



REPORT

To: Chair and Directors

Report Number: FN-BRD-158

From: Roxanne Shepherd, Chief Financial Officer

Date: July 14, 2022

Subject: Procurement Policy Amendment – Group-Purchasing Organizations

RECOMMENDATION: [Corporate Unweighted]

That the Regional Board adopt the amended Procurement Policy, which recognizes the use of Group Procurement Organizations to purchase goods and services.

BACKGROUND/RATIONALE:

On March 31, 2022, the Regional Board passed the following resolution:

MOVED, SECONDED, and CARRIED

That the Regional Board discuss the PRRD Procurement Policy and potential new and innovative approaches at a future Committee of the Whole meeting.

Staff is preparing for the Committee of the Whole discussion regarding new and innovative procurements solutions and anticipates that discussion will be scheduled in the fall/winter of 2022 as part of the overall policy manual review that will take place with the 2022-2026 Regional Board.

In the interim, there is an opportunity to potentially realize significant savings on upcoming procurement through group purchasing programs. For example, through Canoe Procurement, a discount of up to 15% can be obtained on fire apparatus, which on a \$600,000 apparatus would result in a \$90,000 savings.

A Group Purchasing Organization (GPO) is an entity that helps Broader Public Sector (BPS) organizations realize savings and efficiencies by aggregating purchasing volume and using that advantage to negotiate discounts with manufacturers, distributors, and other vendors.

The proposed amendment to the purchasing policy would include the option of purchasing through GPOs, including at this time:

- The Province of BC - Corporate Supply Arrangement
 - The Corporate Supply Arrangement (CSA) is an agreement with a qualified supplier (or multiple suppliers) to sell specific goods or services at set prices. The Province of BC Procurement Services Branch (PSB) issues and manages these CSAs to get the best value for government.
 - Eligible organizations can buy directly from a supplier without having to run a procurement because PSB has already done this work for the benefit of all. This results in quicker timelines, cost savings, and less paperwork because prices and terms are already settled.

- Canoe Procurement Group of Canada
 - The Canoe Procurement Group of Canada is a cooperative buying group that has over 5,000 members across Canada including urban and rural municipalities, school districts, regional districts, not-for-profit organizations and First Nation Band governments. Canoe goes to tender on behalf of their members, saving both time and money.

Gaining access to Group Purchasing Organizations is one of the tools available to Regional District to ensure we receive the best value for any of our purchases of services, supplies and projects. The benefits are:

- Access to trusted brands and products from reputable national and local vendors;
- No program fees, optional non-binding participation, with no obligation to purchase;
- Meets all legislative and trade agreement requirements;
- Discounted pricing, increased negotiating power; and
- Improved efficiency in procurement; reduced staff workload.

Both programs are trade treaty compliant and there is no obligation to use either program.

There are twenty-two other local governments in BC using Canoe Procurement, including the City of Fort St. John and the District of Tumbler Ridge.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan

FINANCIAL CONSIDERATION(S):

There is no cost to use the Province of BC - Corporate Supply Arrangement or Canoe Procurement Group of Canada.

COMMUNICATIONS CONSIDERATION(S):

For the Regional District to be trade compliant when using a GPO, a Notice of Intent must be posted on BC Bid for two weeks each year, stating that the PRRD intends to participate in that particular program. That notice will direct potential suppliers to the buying group tender notices website, if it is different from BC Bid's tendering websites or systems.

OTHER CONSIDERATION(S):

There is a significant potential for cost savings when utilizing Group Procurement Organizations to purchase goods and services.

Attachments:

1. Draft Amended Procurement Policy 0340-26
2. Canoe Procurement Group of Canada presentation

External Links:

1. The Province Of British Columbia - Goods and Services Catalogue – [Click Here](#)
2. Canoe Procurement Group of Canada:
 - a. <https://canoeprocurement.ca/programs/>
 - b. <https://canoeprocurement.ca/suppliers/directory/>