



THE CONSTRUCTION FILE

A GUIDE TO STANDARDS AND PRACTICES IN THE CONSTRUCTION INDUSTRY

BC Government Introduces Capital Procurement Audit Tool for Capital Asset Management Framework



BC Construction
Association North
3851 Eighteenth Ave
Prince George, BC
V2N 1B1
Ph: 250.563.1744
Fax: 250.563.1107



Southern Interior
Construction Assn
104-151 Commercial Dr
Kelowna, BC
V1X 7W2
Ph: 250.491.7330
Fax: 250.491.3929



Vancouver Island
Construction Assn
1075 Alston Street
Victoria, BC
V9A 3S6
Ph: 250.388.6471
Fax: 250.388.5183



Vancouver Regional
Construction Assn
3636 East 4th Ave
Vancouver, BC
V5M 1M3
Ph: 604.294.3766
Fax: 604.298.9472

Recently, the BC Government issued its Capital Procurement Audit Tool developed to assist government ministries and agencies in adhering to the existing policies and standards that are set out under the Capital Asset Management Framework, published in 2002. In the Framework, Part 8 Capital Procurement, it set out the government's policies and standards and advised that additional tools where being developed. The document can be found at http://www.fin.gov.bc.ca/tbs/camf_guidelines.pdf

This Audit Tool will serve several purposes: it provides detailed guidance to agencies undertaking capital procurement, and, it will assist government in assessing the adoption of capital procurement best practices across ministries and agencies, and in adhering to provincial capital procurement principles, policies and guidelines and inter-governmental trade requirements.

All public sector agencies are expected to immediately begin using the audit tool as a means of assessing adherence to provincial procurement policies. Audits may be carried out by Ministries responsible for public sector agencies, the Ministry of Finance or independent bodies.

The Audit Tool is based on the principle that taxpayers are best served through competitive procurement processes which are well-structured, objective and inclusive. Bidders will be more likely to participate, and there will be more competition, where the selection process is clear and well understood.

Among the issues that BCCA perceives as a consideration of the Audit Tool are onerous bidding clauses and privilege clauses that eliminate the fair, open and transparent objectives that our members have come to expect in the public procurement process. In the January issue of the *Construction File* (<http://www.bccassn.com/documents/ConstFile0107.pdf>) we advised of our intention to issue Contractor Alerts that would inform contractors of the risks associated with onerous clauses in bidding documents. These Alerts will be issued by BCCA based on direct input from industry bidders who will identify a project and the onerous clauses that they wish to have recognized.

When BCCA has been requested to issue an Alert we will be considering the onerous clause(s) within the context of the Audit Tool. For example:

- Are there onerous/privilege clauses that may not 'Implement fair, open procurement and award that gains the confidence of the bidders'?
- Is there a pre-qualification process that is 'used unnecessarily, restricting competition and potentially reducing competition and compromising potential value for money'?
- Or does the prequalification 'unfairly favour specific contractors'?

It is BCCA's understanding that agencies are subject to the Audit Tool whether projects may have significant funding by the Provincial Government, such as for education and health facilities, or are partially funded, as in the case of local infrastructure projects. Treasury Board will require all agencies to report on Audit Tool results as part of the annual government budgeting processes. Audit results will be used to inform decisions regarding capital funding. Future capital funding decisions are conditional upon demonstrated adherence to government's capital procurement policies.

The Ministry of Finance has advised that over the coming months there will be informational sessions presented on the province's capital and procurement policies, including usage of the Audit Tool. BCCA is hoping to be involved in these information sessions and will keep you informed. It is expected that shortly there will be additional information issued about the Audit Tool including some Q & A responses; refer to the Ministry of Finance website at <http://www.fin.gov.bc.ca/tbs.htm>

'The Construction File' is a bi-monthly publication of the BC Construction Association.

For additional information contact the BCCA at Phone (250) 475-1077, Fax (250) 475-1078 or Email: bcca@bccassn.com