




Procurement & Contracting, A Risk-Based Approach

CEO CLAN Network
January 20, 2010



Content

- Community Living Context
- CLBC's Objectives
- Summary and Overview of Changes
 - Procurement
 - Contracting




Community Living Context

- **People we support**
 - Vulnerable individuals
 - Emergent/urgent needs arise
 - Life-long services required
 - Need for stability in individual's lives
 - Acknowledge and respect self-determination
- **Providers:**
 - Limited range & number of service providers
 - Varied levels of organizational structures across service providers
 - Longer term relationships between CLBC and service providers
 - Interdependent relationship between CLBC and service providers



CLBC Objectives

- **In relation to the Service Provider Sector**
 - Processes are open, transparent and equitable
 - Processes are administratively efficient for both CLBC and Service Providers
 - A competitive and innovative environment is maintained/promoted
 - Service Providers are fiscally and organisationally sound
 - A vibrant and diverse sector exists, providing individuals with choice
- **In relation to Individuals & Families**
 - Alternative providers and/or service options are available
 - Person centered planning is recognized in procurement processes
 - Stability of service to individuals is maintained
 - Outcomes are achieved




CLBC Objectives

- **In relation to CLBC's Responsibilities**
 - Services contracted for are appropriate to the disability-related need
 - The cost of services is reasonable and competitive
 - Services contracted for are delivered
 - Service capacity purchased is appropriately utilised
 - Service standards are maintained
 - Contract obligations are complied with




Summary of Changes

- **Changes designed to**
 - Reduce time all parties spend on procurement and contracting
 - Eliminate non-value added activities
 - Enhance the comprehension of documents
 - Improve the consistency with which all processes are applied
 - Incorporate person-centered planning as a procurement principle
 - Apply risk-based monitoring for quality, delivery and value for money



Overview of Changes – Procurement (1)

Goal	Elements
Reduce time spent on procurement	<ul style="list-style-type: none"> • ‘Continuously posted’ qualification opportunities; • Qualifications ‘evergreen’ – <i>conditional</i>, so long as a service provider is actively providing services, meets its contractual commitments and continues to meet the qualifying criteria; • Increased usage of pre-qualified suppliers lists; • Rationalized competitive process thresholds; • Simplified proposal process for pre-qualified suppliers; • Clearer RfCs and RFPs.
Person Centered Planning	<ul style="list-style-type: none"> • Procurement policy and process are responsive to the needs, desires and choices of individual/family.
Improve consistency of process	<ul style="list-style-type: none"> • CLBC-specific procurement practice guide to standardize procedures.



Overview of Changes – Procurement (2) Rationalized Competitive Process Thresholds

Direct Awards may be made where:

1. the expected Contract Value is less than \$50,000 and it is neither reasonable nor cost-effective to compete the opportunity;
2. the expected Contract Value is \$50,000 or greater and where there are exceptional circumstances relating to health, safety or unforeseen emergencies;
3. only one vendor is able to perform the services or deliver the goods; or
4. an individual/family has expressed a preference for a vendor and the service price is reasonable.


Direct awards cannot be made for ongoing Program Services contracts that do not have a specified end date, except where individual preference applies.



Overview of Changes – Procurement (3) Rationalized Competitive Process Thresholds


Summary of thresholds for competitive process when using a pre-qualified suppliers list:

Contract Value is less than \$50,000	a Direct Award based on a project specific assessment of qualified vendors to determine the best qualified vendor
Contract Value is between \$50,000 and \$250,000	a Competitive Process that includes a minimum of three Pre-Qualified Vendors that meet the criteria for the Procurement Initiative
Contract value of greater than \$250,000 or ongoing Program Services contracts that do not have a specified end date	a Competitive Process that includes all Pre-Qualified Vendors that meet the criteria for the Procurement Initiative



Overview of Changes – Contracting (1)

Goal	Elements
Enhance comprehension of underlying documents	<ul style="list-style-type: none"> • Replace CSAs with Statement of Terms and Conditions: <ul style="list-style-type: none"> • Only two types (CLBC Direct Contracted Home Share Providers and General) versus multiple CSA types • Effective until CLBC introduces a new version versus CSA with 5 year terms requiring renewal • Simplified language to plain English • Grouping of logically related clauses • Risk based inclusion of clauses and elimination of unnecessary clauses • Replace CSS with Contract: <ul style="list-style-type: none"> • Eliminate duplication of clauses as in the CSA and CSS • Only two types (Services and Property) versus multiple CSS types • Contract Modifications standardized to one form to eliminate multiple types • Simplified language to plain English



Overview of Changes – Contracting (2)

Goal	Elements
Reduce time spent on contracting	<ul style="list-style-type: none"> • Contracts: <ul style="list-style-type: none"> • Fixed term that reflects the duration of the service requirement or ongoing until termination, reducing the need for renewals and the associated time • Contract Modifications: <ul style="list-style-type: none"> • Elimination of non-value added activities (modifications favourable to service provider do not require service provider signature)
Improve consistency of process	<ul style="list-style-type: none"> • CLBC-specific contracting practice guide to standardize procedures.