

APPENDIX A

DEFINITIONS

In this Policy:

- 1) **Best Value:** The optimal combination of total cost of purchase and ownership, economic sustainability, environmental sustainability, and social sustainability as determined by the specific criteria and weighting for each criterion for the applicable procurement as determined by the Board.
- 2) **Board** - means, in relation to the RDN, the board of directors for the RDN.
- 3) **Buying Group** – means an association of members who use their combined purchasing power to achieve administrative efficiencies and where savings may accrue. Buying Groups may involve a variety of entities, including public sector, private sector, and not-for-profit organizations.
- 4) **Change Order** - means a material change to a Contract with respect to scope, Price, schedule, the specifications for the Goods, Services, or Construction or some other material change to the Contract.
- 5) **Chief Administrative Officer or CAO** - means the Chief Administrative Officer of the RDN who is appointed or assigned that responsibility under the *Local Government Act*.
- 6) **Competitive Procurement Process** – means an open, transparent, and competitive process whereby the RDN procures Goods, Services, or Construction for the RDN.
- 7) **Construction** - means a construction, reconstruction, demolition, repair or renovation of a building, structure 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 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 Procurement or separately pre-purchased Goods.
- 8) **Contract** - means a legally enforceable agreement between two or more parties.
- 9) **Contract Amendment** - means any change to a term, condition, or other Contract provision, including a Change Order.
- 10) **Department Manager** - means the manager of an RDN department who is the primary user or coordinator of the Goods, Services, or Construction to be procured.

- 11) **Director** - means the Directors of Finance and Water and Wastewater Services.
- 12) **Director of Finance** - means the RDN officer appointed or assigned that responsibility under the *Local Government Act*.
- 13) **Dispose** or **Disposition** - means to transfer by any method including assign, give, sell, grant, charge, convey, lease, divest, dedicate, release, exchange, alienate or agree to do any of those things.
- 14) **Emergency** - means a sudden, unexpected, or impending situation that may cause injury, loss of life, damage to property, and/or interference with the normal activities of the RDN and which, therefore, requires immediate attention and remedial action.
- 15) **EOI** - means the process of seeking an indication of interest from potential Vendors who can undertake specific work.
- 16) **General Manager** - means the General Managers of Regional and Community Utilities, Corporate Services, Transportation and Emergency Services, Strategic and Community Development, and Recreation and Parks Services.
- 17) **Goods** - means moveable property and includes raw materials, products, vehicles, equipment, and other physical objects of every kind that are supplied to the RDN under a Contract with an outside Vendor.
- 18) **Guidelines** - means those Procurement practice guidelines issued by a Department Manager specific to their department.
- 19) **ITT** – means an Invitation to Tender consisting of a formal process to solicit competitive bids valued \$75,000 or greater when specifications, performance standards and timeframes are defined.
- 20) **Land** – means real property and any buildings, fixtures or structures or ancillary improvements thereon.
- 21) **Multi-Phase Contract** - means where Services are provided in phases, with progression (if any) from the initial to further phases being determined by project requirements.
- 22) **Price** – means the price to be paid by the RDN under a Contract before applicable taxes.
- 23) **Procurement** - means the acquisition by any means, including by purchase, rental, lease, or conditional sale, of Goods, Services, or Construction.
- 24) **Procurement Value** - means the estimated annual total Price for the supply of Goods, Services or Construction times the number of years, including any renewal options, before taxes as determined by the Board. The Procurement Value for Multi-Phase Contracts is the anticipated total Price over all phases before taxes.

- 25) **Project Manager** - means an RDN employee who, on behalf of their department, is overseeing the Procurement and general management of the Goods or Services being procured.
- 26) **RDN** - means the Regional District of Nanaimo.
- 27) **RFI** – means Request for Information which is a market research tool that asks for information to get an idea of the number and type of Vendors and the range of solutions, technologies and products or Services they can provide.
- 28) **RFO** – means Request for Offers a formal process for Procurements whereby Vendors are encouraged to submit multiple offers in response to general specifications and/or a scope of Services.
- 29) **RFP** – means a Request for Proposals consisting of a formal process to solicit competitive proposals \$75,000 or greater allowing the Vendor to propose a solution to meet the intended outcomes identified in the RFP. The successful Vendor is evaluated and selected on the best overall value, not solely on Price.
- 30) **RFPPQ** – means Request for Prequalification which is a vendor evaluation and shortlisting process where Vendors demonstrate they have the expertise and resources to complete the work.
- 31) **RFQ** – means a Request for Quotes consisting of an informal process to solicit quotes valued at less than \$75,000 where formal tender documents are not required.
- 32) **RFSO** – means a Request for Standing Offers consisting of a formal process for Procurements valued at less than \$75,000 whereby offers are solicited from potential Vendors to provide Goods and/or Services at pre-arranged Prices, under set terms and conditions, when and if required. It is not a Contract until a “call-up” is issued against the standing offer.
- 33) **RFSQ** – means a Request for Statements of Qualifications consisting of a formal process for Procurements and is used to select the best qualified Vendor for a specific project where the scope of the Goods, Services, or Construction is not fully defined or understood. Price and work scope are negotiated with the highest evaluated Vendor based on their qualifications and experience.
- 34) **Respondent** means a potential Vendor that responds to a Procurement conducted by the RDN.
- 35) **Security** - means surety bonds, irrevocable letters of credit or any other financial instrument which provides financial guarantees that a contractor will fulfill its obligations under an agreement.

- 36) **Services** - means all services provided to the RDN under Contract by an outside Vendor, including professional, consulting, recreation and maintenance and software services.
- 37) **SIP** – means small Items purchases that do not exceed an annual value of \$5,000 (before taxes). These purchases do not require a purchase order.
- 38) **Sole Source and Single Source Purchases** (Non-Competitive Purchase) – means a process of selecting a Vendor for Goods, Services, or Construction in which the Competitive Procurement Process is not followed.
- 39) **Sustainable Procurement:** The process of embedding relevant sustainability considerations into the acquisition processes of organizations. This process integrates environmental, social, economic, and ethical criteria with traditional considerations like price, quality, service, and technical specifications for purchasing Goods and Services.
- 40) **Trade Agreements** – means the *New West Trade Partnership Agreement* (NWPTA), *Canadian Free Trade Agreement* (CFTA), *Comprehensive Economic and Trade Agreement* (CETA), or any other applicable trade agreement, as amended from time to time.
- 41) **Vendor** - means a company or person that supplies or provides Goods, Services, or Construction in the context of a Procurement covered by this policy. A subcontractor does not qualify as a Vendor.
- 42) **Local Supplier** - means a vendor that has a physical place of business located within the Regional District of Nanaimo, within British Columbia, and within Canada, in that order, that employs Canadians and has assets in Canada utilized in carrying out its business functions.
- 43) **Tie Breaker** – means any tie bids will be awarded to the vendor that has a place of business located within the Regional District of Nanaimo, within British Columbia, and within Canada, in that order. Tie bids involving only Canadian suppliers or only Non-Canadian suppliers will be resolved by any method as mutually agreed by all parties.