

Attention: Mike Bernier, Chair and Rick Glumac, Deputy Chair of the Select Standing Committee on Public Accounts

BC Liquor Distribution Branch Directly Awarded Contracts Released 07/19

<http://www.bcauditor.com/pubs>

PAC Meeting Plan ¹	07/10/19	Prepared by: Erin McEwan, BC Liquor Distribution Branch	Reviewed by: Blain Lawson
1 st APPA Update	09/11/20	Prepared by: Jerome Lemieux, BC Liquor Distribution Branch	Reviewed by: Blain Lawson
2 nd APPA Update	24/02/21	Prepared by: Jerome Lemieux, BC Liquor Distribution Branch	Reviewed by: Blain Lawson

¹ The audited organization will be required to present their initial action plan at this meeting (i.e. First three columns completed for each OAG recommendation included in the audit report)

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Rec. # Accepted? Yes / No ²	OAG Recommendations	Actions Planned & Target Date(s) ³	Assessment of Progress to date ⁴ and Actions Taken ⁵ (APPA update)	Assessment of Progress to date – 09/11/2020	Assessment of Progress to date – 02/24/2021
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² For each recommendation, the audited organization should state whether or not they have accepted the recommendation and plan to implement it fully by typing either “Yes” or “No” under the number of the recommendation.

³ Target date is the date that audited organization expects to have “fully or substantially implemented” the recommendation. If several actions are planned to implement one recommendation, indicate target dates for each if they are different.

⁴The Select Standing Committee on Public Accounts (PAC) will request that the audited organization provide a yearly update (i.e. completed “Assessment of Progress and Actions Taken” column) until all recommendations are fully implemented or otherwise addressed to the satisfaction of the PAC. This is for the APPA update.

⁵ This action plan and the subsequent updates have not been audited by the OAG. However, at a future date that Office may undertake work to determine whether the entity has implemented the recommendations. The results of that work will be reported in a separate report prepared by the OAG.

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<p>1. Yes</p>	<p>Require all staff involved in procurement or contract management to complete public sector procurement and contract management training.</p>	<p>Action planned: All current staff involved in procurement or contract management to receive public sector procurement and contract management training. Target date: LDB expects that current staff will complete the first and second modules by 10/10/2019; the third module is not yet available in Vancouver and the two online modules are not yet available to the LDB. Future staff to complete training following their LDB onboarding process (dates will be dependent on training session availability)</p>	<p>Progress assessment: Partially implemented Actions taken & discussion: Current LDB Sourcing and Vendor Performance (SVP) staff have completed PCMP 110 (Procurement Foundations), PCMP 204 (Law & Ethics) and are scheduled to complete PCMP 302 (RFP's) on Oct 9 & 10. PCMP 206 (online) & 207 (in class) Procurement Lifecycle will be completed once there is a local course provided in Vancouver. LDB has connected with the Public Services Agency (PSA) to plan the remaining public sector procurement and contract management training. LDB has also offered to host PCMP 207 at LDB offices that can assist PSA in getting a session booked in the lower mainland</p>	<p>Progress assessment: Implemented / continuous improvement Actions taken & discussion: LDB Sourcing and Vendor Performance (SVP) staff present through to Dec 31st 2019 have completed PCMP 110 (Procurement Foundations), PCMP 204 (Law & Ethics), PCMP 302 (RFP's) and PCMP 206 (online) & 207 (in class) Procurement Lifecycle. Ongoing attendance to these sessions will be part of a training plan for all SVP staff; current staff as part of continuous improvement and onboarding and training of new staff from Jan 1st 2020. LDB is working with PSA on training opportunities for PCMP during COVID. Additionally, to ensure that senior leadership understands its obligations pertaining to procurement processes being conducted fairly, legally and within corporate policy, SVP arranged a customized PCPM course for LDB's Executive and Director level staff in February 2020. SVP's training plan also included complementary training to ensure quality of procurement artifacts, such as contractual drafting training conducted Feb 25th & 26th by Dr. Mary Elizabeth Leighton from the University of Victoria.</p>	<p>Progress assessment: Implemented for legacy staff / training plan for new staff / continuous improvement Actions taken & discussion: LDB is working with PSA on training opportunities for PCMP during COVID. Currently PSA is not offering any in-class or virtual live training sessions. In response to this SVP has taken the following action:</p> <ul style="list-style-type: none"> • Obtained on Feb. 3rd 2021 access to on-line repository of documentation for 204, 207 & 302. This will be used to train all SVP staff in the interim; completion June 2021. 50% of current staff have completed live in person PCMP courses. • Obtained on Feb. 3rd 2021 access to webinars that have been developed by the Procurement Community of Practice. ABC's of Procurement will be completed by all staff by June 2021 • SVP has regularly attended Procurement Community of Practice sessions to ensure we remain engage, informed and aligned with BC Public Procurement • As of Feb 2021 PCMP 206 (self-directed / eLearning prerequisite to 207) is now available through Open School BC learning platform; completion June 2021 • Expressed interest with PSA to participate in PCMP 207 virtual learning (anticipated to be available in the fall of 2021). <p>SVP's training plan also includes complementary training to ensure quality of procurement artifacts, such as contractual drafting training by Dr. Mary Elizabeth Leighton from the University of Victoria; tentatively scheduled for May 2021 (session will include a refresh on content from last session and some new content) .</p> <p>SVP Leadership has increased participation in broader provincial procurement committees and initiatives (Justice</p>
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					<p>Sector Procurement Committee, BC Bid Replacement Project, sustained focus to building a relationship with Procurement Services Branch and seeking their advice on a regular basis) all to ensure we remain apprised of up-to-date public procurement information.</p> <p>Completion of comprehensive onboarding package for new employees with an immediate emphasis on reviewing CPPM Chapter 6 & SVP's operating procedures. This is a work in progress and will get updated with new information as received/required.</p>
2. Yes	Document, in the contract file, the exceptional conditions permitting a contract to be directly awarded, including reasons that clearly demonstrate why competition was not possible.	<p>Action planned: LDB to modify its Direct Award Contract documentation process to ensure the required analysis is articulated and documented in the contract file. Relevant Standard Operating Procedures (SOPs) have been updated to ensure any exceptional conditions are documented.</p> <p>Target date: Completed</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: LDB has modified its Direct Award Contract documentation process and relevant SOPs have been updated.</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: LDB continues to update SOP's to ensure accurate instruction are provided to the team. Further checklists have been developed to ensure completeness of procurement files including Direct Awards.</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: LDB has clearly documented SOPs (including checklists) in place to ensure completeness of procurement files including Direct Awards. SVP has initiated an internal audit process to ensure file completeness.</p> <p>All Direct Award contracts are reviewed by the SVP director to validate that all requirements have been met prior to execution.</p>

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3. Yes	Require legal review of any non-standard terms or forms of contract, and include evidence of this review in the contract file.	<p>Action planned: Update SOPs to ensure that evidence of legal advice is documented in the contract file.</p> <p>Target date: Completed</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: LDB has updated its relevant SOPs.</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: In addition to SOP's having been created, SVP has strict guidelines for seeking and documenting legal advice. If a file meets one of 3 conditions (>250k, non-standard terms, Cannabis related) legal review must be obtained. LDB's Record Management solution (The HUB) file structure has been updated to include a folder specific for legal advice. A checklist has also been implemented to ensure this folder is populated.</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: SVP has strict guidelines in place for seeking and documenting legal advice. This is clearly documented in the department SOPs. SVP has initiated an internal audit process to ensure file completeness.</p> <p>If a file meets one of 3 conditions (>250k, non-standard terms, Cannabis related) legal review must be obtained. In addition to the 3 conditions, SVP also engages legal on any files that potentially contain legal or procurement risks. A risk memorandum template has been developed to document risk(s) and subsequent approval of risk(s) by the appropriate LDB authority (departmental executive director). All documentation is saved appropriately.</p> <p>Additionally, SVP ensures early, consistent engagement with both Legal Services Branch & Risk Management Branch in procurement planning.</p>

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4. Yes	Prepare a cost-benefit analysis for any planned service contract valued at more than \$100,000 and include this documentation in the contract file.	<p>Action planned: LDB to incorporate a cost-benefit analysis into the Direct Award Contractor template, as an appendix. SOPs to be updated to reflect the steps required to complete the cost-benefit analysis.</p> <p>Target date: Completed</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: LDB has incorporated a cost-benefit analysis into the Direct Award Contractor template.</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: LDB continues to incorporate a cost-benefit analysis as an appendix to executed Direct Award's, where required.</p> <p>LDB acknowledges that Core Policy states that a CBA is required for all service contracts >100k (not just Direct Awards). While this has not been done historically, SVP is looking into options to have a CBA submitted as part of a purchase requisition from the requestors (i.e. business requesting the service). Target for implementation would be Jan 2021.</p>	<p>Progress assessment: Fully Implemented</p> <p>Actions taken & discussion: LDB incorporates a cost-benefit analysis as an appendix to executed Direct Award's, where required. This is clearly documented in the SOPs. SVP has initiated an internal audit process to ensure file completeness.</p> <p>Significant progress on the broader requirement of CBA's per Core Policy (non Direct Awards) has been delayed due to COVID. The three lines of business (liquor wholesale, liquor retail and cannabis operations) have been focused on maintaining essential business operations.</p> <p>Despite the delay, SVP has started to work with specific lines of business (Liquor Retail Ops & Cannabis Retail Ops) to build off of the CBA that they already do as part of tenant improvement projects. The goal would be to apply a similar approach and request this from other lines of business that are requesting services agreements >100k. Target for implementation across all LOB's is June 2021.</p>

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5. Yes	Require staff who are involved in procurement to check for an existing corporate supply agreement (CSA) before entering a new contract for goods or services, and document, in the contract file, any reasons for not participating in an established CSA.	<p>Action planned: LDB to modify its Direct Award Contract template to document the steps taken to check for an existing CSA before entering into a new contract and any reasons for not participating in an established CSA; relevant SOPs to be updated as well.</p> <p>Target date: Completed</p>	<p>Progress assessment: Fully implemented</p> <p>Actions taken & discussion: LDB has modified its Direct Award Contract template and SOPs to ensure an existing CSA is checked for, prior to entering into a new contract.</p>	<p>Progress assessment: Fully implemented</p> <p>Actions taken & discussion: In addition to verifying CSA's as part of the Direct Award process, SVP verifies for existing CSA prior to any procurement of goods and services (this has been added to checklist created for procurement files).</p>	<p>Progress assessment: Fully implemented</p> <p>Actions taken & discussion: In addition to verifying CSA's as part of the Direct Award process, SVP verifies for existing CSA prior to any procurement of goods and services. This is clearly documented in the SOPs. SVP has initiated an internal audit process to ensure file completeness.</p> <p>Since this has been implemented, the LDB has leveraged numerous opportunities from the CSA to obtain goods and services. SVP also has ongoing dialog with Procurement Services Branch to ensure CSA's are being leveraged in a way that provides best value for money to the Province of BC.</p>

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