications, websites and digital applications. For the purposes of this Policy, City Assets do not include City-owned real property, which are covered in the City's Naming Rights Policy.

**Competitively Procured Sponsorship** is a Sponsorship resulting from an open, transparent, and competitively procured call by the City for proposals or bids to an open field of potential candidates for Sponsorship conducted by the Chief Procurement Officer in accordance with the Procurement Policy.

**Department Head** means any of the following officials:

- (a) any General Manager, and
- (b) in the case of a City Affiliate, the CEO or such other director or officer of the affiliate who has been delegated signing authority for the applicable Sponsorship Agreement by the City Affiliate's board.

**Director of Finance:** The person appointed by Council pursuant to section 210 of the *Vancouver Charter* as the Director of Finance.

**Direct Solicited Sponsorship Proposals** are the result of ongoing discussions between a City representative authorized by the Sponsorship Review Group and a potential Sponsor where the potential Sponsor offers something unique and innovative to the City, where the sponsorship opportunity has a significant potential in terms of sponsorship value achievable through the nurturing of the relationship, and where the potential sponsor is closely aligned with the City's corporate and policy goals.

**General Manager:** The members of the City Leadership Team, including the City Manager, Deputy City Manager, City Engineer, Director of Finance, Chief Constable, Fire Chief, Chief Librarian, Park Board General Manager, City Solicitor, Chief Human Resources Officer, General Manager of Arts, Culture & Community Services, General Manager of Real Estate and Facilities Management, General Manager of Planning, Urban Design, and Sustainability, General Manager of Development, Buildings, and Licensing, and Director of Corporate Communications.

**Maximum Contract Term:** Means the maximum years (including all options to extend or rights of renewal) in respect of a Sponsorship Agreement.

**Non-Competitive Sponsorship Arrangements** involve either Un-Solicited Sponsorship Proposals or Direct Solicited Sponsorship Proposals.

**Permitted Sponsorship Sole Source** means a Non-Competitive Sponsorship Arrangement completed in accordance with this Policy.

**Sponsor** means the other party to a contract with the City for a Sponsorship.

**Sponsorship** is the relationship formed between the City and the Sponsor pursuant to a Sponsorship Agreement, whereby the Sponsor provides cash and/or in-kind services/benefits to the City in return for permitted use of association with the City Assets. These permitted uses may take the form of publicity, promotional activities, merchandising opportunities, etc.

Forms of Sponsorship include:

- Cash: A Sponsorship received in the form of money.
- In-kind: Goods and services of value to the City are received other than cash, provided always that the Chief Procurement Officer is satisfied that the provision of such goods and services is specifically related to the Sponsorship and therefore does not contravene the intent and effect of the Procurement Policy.
- A combination of the above

**Sponsorship Agreement** is the contract between the City and Sponsor setting out their respective rights and obligations in relation to the City Asset(s) and the Sponsorship.

**Sponsorship Manager** is a City staff member authorized in writing by the Sponsorship Review Group to manage and oversee one or more Sponsorships in accordance with this Policy.

**Sponsorship Review Group** is comprised of the Department Head of the department or entity responsible for managing the City Asset related to the Sponsorship, the Director of Finance, the Chief Procurement Officer and the City Manager.

**Sponsorship Generated Surplus** means Sponsorship cash receipts in excess of the approved budget for the sponsored City Asset as determined by the Director of Finance. In-Kind receipts will not be treated as Sponsorship Generated Surplus.

**Total Value** is the total amount of cash and the total fair market value of in-kind benefits to be received by the City as a result of the proposed Sponsorship. For the purposes of applying the Procurement Policy, Total Value will be deemed to replace “Total Price” as it is used in the Procurement Policy.

**Un-Solicited Sponsorship Proposal** means an un-solicited proposal received by the City independently of a public call for Sponsors. Un-Solicited Sponsorship Proposals are typically submitted by third parties wishing to obtain marketing rights related to City Assets.

**Vancouver Group** means the City of Vancouver, Vancouver Police Board, Vancouver Park Board, Vancouver Public Library Board, and City Affiliates.

## 6. POLICY STATEMENTS

### 1. General Delegation of Authority for Solicitation, Negotiation and Administration

- 1.1. Only those City staff (each, a “**Sponsorship Manager**”) expressly authorized from time to time by the Sponsorship Review Group are authorized to solicit, accept and negotiate Sponsorships, and only then in compliance with this Policy. Anything not expressly permitted under this Policy must be reported to and approved by Council before it can proceed.
- 1.2. Departments seeking to pursue Sponsorships with respect to City Assets not under their administration and management need the prior written approval of the General Manager who does administer and manage those City Assets.

### 2. Required Legal Terms and Conditions of Sponsorship Agreements

- 2.1. Sponsorship Agreements must be recorded on standardized templates with standard terms and conditions approved by the Chief Procurement Officer and City Solicitor. Any deviation from the standardized terms and conditions or any material deviation from the approved use of such documents requires prior review and approval of the City Solicitor.
- 2.2. All Sponsorship Agreements must be on terms that expressly confirm that the City does not endorse the products, services or ideas of any Sponsor, and that the City retains full ownership and control over the City Asset.
- 2.3. The Sponsorship Agreement must clearly outline and set out the limits of the rights in and to the City Assets being granted by the City to the Sponsor in exchange for cash and/or value in-kind. All rights being granted need to be time-limited and scope-limited within the parameters set out within this Policy.
- 2.4. Sponsorship Agreements will require the Sponsor to comply with the City’s Ethical Purchasing Policy, Supplier Code of Conduct, and, where applicable, the Procurement Policy.
- 2.5. Sponsorship Agreements will provide for a termination right by the City if a Sponsor breaches its obligations under it.
- 2.6. Sponsorship Agreements will require the Sponsor to comply with all applicable laws including, without limitation, any laws that govern sponsorship or advertising and any laws that govern privacy or freedom of information including the *Freedom of Information and Protection of Privacy Act* (British Columbia) and the *Personal Information Protection Act* (British Columbia).



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### 3. Required Business Terms and Conditions of Sponsorship Agreements

- 3.1. Rights and benefits to the Sponsor must be proportionate to the monetary value of the cash/in-kind benefits being provided to the City. This will be deemed to be the case where the Sponsorship is a Competitively Procured Sponsorship, at least two proposals have been received, and the proposed terms are approved in writing by the Department Head of the department or entity having management and administration of the applicable City Assets. Where a Non-Competitive Sponsorship Arrangement is being evaluated, adequacy of the arrangement must first be approved by the Sponsorship Review Group (or if there is urgency, the City Manager and Chief Procurement Officer).
- 3.2. No exclusivity rights are permitted to be granted in any Sponsorship Agreement unless their duration is no more than the Maximum Contract Term and the full nature, scope and duration of the proposed exclusivity rights are first reported to in detail to the Sponsorship Review Group and all affected Departments are consulted and concur on and support the report to the Sponsorship Review Group, and the Sponsorship Review Group approves in writing the proposed exclusivity rights.
- 3.3. All Sponsorships must be aligned with the City's corporate and policy goals.

### 4. Rules on the Application of Revenue

- 4.1. Sponsorship revenue (other than Sponsorship Generated Surplus) must be applied to the applicable City Asset.
- 4.2. Sponsorship Generated Surplus will be applied in one or more of the following ways as determined by the Sponsorship Review Group:
  - a. improving and enhancing the sponsored City Asset and, where applicable, audience experience of that City Asset;
  - b. servicing the overhead and administrative costs of the City's Sponsorship program; and/or
  - c. contributing to other City priorities.

### 5. Sponsorship Manager's Responsibilities on Ethics and Integrity for Sponsorships

- 5.1. Except where a decision or authority is expressly reserved to the Sponsorship Review Group or Council, Sponsorship Managers are responsible for ensuring that the Sponsorships solicited, negotiated and concluded by them comply with this Policy.
- 5.2. The Sponsorship Manager must conduct the Background/Ethical Scans on all prospective Sponsors proposing to provide a Total Value of more than \$10,000 and retain a record of the findings.
- 5.3. The Sponsorship Manager is responsible for ensuring that there is no conflict or appearance of a conflict of interest created by proposed Sponsorship, including without limitation and by way of example only, any conflict or appearance of a conflict with respect to any particular City employee or official, any existing contracts between the Sponsor and the City, any existing regulatory applications, enforcement proceedings, or other interactions between the City and the Sponsor. If the Sponsorship Manager has any concerns in this regard, they must request advice from the City Solicitor.

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- 5.4. The Sponsorship Manager must avoid any communications with prospective Sponsors that would create the impression that the City intends to provide ongoing benefits (financial or otherwise) for the Sponsor beyond the terms of the Sponsorship Agreement, or which could be construed as interfering with existing contractual obligations.
  - 5.5. The Sponsorship Manager is responsible for ensuring that each proposed Sponsorship does not unduly detract from the character, integrity, aesthetic quality or safety of the City Asset and does not unreasonably interfere with its enjoyment or use.
  - 5.6. Sponsorship Managers will not approve Sponsors that could prove detrimental to the City's public image. If the Sponsorship Manager has any concerns, they should obtain the prior written approval of the Sponsorship Review Group before proceeding.
  - 5.7. Pursuant to the Freedom of Information and Protection of Privacy Act, Sponsorship Managers are responsible for ensuring that the privacy of the City's confidential information as well as the personal information of the City's residents and businesses is protected from disclosure to prospective and actual Sponsors.
  - 5.8. While the Sponsorship Agreement will expressly prohibit this type of activity, Sponsorship Managers are responsible for monitoring and enforcing the Sponsorship Agreement so as to ensure that Sponsors do not breach the Sponsorship Agreement by implying that their products, services or ideas are endorsed by the City or by taking advantage of the benefits conferred under the Sponsorship Agreement to a greater degree than expressly granted by the Sponsorship Agreement.
6. Sponsor Eligibility and Restrictions
    - 6.1. The following types of Sponsors are not eligible for Sponsorships:
      - a. parties that are disqualified from doing business with the City due to ongoing litigation or prior litigation,
      - b. parties (or any of their known affiliates) known to have previously violated any
        - i. bylaw or policy of the City in any way,
        - ii. any criminal law
        - iii. the BC Human Rights Code, or
        - iv. any other laws of Canada,unless such violation is considered by the Sponsorship Review Group to be of a minor nature and not prejudicial to the City's and the public interest (for example a minor parking violation of the City's Street and Traffic By-law)
      - c. parties that are registered as local elector organizations, political parties, religious organizations, or public advocacy groups.

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- 6.2. Any person or party that engages in the following business is ineligible to be a Sponsor:
    - a. producing, distributing or selling products and services that may be considered harmful to the health of the target audience such as gaming, tobacco, liquor or cannabis unless explicitly authorized by the City Manager, or
    - b. manufacturing of armaments and weapons, or
    - c. producing and selling pornography, or illegal sexual services, or
    - d. any other categories as reasonably determined by the City Manager.
  - 6.3. The above eligibility restrictions may be reviewed at any time by the City Manager and be modified by the City Manager from time to time and at any time in the City Manager's sole discretion, and will take effect immediately upon being published on the City's web-site.
7. Rule on Procurement and Solicitation of Sponsorships
    - 7.1. As noted in the Definitions, there are three types of Sponsorship solicitation:
      - a. Competitively Procured Sponsorship Arrangements,
      - b. Un-Solicited Sponsorship Proposals, and
      - c. Direct Solicited Sponsorship Proposals.
    - 7.2. Competitively Procured Sponsorship Arrangements must be approved by the Department Head for the applicable City Asset and City Manager before being issued to the market by the Chief Procurement Officer in accordance with the Procurement Policy.
    - 7.3. Un-Solicited Sponsorship Proposals shall be reviewed by the applicable Sponsorship Manager and if deemed appropriate forwarded to the Sponsorship Review Group for review and, if acceptable, completed in accordance with Section 9 of this Policy.
    - 7.4. Direct Solicited Sponsorship Proposals must be pre-approved by the Sponsorship Review Group prior to commencement of discussion and then completed in accordance with Section 9 of this Policy.
  8. Principles of Competitive and Open Solicitation of Sponsorship Opportunities
    - 8.1. Wherever possible, Sponsorships will be solicited in an open, competitive and transparent manner in accordance with the Procurement Policy.
    - 8.2. Un-Solicited Sponsorship Proposals and Direct Solicited Sponsorship Proposals will generally be avoided if it is possible to conduct a Competitively Procured Sponsorship Arrangement.
    - 8.3. The solicitation, negotiation and administration of all Sponsorship Agreements are to be conducted in a transparent and objective manner by the Sponsorship Manager in consultation with the Chief Procurement Officer or by a third party agency contracted to solicit Sponsorship on the City's behalf, all in accordance with the Procurement Policy. The procurement of and contracting with third party agencies is governed by the City's Procurement Policy.

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## 9. Non-competitive Sponsorship Arrangements

- 9.1. Non-Competitive Sponsorship Arrangements, resulting from Un-solicited Sponsorship Proposals and Direct Solicited Proposals may be considered at any time, but the City has no obligation to accept any of them.
- 9.2. Direct Solicited Sponsorship Proposals may be pursued and considered as a Permitted Sponsorship Sole Source, if the Sponsorship Review Group determines they meet the following criteria:
  - a. The opportunity has a significant potential in terms of Total Value (in excess of \$250,000 but subject to change by the Sponsorship Review Group from time to time), and
  - b. The opportunity is aligned with the City's corporate and policy goals.
- 9.3. Un-solicited Sponsorship Proposals may be considered as a Permitted Sponsorship Sole Source, if the Sponsorship Review Group determines they meet the following criteria:
  - a. The opportunity is aligned with the City's corporate and policy goals;
  - b. The Un-solicited Sponsorship Proposal relates to a City Asset for which a set timeline is in place, and the timing of the Un-Solicited Sponsorship Proposal coincides with that timeline, and
  - c. The Sole Source provisions of Section 9.1(b) and (c) of the Procurement Policy are satisfied except that,
    - i. The Notice of Intent to Contract provisions do not apply and are replaced by the Notice of Intent to Contract provisions set out Section 9.4 of this Policy.
    - ii. "Total Price" will be read as "Total Value"
    - iii. "Contract" will be read as "Sponsorship Agreement"
    - iv. "Best Value" (for Sponsorships having a Total Value over the threshold in Section 9.1(c) of the Procurement Policy) will not be determined by the Chief Procurement Officer or City Solicitor but instead will be determined in accordance with Section 3.1 of this Policy
    - v. "Best Value" means the rights and benefits to the Sponsor must be proportionate to the Total Value being provided to the City as determined
      - for Total Value over the threshold in Section 9.1(c) of the Procurement Policy, by the Sponsorship Review Group or in the case of urgency by the City Manager and Chief Procurement Officer in accordance with Section 3.1 of this Policy, and
      - for Total Value under the threshold in Section 9.1(c), by the staff authorized to do so under that Section 9.1(c).

9.4. Prior to signing a Non-competitive Sponsorship Arrangement, a Notice of Intent to Contract is to be issued as soon as possible, with the goal of minimum 4 weeks prior to signing, on the BC Bid and/or City web-site, advertising the City's intent to enter into a contract without a public competitive procurement process. In situations where the Un-solicited or Direct Solicited Sponsorship Proposal is received with less than 4 weeks prior to the activation, the City may proceed with the proposal as long as the Notice of Intent to Contract is issued as soon as possible following the receipt of the proposal. If no complaints or concerns have been lodged in response to the Notice of Intent to Contract, this may be treated by the applicable authorized City staff as further support for the proposed Non-competitive Sponsorship Arrangement. Where there have been complaints or concerns lodged in response to the Notice of Intent to Contract, the applicable authorized City staff must be satisfied that such complaints or concerns do not warrant going out to a Competitively Procured Sponsorship Arrangement prior to proceeding with same.

10. A list of all Sponsors will be provided for public view on the City's website.

11. Commitment and Signing Authority of Sponsorship Agreements

11.1. Competitively Procured Sponsorship Arrangements:

Subject always to the requirements in Section 7.2 of this Policy on the authority to Call for a Competitively Procured Sponsorship Arrangement, the provisions of the Procurement Policy including Table 1 of the Procurement Policy will apply as follows:

"Total Price" will be read as "Total Value"

"Contract" will be read as "Sponsorship Agreement"

"Funding Authority" will be read as "authority to issue a Call pursuant to the Sponsorship Policy"

Non-Competitive Sponsorship Arrangements:

The Commitment Authority and Signing Authority for Non-Competitive Sponsorship Arrangements will not be governed by the Procurement Policy.

Commitment Authority is now delegated to the Sponsorship Review Group for all Non-Competitive Sponsorship Arrangements having a Total Value less than that of Contracts having a Total Price requiring Council approval under the Procurement Policy.

Signing Authority is now delegated to the Sponsorship Manager and City Solicitor for all Non-Competitive Sponsorship Arrangements having a Total Value less than that of Contracts having a Total Price requiring Council approval under the Procurement Policy.

With respect to any Extension, Change Order, or other matter delegated to staff under the Procurement Policy, the Chief Procurement Officer and City Solicitor will have such authority (in consultation with the Sponsorship Manager) with respect to such matters as they apply to any Non-Competitive Sponsorship Arrangement.

**12. Monitoring, Reviewing and Reporting**

- 12.1. Application of the City's Sponsorship Policy, and its financial and non-financial impacts on a City-wide level, will be monitored and reviewed by the Sponsorship Managers, who will annually report to the City Manager.
- 12.2. A list of all Sponsors currently under contract with the City shall be listed for public view by the City Manager on the City's website.
- 12.3. This Policy is to be reviewed by the City Manager or designate every two years and updated as required.
- 12.4. The City Manager, Director of Finance, and City Solicitor are authorized to make all such administrative amendments and modifications to the Policy as are considered appropriate from time to time to reflect changes in organizational structure or staff titles, to incorporate the policies of the Library, Police, Park Board and the City's affiliates that may be adopted by them from time to time to better align with the City's Policy, and any other elements of the Policy other than the elements which legally delegate authority reserved to Council from Council to City staff.

13. This Policy must be read and applied in conjunction with the following related policies:

- Procurement Policy – ADMIN -008
- Ethical Purchasing Policy – AF-014-01
- Supplier Code of Conduct
- City's Code of Conduct Policy – AE-028-1
- Budgets – Operating – ADMIN – 004
- Budgets – Capital – ADMIN - 005
- Visual Standards Guide

**7. APPROVAL HISTORY**

<b>Version 1 approved by:</b>	City Manager	Click here to enter a date.
	City Council	Click here to enter a date.

**8. Next review date**                      **4/2/2021**

<b>POLICY TITLE</b>	Procurement Policy
<b>CATEGORY</b>	Administrative
<b>POLICY NUMBER</b>	ADMIN-008
<b>LEGISLATION</b>	<i>Vancouver Charter, Police Act, Library Act</i> , and any laws of British Columbia or Canada ratifying and implementing Trade Agreements with public procurement provisions binding on the Vancouver Group
<b>POLICY OWNERS</b>	Finance, Risk & Supply Chain Management + Legal Services
<b>ACCESS</b>	Public/Internal

### 1. LEGAL

The *Vancouver Charter* (and *Police Act, Library Act*, and other applicable legislation) does not permit any employee or officer to purchase or enter into Contracts or dispose of anything owned by the Vancouver Group unless Council or the applicable Board has delegated such authority to such employee or officer in writing. The intent of this policy is that it be approved by Council and other members of the Vancouver Group so as to set out the extent of certain Vancouver Group employees' and officers' restricted legal authority to undertake the actions expressly authorized under this policy.

### 2. SCOPE

Subject to the approvals and adoptions referred to in section 1 above, this policy applies to the City of Vancouver, Vancouver Police Board, Vancouver Park Board, Vancouver Public Library Board, and City Affiliates (collectively, the "Vancouver Group").

### 3. PURPOSE

This policy sets out the requirements for the procurement of goods, services and construction as well as the disposition of surplus assets.

The Vancouver Group, in the performance of the duties and responsibilities assigned to it, must engage in the procurement of goods, services and construction. In order to achieve the maximum economy, efficiency, effectiveness, and sustainability (social, environmental & economic) in the performance of this function, the Vancouver Group has endorsed certain fundamental principles it considers applicable to public purchasing.

### 4. ADMINISTRATION OF POLICY

The Supply Chain Management (SCM) division of the Finance, Risk and Supply Chain Management group, overseen by the Chief Procurement Officer, is the owner and administrator of this policy. Except where separately authorized by a Department Head and City Solicitor, all procurement and disposition activities are to be administered by SCM.

## 5. ADMINISTRATION OF CONTRACTS

Following SCM's exercise of its primary authority over the Call, and where a Contract results from the Call, the Department Head will have the primary responsibility for proper administration and enforcement of the Contract, subject to the Legal Services Policy (where a legal enforcement step is required) and subject to this Procurement Policy (where any change to the Contract requires the approval of the Chief Procurement Officer).

## 6. TRANSACTIONS NOT SUBJECT TO THIS POLICY

The following Contracts and types of transactions are not covered by this policy (but may be governed by other applicable Council policies):

- Purchase of regulated tariffed services (eg. electricity, transmission portion of natural gas, cable, tariff portion of non-wireless telecommunications services);
- Grants or transfers to the City from other governmental authorities;
- Grants from the City to non-governmental third parties authorized by City Council;
- Tax rebates;
- Grants or donations to the City from non-governmental third parties;
- Grants, payments, or donations to the City from non-governmental third parties including agreements having as their primary purpose; sponsorships, naming rights, or event or sport hosting rights;
- Real property acquisitions (including leases, licences, purchases, easements, and rights of way);
- Real property dispositions where the disposition is not by way of a formal Invitation to Offer (ITO);
- Retaining external legal counsel and related experts (such as expert witnesses) in the course of providing legal advice to the Vancouver Group; and
- Library media including books.
- Non-Competitive Sponsorship Arrangements as defined in the Sponsorship Policy, except to the extent that the Sponsorship Policy expressly incorporates by reference this Policy into it.

## 7. DEFINITIONS/INTERPRETATION

### (a) Interpretation

- (i) All references in this policy to an employee, official, officer or other representative of the Vancouver Group is deemed to include any designate, deputy, or anyone else properly authorized in writing or by Council resolution to act in that person's position.
- (ii) Where a position title or name is changed following the adoption of this policy, due to a re-organization of the Vancouver Group's functions, or for any other reason, the City Manager will have the authority to amend this policy to reflect such change or re-organization.
- (iii) The City Manager will have the authority (in consultation with the Director of Finance, City Solicitor, and Chief Procurement Officer) to approve (in writing) any request from any Department Head for authority to sub-delegate any authority granted in this policy to a Department Head.



(b) Definitions - In this policy, the following terms have the following meanings:

**Award:** The decision by a Vancouver Group member (as authorized by this policy) to enter into a Contract.

**Best Value:** The optimal combination of Total Cost of Ownership, economic, environmental and social sustainability as determined in accordance with the specific criteria and weighting for each criterion established by the Vancouver Group for the applicable procurement and for Revenue-Generating Contracts and dispositions the highest Total Price after discounting for all applicable criteria being utilized for the Call, such as security for payment, risk of default, social and environmental factors, etc.

**Bid:** Depending on the type of Call, either (i) a legally binding tender or quotation which upon written acceptance by the Vancouver Group, automatically creates a Contract, or (ii) a non-binding quotation or proposal which forms a basis of a negotiated Contract, or (iii) any non-binding pre-qualification submission or expression of interest or request for information which may form the basis of a subsequent Call.

**Bid Committee:** The bid committee established under Section 12 of this policy.

**Bidder:** Any legal entity submitting a Bid in response to a Call.

**Call:** Any request or invitation by the Vancouver Group for a Bid (for example, requests for proposal, requests for expressions of interest, invitations to tender, invitations to quote, invitations to offer,

**Chief Constable:** The person appointed by the Vancouver Police Board as the Chief Constable pursuant to the *Police Act*.

**Chief Librarian:** The person appointed by the Vancouver Public Library Board as the Chief Librarian pursuant to the *Public Library Act*.

**Chief Procurement Officer:** The person designated from time to time by the City Manager to oversee and lead Supply Chain on behalf of the Vancouver Group.

**City Affiliates:** Means the following affiliates of the City of Vancouver, Vancouver Economic Commission, Vancouver Affordable Housing Agency Ltd., Vancouver Public Housing Corporation, Vancouver Civic Development Corporation, Harbour Park Development Corporation, The Hastings Institute Inc., and the Pacific National Exhibition.

**City Engineer:** The person appointed by Council pursuant to section 288 of the *Vancouver Charter* as the City Engineer.

**City Manager:** The person appointed by Council pursuant to section 162A of the *Vancouver Charter* as the City Manager.

**City Solicitor:** The person appointed by Council as the City Solicitor.

**Contract:** A Contract for the purchase by the Vancouver Group of goods, services or construction or for the disposition of assets by the Vancouver Group. For further certainty, a

Contract includes documents that create or modify or may create or modify legal rights and obligations:

- purchase order
- work order
- change order
- memorandum of understanding, letter of understanding, letter of intent, or similar
- standing offer
- supply arrangement
- notice or other communication to a prospective supplier prior to a Contract, including notice to award, conditional notice to award, notice or permission to proceed or start work prior to Award or Contract
- assignment or consent to assignment of a Contract
- security for performance of a Contract such as a letter of credit, bond, insurance, deposit, security interest, and other financial instruments,
- Sponsorship Agreements resulting from Competitively Procured Sponsorship Arrangements (both as defined in the Sponsorship Policy); and
- renewals, extensions, modifications or amendments to any of the above.

**Commitment Authority:** The authority to Award a Contract.

**Construction:** Construction, reconstruction, deconstruction, demolition, repair or renovation of a building, structure, infrastructure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure, infrastructure or other civil engineering or architectural work, but does not include professional consulting services related to the construction Contract unless they are included in the Contract (for example a design-build Contract).

**Co-operative Purchasing:** Procurement by the Vancouver Group in cooperation with other Public Sector Entities.

**Department Head:** Any of the following officials:

- (a) any General Manager, and
- (b) in the case of a City Affiliate, the CEO or such other director or officer of the affiliate who has been delegated signing authority for the applicable Contract by the City Affiliate's board.

**Department Manager:** An employee who reports to a Department Head where that Department Head has expressly delegated to that employee (or employee's position) the Commitment Authority referred to in Row 2 of Table 1 of this Procurement Policy.

**Department Director:** An employee who reports to a Department Head where that Department Head has expressly delegated to that employee (or employee's position) the Commitment Authority referred to in Row 3 of Table 1 of this Procurement Policy.

**Director of Finance:** The person appointed by Council pursuant to section 210 of the *Vancouver Charter* as the Director of Finance.

**Economic Sustainability:** Providing and enhancing the services, infrastructure and conditions that sustain healthy, diverse and resilient local economy in which businesses of all sizes, and their employees, can flourish.

**Equity-seeking demographic:** under-represented, marginalized and/or intersectional populations including but not limited to Women, Indigenous Peoples, Ethno-cultural People (minorities, newcomers, immigrants), persons with disabilities or LGBTQS+ people)

**Environmental Sustainability:** Protecting and enhancing the climate, ecology and natural resources for future generations through approaches that reduce carbon dependency, enhance energy resilience, conserve energy and resources and reduce waste and toxins.

**Extension:** Any extension or renewal or other amendment to a Contract which results in the Maximum Contract Term being lengthened (and “Extend” will have the analogous meaning).

**Fire Chief:** The person appointed by Council pursuant to section 309 of the *Vancouver Charter* as the City’s fire chief.

**Funding Authority:** Means that there is sufficient and authorized budget for the Contract anticipated by the Call and that the funding is confirmed and approved for expenditure:

- (a) with respect to the City of Vancouver and City Affiliates, in full compliance with the Capital Budget Policy (AF-003-04) and Operating Budget Policy (AF-003-04.1),
- (b) with respect to the other Vancouver Group members, in full compliance with their capital and operating budget policies, and
- (c) with respect to all Vancouver Group staff, in full compliance with the expenditure limits and controls outlined in the Expenditure Authority and Financial Control policy.

**General Manager:** The members of the City Leadership Team, including the City Manager, Deputy City Manager, City Engineer, Director of Finance, Chief Constable, Fire Chief, Chief Librarian, Park Board General Manager, City Solicitor, Chief Human Resources Officer, General Manager of Arts, Culture & Community Services, General Manager of Real Estate and Facilities Management, General Manager of Planning, Urban Design, and Sustainability, General Manager of Development, Buildings, and Licensing, and Director of Corporate Communications.

**ITO Real Estate Disposition:** A Call for Bids to purchase or lease Vancouver Group-owned real property where the Call potentially creates Contract “A” obligations on the City (or Board).

**Living Wage:** The hourly wage established by the Living Wage for Families Campaign from time to time, which includes: (i) direct wages; and (ii) the value of any non-mandatory benefits such as paid sick leave, employer-paid Medical Services Plan premiums and extended health benefits.

**Living Wage Employee:** Any and all employees of a vendor and subcontractors of vendors that perform services on a property owned by or leased to the City for at least one consecutive hour, but excluding Students, volunteers and employees of Social Enterprises.

**Maximum Contract Term:** Means the maximum years (including all options to extend or rights of renewal) in respect of a Contract as set by this policy.

**Park Board General Manager:** The person appointed as the General Manager of the Vancouver Park Board.

**Permitted Sole Source:** A sole source Contract of the type described in section 9.1 below.

**Person with Barriers to Employment:** a person who faces one or more circumstances (intersectional) that can lead to underemployment or unemployment or underrepresentation.

**Public Sector Entities:** Other municipal, regional, provincial, federal, or governmental authorities or entities carrying out a public function.

**Response:** The submission of a bid in response to a call.

**Revenue-Generating Contract:** Any Contract which requires or contemplates revenues derived from the Contract to be paid to the City.

**Signing Authority:** The authority to execute and deliver the Contract.

**Social Value Business:** shall mean a social or diverse business that has a recognized certification and/or is majority owned/controlled by a non-profit/charity, community, cooperative or equity-seeking demographic.

**Social Enterprise:** A social business that: (i) is owned/controlled by a non-profit organization or community services co-operative; (ii) is directly involved in the production and/or selling of goods and services for the combined purpose of generating income and achieving social, cultural, and/or environmental aims; and (iii) has a defined social and/or environmental mandate.

**Social Sustainability:** Cultivating and sustaining vibrant, creative, safe, inclusive, equitable and caring communities for the wide diversity of individuals and families who live in, work in and visit Vancouver and beyond.

**Solicitation:** The process of communicating the call to prospective bidders.

**Social Value:** Contributing positively to the health and well-being outcomes for individuals and communities by advancing reconciliation, diversity, inclusion and equity.

**Student:** An individual who is enrolled in a school, college, university or other educational institution and is employed by a vendor or a subcontractor of a vendor, as the case may be, to obtain practical workplace experience as a requirement of or credit for their education.

**Supply Chain:** The Supply Chain Management, Warehouse Operations, Inventory and Logistics division within the Finance, Risk & Supply Chain Management group of the City of Vancouver.

**Supply Chain Diversity (Supplier Diversity):** means increasing awareness, access, engagement and economic opportunities for social value businesses within procurement.

**Supply Chain Manager (SCM Manager):** The position within Supply Chain, designated by the Chief Procurement Officer to conduct and oversee procurement, warehousing and logistics activities on behalf of the Vancouver Group.

**Sustainability:** Meeting the social, environmental and economic needs of the present without compromising the ability of future generations to meet their needs.

**Total Price:** The estimated Total Price payable for all goods, services, and construction under the Contract over the entire term of the Contract (but not including options to purchase additional goods or services during the term which may or may not be exercised; nor including the value of goods, services and construction for any renewed optional Contract term, and not including any sales or other taxes payable). For Revenue-Generating Contracts, the estimated or anticipated gross revenue to be received by the City over the Maximum Contract Term. For dispositions or sales of assets, the estimated total price payable by the purchaser to the City for the asset.

**Total Cost of Ownership:** The direct social, environmental and financial costs and benefits to the City of products, construction and services during their acquisition, use and end-of-life phases (i.e. lifecycle costs) including factors such as transportation emissions, training, economic development impacts, energy consumption, disposal and other related costs after taking into account sustainability, reduced carbon dependency, and zero waste.

**Un-Solicited Proposals:** An un-solicited proposal received by the City independently of a Call. Un-Solicited Proposals are typically submitted by third parties wishing to sell certain goods or services to the Vancouver Group. For further certainty, a Non-Competitive Sponsorship Arrangement, as that term is defined in the Sponsorship Policy, is not an Un-Solicited Proposal for the purposes of this policy.

**Workforce Diversity (Employee Equity):** means improving the economic independence and capacity through wages, labour standards and diverse workplaces that are equitable, accessible and inclusive of all people

**Zero Carbon:** Eliminating the dependence on fossil fuels and minimizing the release of greenhouse gases by reducing energy demand and converting to renewable energy sources and low carbon fuels.

**Zero Waste:** Eliminating solid waste by reducing the demand for new goods and materials, reusing old goods, materials and component parts and recycling and composting remaining materials. Residual waste is minimal.

## 8. POLICY STATEMENTS

## 1 Goals

- 1.1 An open, transparent, competitive procurement process that:
- provides Best Value for the Vancouver Group and its citizens;
  - minimizes Total Cost of Ownership;
  - incorporates, sustainable and ethical procurement considerations as integral evaluation components considerations in supply selection;
  - applies leading practices; risk mitigation strategies and strong financial controls to the procurement process.
- 1.2 Ensure compliance with the City's policies and by-laws, the *Vancouver Charter*, *Police Act*, *Public Library Act*, collective agreements, inter-provincial, national, and international trade agreements that are binding on the City and all other provincial and federal laws and regulations that apply to the procurement of goods, services and construction.
- 1.3 Maximize Best Value and minimize Total Cost of Ownership by:
- 1.3.1. ensuring that the Vancouver Group utilizes Supply Chain to conduct all Calls and wherever possible avoid sole source Contracts and avoid Calls that do not utilize the expertise of Supply Chain,
- 1.3.2. ensuring that the terms of Contracts, and the frequency with which the Vancouver Group undertakes competitive Calls for each category of goods, services or construction is optimized to obtain Best Value and minimize Total Cost of Ownership.

## 2 References

- 2.1 This policy must be read and applied in conjunction with the following related policies:
- Operating Budget Policy;
  - Capital Budget Policy;
  - The Energy Efficiency Purchasing Policy ([AF-013-01](#))
  - The Ethical Purchasing Policy ([AF-014-01](#)) - demonstrates a commitment to ensure safe and healthy workplaces for the people who make products for the City, where human and civil rights are respected;
  - A Supplier Code of Conduct - sets the performance standards for the City's suppliers;
  - The Purchasing Card Policy and Procedure ([AF-010-01](#));
  - City's Code of Conduct Policy (AE-028-1); and
  - Sponsorship Policy (NTD: Policy number to be inserted)

## 3 City Solicitor Requirements

- 3.1 All Contract, Call, and Award documents, will be on standardized templates with standard terms and conditions approved by the City Solicitor. Any

deviation from the standardized terms and conditions or any material deviation from the approved use of such documents requires the prior review and approval of the City Solicitor.

**3.2** The concurrence of the City Solicitor is required on the Award of any Contract which has a Total Price in excess of \$2,000,000.

**3.3** Any continuous or repetitive series of Contracts that appear to be structured so as to avoid the approval requirements set out in this policy will be reviewed by the Chief Procurement Officer and reported to the City Solicitor.

#### **4 Competitive Bidding and Maximum Contract Term**

**4.1** *General Policy is Open, Public Competitive Procurement*

Except where otherwise permitted in this policy, the Vancouver Group will procure all Contracts through an open, public, competitive Call.

**4.2** *General Policy is to Limit Contract Term to Maximize Competitiveness*

In furtherance of Sections 1, 3.1 and 12, the Chief Procurement Officer will set the Maximum Contract Term for each Call, in consultation with the Department Head. For proposed Maximum Contract Terms of ten (10) years or greater, such terms will be approved by Bid Committee before Calls being issued by the Chief Procurement Officer. In the event of any disagreement, the Bid Committee will determine the Maximum Contract Term.

**4.3** *No Public Call on Purchases \$75,000 (\$200,000 for Construction) or Less*

The Chief Procurement Officer will endeavor to obtain three bids for Contracts that are expected to have a Total Price of no more than \$75,000 for goods and services and no more than \$200,000 for construction. The Chief Procurement Officer's office may obtain prices from internal price records or sources or solicit prices from known suppliers.

**4.4** *Public Calls on Purchases over \$75,000 (\$200,000 for Construction)*

The Chief Procurement Officer will endeavor to procure Contracts that are expected to have a Total Price of more than \$75,000 for goods and services and more than \$200,000 for construction through a public Call. Solicitation will be by way of posting the Call particulars through an electronic bidding system accessible to the general public. In addition to posting through the electronic means, local, regional, national, or international advertising may be carried out at the discretion of the Chief Procurement Officer where it is deemed appropriate.

#### **5 Call Issuance Authority and Commitment Authority Limits**

**5.1** Except where expressly granted under this policy **or the Sponsorship Policy**, only the Council or Board having jurisdiction has Commitment Authority, Signing Authority, or the authority to issue a Call.

- 5.2** Subject to Section 5.3, the Chief Procurement Officer has the exclusive authority to issue any Call once Funding Authority is established. However, for any Call that is designed to procure multiple Contracts (for example requests for standing offers, requests for applications, multiple vendors or split Awards) which are reasonably estimated to exceed \$750,000 in aggregate, such Calls will be approved by the Bid Committee before being issued by the Chief Procurement Officer with subsequent Commitment Authority and Signing Authority for each Award being authorized in accordance with Table 1.
- 5.3** Despite Section 5.2, the authority to issue any Call for a Sponsorship is governed by Section 7.2 of the Sponsorship Policy.
- 5.4** Each of the following members or committee of the Vancouver Group set out in Table 1 below has the following Commitment Authority, subject to the following conditions:
- The Contract does not exceed the Total Price indicated in Table 1 below for the member or committee.
  - The Contract term does not exceed the Maximum Contract Term.
  - There is Funding Authority for the Contract.
  - The member or committee or the Chief Procurement Officer has determined in good faith that the Contract represents Best Value to the Vancouver Group based on the criteria set out in the Call documents.
  - Where the Total Price is over \$2,000,000, the City Solicitor has concurred on the Award.

**Table 1 – Commitment Authority and Signing Authority**

<b>Total Price</b>	<b>Commitment Authority (Award to be Approved by All, not just one of the Named Below)</b>	<b>Signing Authority (Contract to be Signed by All - not Just one of the Below)</b>
Up to \$200,000	<ul style="list-style-type: none"> <li>• SCM Manager; and</li> <li>• Department Manager</li> </ul>	<ul style="list-style-type: none"> <li>• SCM Manager</li> </ul>
\$200,001 - \$500,000	<ul style="list-style-type: none"> <li>• SCM Manager; and</li> <li>• Department Director; and</li> <li>• Chief Procurement Officer</li> </ul>	<ul style="list-style-type: none"> <li>• SCM Manager; and</li> <li>• Chief Procurement Officer</li> </ul>
\$500,001 - \$750,000	<ul style="list-style-type: none"> <li>• SCM Manager; and</li> <li>• Department Head; and</li> <li>• Chief Procurement Officer</li> </ul>	<ul style="list-style-type: none"> <li>• SCM Manager; and</li> <li>• Department Head; and</li> <li>• Chief Procurement Officer</li> </ul>
\$750,001 - \$2,000,000	<ul style="list-style-type: none"> <li>• Bid Committee</li> </ul>	<ul style="list-style-type: none"> <li>• SCM Manager; and</li> <li>• Department Head; and</li> <li>• Chief Procurement Officer</li> </ul>
Greater than \$2,000,000	<ul style="list-style-type: none"> <li>• Council</li> </ul>	<ul style="list-style-type: none"> <li>• Department Head; and</li> <li>• Chief Procurement Officer; and</li> <li>• City Solicitor</li> </ul>



- 5.5 Awards that do not meet the criteria set out in Section 5.3 above must be approved by the City Manager if Total Price is \$750,000 or less and by Council if over \$750,000.

## 6 Signing Authority

- 6.1 Contracts that required the approval of the City Solicitor pursuant to Section 3 [City Solicitor Requirements] of this policy must be signed by the City Solicitor in addition to the authorized signatories referred to in Table 1 above.

## 7 Change Orders (and any Other Changes to Contracts)

- 7.1 This section sets out the limited authority to make any change to any Contract governed by this policy.

- 7.2 The authority set out in this section is separate and apart from Funding Authority restrictions on capital and operating budget transfers.

- 7.3 *Under Limit Changes* - Where a change to a Contract will increase the Total Price but not in excess of the Funding Authority and the change in Total Price will *not* exceed the materiality thresholds set out in Table 2 below (in the aggregate taking into account all prior changes), the change will be authorized if one of the following conditions are met:

The change is on a form or template

- (i) approved by the City Solicitor and then completed and approved to the satisfaction of the Chief Procurement Officer, or
- (ii) completed and approved in its completed form by the City Solicitor.

- 7.4. *Over Limit Changes* - Where a change to a Contract will increase the Total Price but not in excess of the Funding Authority and the change in Total Price *will* exceed the materiality thresholds set out in Table 2 below (in the aggregate taking into account all prior changes), the change will be authorized if the following conditions are met:

- (a) The change is on a form or template
  - (i) approved by the City Solicitor and then completed and approved to the satisfaction of the Chief Procurement Officer, or
  - (ii) completed and approved in its completed form by the City Solicitor,

and

- (b) The change document is approved and signed by the Vancouver Group person or body set out in Table 1 as having the requisite Commitment

Authority and Signing Authority for the change (except that “Total Price” is to be read as “change in Total Price” for the purposes of this section).

**Table 2 – Materiality Thresholds**

<b>Original Total Price</b>	<b>Materiality Thresholds</b>
Under \$500,000	15% of original Total Price
\$500,000 or More	10% of original Total Price

7.5. *Limits are Cumulative* - The above materiality thresholds are cumulative and apply to all changes to the Total Price over the term of the Contract and not merely to each individual change.

7.6. *Over Funding Authority* - Changes to Contracts that increase the Total Price beyond the Funding Authority require further Funding Authority prior to being authorized under this section.

## **8 Contract Renewals / Extensions**

**8.1** Contracts may not be Extended past the Maximum Contract Term except in accordance with this section 8.

**8.2** Contracts may only be Extended where one of the following conditions are met:

(a) The Extension is a Permitted Sole Source.

(b) There is (or is about to be) a new Call for the goods or services being provided under the expiring Contract and the Extension is approved by the Chief Procurement Officer so as to provide time to complete the new Call.

## **9 General Exceptions to Competitive Process – Permitted Sole Source**

**9.1** Permitted Sole Source

Despite Section 4.1 above, competitive bidding is not required and a Contract may be sole sourced (“Permitted Sole Source”) if

(a) *Urgent Life & Safety Matter* - all of the following conditions have been met:

(i) the City Manager (if the Total Price exceeds \$500,000) or the Department Head (if the Total Price is not more than \$500,000) has determined that goods, services or construction are urgently required and bypassing the City’s competitive procurement process is, in the City Manager’s/Department Head’s determination, reasonably necessary to protect human, animal or plant life or health;

- 
- (ii) the Chief Procurement Officer has received written confirmation of the City Manager's/Department Head's determination in section i. above;
  - (iii) The Chief Procurement Officer posts (as soon as practical in the circumstances) a Notice of Contract on the City web-site or such other public forum as the Chief Procurement Officer may deem appropriate, advertising the City's decision to enter into a Contract without a public competitive procurement process
  - (iv) The form of Contract has been approved by the City Solicitor; and
  - (v) The Contract is approved and executed in accordance with Table 1 (Commitment Authority and Signing Authority) according to the Total Price of the sole source Contract, except that where the approving authority is City Council or Bid Committee, the Contract may instead be approved and signed by the City Manager and Chief Procurement Officer (if over \$500,000) or Department Head and Chief Procurement Officer (if not over \$500,000).
- (b) *Single-Supplier or Other Exigent Circumstances Precluding an Effective Competitive Procurement* all of the following conditions have been met:
- (i) The Chief Procurement Officer or City Solicitor has determined that the contemplated sole source will obtain Best Value for the Vancouver Group and will not violate any applicable trade agreement governing the Vancouver Group;
  - (ii) The Chief Procurement Officer has posted (for at least 14 days or such longer period as the Chief Procurement Officer considers appropriate in the circumstances) a Notice of Intent to Contract on the BC Bid and/or City web-site or such other public forum as the Chief Procurement Officer may deem appropriate, advertising the City's intent to enter into a contract without a public competitive procurement process (except where the contemplated sole source is of a confidential or privileged nature and disclosure could reasonably be expected to compromise Vancouver Group confidentiality, cause adverse economic consequences, or otherwise be contrary to the public interest);
  - (iii) No complaints or concerns have been lodged in response to the Notice of Intent to Contract referred to in Section 9.1(b) (or if there have been any such communications, the person or body referred to in Table 1 as having the requisite Commitment Authority has reviewed such communications and has authorized the sole source to proceed);

- (iv) The form of Contract has been approved by the City Solicitor; and
- (v) The Contract is approved and executed in accordance with Table 1 as to Commitment Authority and Signing Authority according to its Total Price;
- (c) Where the Total Price does not exceed \$10,000, the Contract is on a Law-approved template or otherwise approved by the City Solicitor, and the Chief Procurement Officer is satisfied that the Total Price is Best Value;
- (d) The purchase is of 'goods via auction', used goods or distress sale goods, the Chief Procurement Officer is satisfied that the Total Price is Best Value, the terms of the Contract have been approved by the City Solicitor, and the Contract has been approved and executed in accordance with Table 1 as to Commitment Authority and Signing Authority according to its Total Price; or
- (e) The sole source purchase is made by a Vancouver Group employee using an employee credit card in strict accordance with the Vancouver Group's policy on the use of such credit cards. See the Corporate Purchasing Cards Policy ([AF-010-01](#)).
- (f) The sole source is a Permitted Sponsorship Sole Source as defined in the Sponsorship Policy.

## **10 Monitoring, Review and Reporting**

- 10.1** Application of the City's Procurement Policy will be monitored and reviewed by the Chief Procurement Officer, who will annually report to the Corporate Leadership Team and City Council on the procurement activities of the Vancouver Group for the previous year.

## **11 Sustainable and Ethical Procurement**

- 11.1** Sustainable and Ethical Procurement aligns the Vancouver Group's overall approach to procurement with its Corporate Long-Term Priorities and outcomes related to people, prosperity and the environment as expressed in the Corporate Strategic Business Plan.
- 11.2** The Vancouver Group intends to formally recognize and reward within the supplier selection process excellence and innovation among suppliers who demonstrate leadership in sustainability, environmental stewardship, enhancing social value, diversity and fair labour practices.
- 11.3** The Vancouver Group is committed to safe and ethical workplaces, where human and civil rights are respected. The Vancouver Group will endeavor to ensure that all its suppliers meet and where possible, exceed the performance standards outlined in the Supplier Code of Conduct.

- 11.4** The Vancouver Group is committed to maximizing environmental and social benefits and minimizing costs to the Vancouver Group through product and service selection. The Vancouver Group will set minimum specifications for goods and services that achieve environmental benefits such as Zero Carbon, Zero Waste, water and resource conservation, reduced toxicity, pollution and other environmental attributes; as well as social benefits such as employment for people with barriers to employment and support for diverse and social businesses. Minimum specifications for key product and services categories will be maintained and updated.
- 11.5** The Vancouver Group will use, where appropriate, an evaluation model that incorporates the Total Cost of Ownership of products and services including environmental, social and economic costs and benefits (where reasonably quantifiable). These costs will be factored into the vendor pricing, evaluation and selection process.
- 11.6** The Vancouver Group will give preference where feasible, to products and services that represent a non-carbon alternative, are carbon neutral or that minimize greenhouse gas emissions and thereby contribute to reducing the carbon footprint of the Vancouver Group.
- 11.7** The Vancouver Group will work collaboratively with suppliers to improve the environmental performance and positive social benefits of products and services and ensure compliance with the Vancouver Group's Supplier Code of Conduct.
- 11.8** The Vancouver Group will select suppliers based on best value both in terms of the supplier's overall social and environmental performance and the social and environmental attributes of the goods and/or services. Efforts to reduce the overall environmental impacts of their operations, create positive social value and inclusion in the community above and beyond the minimum requirements of this policy and the Supplier Code of Conduct will be taken into consideration.
- 11.9** Within the limits set out by applicable trade and investment legislation, and the Vancouver Charter, the Vancouver Group will seek to identify procurement opportunities that support the development of an environmentally and socially sustainable local economy. The Vancouver Group will actively work with the supplier community and economic development agencies to identify and capitalize on such opportunities and catalyze industry relationships through hosting supplier forums, creating opportunities for dialogue with existing and potential suppliers and related outreach programs.
- 11.10** Where opportunities exist, the Vancouver Group will work with other organizations (e.g. municipalities) on monitoring and verification processes to ensure suppliers adhere to all applicable legal requirements and trade agreements.
- 11A** Living Wage

11A.1 This Section 11.A shall apply to service Contracts where:

- the estimated annual value of the Contract is greater than \$250,000;
- the services are to be performed on properties owned by or leased to the City, including all streets, sidewalks and other public rights of way; and
- the services are provided on a regular, ongoing basis and the contractor is expected to perform the services for greater than 120 hours per year of the Contract,

but shall exclude:

- emergency or non-recurring repairs or maintenance services where no standing Contract is in place;
- services performed by organizations pursuant to a lease of City property; and
- Contracts with social enterprises.

11A.2 The Chief Purchasing Official shall ensure that all Contracts that meet the criteria set out in Section 11A.1 require the contractor to:

- i. pay no less than the Living Wage to all Living Wage Employees
- ii. provide the City with sufficient audit rights to confirm compliance with Section 11A.2(i); and
- iii. ensure that the requirements of section 11A.20 and 11A.2i also apply to any of the contractor's subcontractors.

11A.3 Any exception to this Section 11A must be approved in writing by the General Manager of Finance following a request from the Chief Purchasing Official.

## **12 Bid Committee/Chief Procurement Officer**

### **12.1 Establishment of the Bid Committee**

The Bid Committee will be established which will consist of the following representation:

- (a) The City Manager
- (b) The Director of Finance
- (c) Any Department Head whose budget will be totally or partially funding the recommended Award that is before the Committee at any given meeting (in this Section 12 a "Voting Department Head").

12.2. A Voting Department Head referred to in Subsection 12(c) is only entitled to vote in respect of an Award referred to in that Subsection 12(c).

12.3. A quorum of the Bid Committee will be two voting members.

12.4. All business and decisions of the Bid Committee will be posted on a publicly available source subject to the confidentiality provisions of the Call documents, the *Freedom of Information and Protection of Privacy Act*, and any other applicable law.

12.5. Authority of the Bid Committee

Subject always to the limits set out in Table 1 of section 5 above, the Bid Committee is authorized to make an Award of a Contract(s) in respect of a Call, if all of the following conditions are met:

- The Chief Procurement Officer, after consulting with the Voting Department Head(s) has recommended the Award in the report submitted as being in compliance with the terms of the Call;
- All voting members of the Bid Committee who are present at the meeting vote in favor of the Award.

12.6. Extended Authority of Bid Committee During Council Recess

Where an Award is required to be authorized by Council and is being considered for approval by Bid Committee at a time when Council is not scheduled to meet for another 4 weeks (as measured from the date the matter is brought to Bid Committee) such as for example (but without limitation) during the summer recess or winter holiday recess, the Bid Committee is authorized to make the Award on behalf of Council.

12.7. If the Bid Committee makes an Award under subsection 12.6, the Award will be reported by the Chief Procurement Officer to Council at the next scheduled Council meeting.

12.8. The Bid Committee will meet on an as needed basis to make Awards. Any Award may be referred to Council/Board at any time in the Bid Committee's sole discretion.

12.9. Chief Procurement Officer

The Chief Procurement Officer will have the authority and be responsible for:

- Determining, in accordance with policies and directives as may be adopted or provided from time to time by Council, the appropriate form and method by which all goods, services and construction will be procured and by which surplus assets will be disposed of on behalf of the City, including the form of any Call document or Contract (provided it is also approved by the City Solicitor), the circumstances and means for the pre-selection of goods and services, the pre-qualification of Bidders, and the delegation to any Vancouver Group member of any aspect of the procurement process.
- Compiling and maintaining a compendium of all policies adopted by the Vancouver Group from time to time affecting the procurement process and communicating such policies to Bidders and all staff involved in the procurement process.

- The solicitation of Bids for the acquisition of goods, services or construction; the disposition of surplus assets; as well as real property dispositions related to ITOs.
- Determining the method and scope of solicitation, including, without limitation, by public advertising, mailing invitations, posting notices, telecommunicated messages or any combination or all of these.
- Scheduling the place, date and time for the receipt and opening of Bids.
- Determining whether recommendations for an Award should appropriately go to the Bid Committee or Council or Board as the case may be and as determined by this policy.
- Reporting to the Bid Committee on all Bids where the Bid Committee has authority to make an Award.
- Providing advice and support to the Bid Committee.
- Reporting on, along with the Voting Department Head, all Bids which must be reported to Council or the appropriate Board.
- Generally monitoring, supervising and reporting to the City Leadership Team as required from time to time, on the procurement process.
- Acting on behalf of other public bodies when requested to do so by such bodies and where authorized by this policy or Council.
- Drafting and finalizing procedures and guidelines in respect of any aspect of the procurement process, including any of the listed responsibilities of the Chief Procurement Officer in this section, and ensuring appropriate communication of such procedures and directives to staff and to the public.
- Undertaking a comprehensive review of this policy and all policies affecting the procurement process every five years.

#### 12.10. Authority of Chief Procurement Officer to Pre-Select and to Pre-Qualify

The Chief Procurement Officer will be authorized to determine:

- The selection of specified equipment and materials, if required in the opinion of the Department Head, for incorporation in any Call; and
- In consultation with the Voting Department Head, those Bidders meeting the requirements of any pre-qualification Call as a basis for the issuance of any subsequent Call for the submission of Bids.

#### 12.11. Chief Procurement Officer and Opening of Responses

- Responses received by the Chief Procurement Officer in the location specified in the Call before the time stipulated for receipt will be opened by the Chief Procurement Officer or designate at the time and location specified in the Call, and the names of the Bidders will be recorded.
- The prices contained in Bids will also be recorded but only where deemed appropriate in the sole discretion of the Chief Procurement Officer.

#### 12.12. Cancellation of Calls

The Chief Procurement Officer will be authorized to cancel any Call (including those with respect to Sponsorships) where:



- (a) There is a request by the Voting Department Head and responses are greater than the Funding Authority for the Award in respect of the Call; or
- (b) In the opinion of the Chief Procurement Officer or the Voting Department Head:
  - (i) A change in the scope of work or specifications is required and therefore a new Call should be issued; or
  - (ii) The goods, services or construction to be provided by the Call no longer meet the Vancouver Group's requirements; or
- (c) In the opinion of the Chief Procurement Officer the integrity of the Call process has been compromised.

### **13 Surplus Asset Disposal**

- 13.1** If any materials or equipment owned by the Vancouver Group are declared by the Department Head having control over them to be surplus to present and future department requirements, and are declared by the Chief Procurement Officer to be surplus to present and future corporate requirements, the Chief Procurement Officer may either dispose of the materials or equipment by public auction or solicitation deemed appropriate by the Chief Procurement Officer in the circumstances.
- 13.2** Funds received for the disposal of surplus materials and equipment will be credited back to the Vancouver Group cost center where the asset originated from prior to being declared surplus.
- 13.3** In exceptional circumstances, surplus assets may be transferred gratuitously to a not-for-profit organization or public agency or sold at less than fair market value when, in the opinion of the Chief Procurement Officer, such action serves the public interest better than sale on the open market, provided always that the Contract transferring the asset is signed by the City Manager and City Solicitor.
- 13.4** Surplus assets will be segregated for reuse or recycling and those, which are classified as electronic waste, will be recycled according the appropriate governing guidelines for e-waste and in a manner that ensures that toxic products are not sent to landfill.

### **14 Co-operative Purchasing**

- 14.1** The Chief Procurement Officer may participate in Co-operative Purchasing.
- 14.2** All Call documents and Contracts relating to Co-operative Purchasing must be reviewed and approved by the City Solicitor prior to the Chief Procurement Officer participating in a Co-operative Purchasing process.
- 14.3** Subject to Sections 14.1 and 14.2, the provisions of this policy apply to the rights and obligations assumed by the Vancouver Group with respect to any Co-operative Purchasing process.

## 15 Un-Solicited Proposals

- 15.1** All Un-Solicited Proposals are to be forwarded to and reviewed by the Chief Procurement Officer.
- 15.2** The Chief Procurement Officer must review each Un-Solicited Proposal and assess same applying the following criteria:
- (a) The Un-Solicited Proposal appears to offer something unique or innovative that the Vancouver Group does not typically acquire by way a Call,
  - (b) The Un-Solicited Proposal appears to offers something that is aligned with the City's corporate and policy goals.
- 15.3** Where the Un-Solicited Proposal does not, in the Chief Procurement Officer's view, satisfy both of the criteria in section 15.2, it will be rejected and notice of same to the third party who submitted it will be issued by the Chief Procurement Officer.
- 15.4** Where the Un-Solicited Proposal does, in the Chief Procurement Officer's view, satisfy both of the criteria in section 15.2, it will be forwarded to the Department Head and / or an appropriate committee for comment and decision.
- 15.5** Upon receipt of a report pursuant to section 15.4, the Department Head and / or an appropriate committee will review and then decide to either:
- (a) Not pursue the proposal,
  - (b) Instruct the Chief Procurement Officer to issue a Call seeking market responses to the goods and services being offered,
  - (c) Instruct the Chief Procurement Officer to pursue the Un-Solicited Proposal as a Permitted Sole Source.

## 16 Real Estate Dispositions

- 16.1** Except as set out in this Section 16, this policy applies to all ITO Real Estate Dispositions, with all such changes as are necessary to apply this policy to a disposition as opposed to an acquisition.
- 16.2** Subject to Section 16.2, the Chief Procurement Officer will have sole conduct of the administration of all ITO Real Estate Dispositions from issuance of the Call document through to issuance of an Award.
- 16.3** The General manger of Real Estate will have sole conduct and responsibility for all ITO Real Estate Dispositions during all phases not referred to in Section 16.2. All Call documents (including the evaluation matrix) and Contracts relating to ITO Real Estate Dispositions must be

prepared, reviewed and approved by the City Solicitor and General Manager of Real Estate (or equivalent if an external Board) prior to submitting same to the Chief Procurement Officer.

- 16.4** The Chief Procurement Officer may be consulted on all aspects of the ITO Real Estate Disposition not referred to in Section 16.2 and must review and approve all Call documents (including the evaluation matrix) and Contracts upon receipt of same from the General Manager of Real Estate and City Solicitor.
- 16.5** Pursuant to the Vancouver Charter, Section 190 and related Council policy all ITO Real Estate Dispositions involving sales of real property in excess of \$400,000 must be approved by 2/3 vote of Council and all other ITO Real Estate Dispositions must be approved in accordance with this and any other related Council policy prior to issuance of the Call documents and prior to any Award.

## 9. RELATED POLICIES

<a href="#">AF-013-01</a>	Energy Efficiency Purchasing Policy
<a href="#">AF-014-01</a>	Ethical Purchasing Policy
<a href="#">AF-010-01</a>	Corporate Purchasing Cards Policy
ADMIN-____	Sponsorship Policy

## APPROVAL HISTORY

<b>ISSUED BY:</b>	Director of Finance	<b>APPROVED BY:</b>	Council	<b>DATE:</b>	2009/12/15
<b>AMENDED BY:</b>	Director of Finance	<b>APPROVED BY:</b>	Director of Finance	<b>DATE:</b>	2010/02/26
<b>AMENDED BY:</b>	Director of Supply Chain Management	<b>APPROVED BY:</b>	City Manager	<b>DATE:</b>	2010/06/08
<b>AMENDED BY:</b>	Director of Supply Chain Management	<b>APPROVED BY:</b>	Council	<b>DATE:</b>	2018/04/17

**APPENDIX “C”  
AMENDMENTS TO OPERATING BUDGET POLICY**

Section 3 – Definitions:

Add a new definition as follows:

**Sponsorship Revenue** means any and all monetary receipts generated from any Sponsorship Agreement (as defined in the Sponsorship Policy) and includes Sponsorship Generated Surplus (as defined in the Sponsorship Policy).

Revise the Definition of Operating Revenues to read as follows:

**“Operating Revenues”** are amounts received or obligations of an external third party to pay money or transfer an asset in a given year, including but not limited to: taxation, fees, cost recoveries, grants, transfers from other levels of government, and Sponsorship Revenue, but expressly excluding receipts for Capital (as that term is defined in the Capital Budget Policy).

Section 6 – Allocation of Revenues

Add a new Section 6.7 as follows:

6.7 Sponsorship Revenue: Sponsorship Revenue will be allocated by the Sponsorship Review Group in accordance with the Sponsorship Policy.

Re-Number old Section 6.7 as 6.8 and revise to read as follows:

6.8 Where there is any question as to how any particular Operating Revenue is to be allocated (aside from Sponsorship Revenue), the Director of Finance will determine the appropriate allocation in accordance with this Section 6.