



POLICY ON CONTRACTS FOR THE ACQUISITION OR LEASING OF GOODS AND SERVICES

Objectives

- Oversee the process for acquiring or leasing goods and services.
- Ensure transparency in contracting processes and compliance with regulatory obligations.
- Ensure complete and fair treatment of suppliers and opportunities for participation in calls for tender by invitation.

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1. DEFINITIONS

The definitions of several expressions used in this policy are provided in Appendix 1.

2. SCOPE

This policy applies to any contract concluded by la Caisse for the acquisition or leasing of goods and services, except:

- contracts to acquire, hold, manage or receive property or a right constituting an investment, or to carry out a financial or other operation provided in its act of incorporation;
- contracts concluded with a subsidiary or between subsidiaries;

- legal or expert services contracts for legal purposes;
- contracts concluded within the context of support or funding for a project of a philanthropic or business development nature, such as a donation or sponsorship.

Subsidiaries of la Caisse have their own framework in this regard.

3. GENERAL PRINCIPLES

3.1. Transparency, equity and sound management

Transparency, equity and sound management are the principles that shall guide the process of awarding contracts. Application of these principles is ensured by:

- A uniform purchasing process and knowledge of that purchasing process on the part of suppliers.
- Equal opportunity for suppliers who satisfy the criteria of the call for tenders by invitation and the use of objective criteria for evaluating bids.
- Obtaining goods and services that meet the criteria of quality and advantageous costs.

3.2. Price

The lowest qualifying bid will not necessarily be accepted, unless price is the sole determining factor.

3.3. Fixed-price contract

The fixed-price contract formula shall be favoured whenever possible.

3.4. Sustainable development

Insofar as possible, la Caisse aims to deal with suppliers who adopt responsible social and environmental practices. In this context, la Caisse places priority on acquisition of goods and services that respect its sustainable development strategy.

La Caisse fosters an environment accessible to handicapped persons. In this respect, la Caisse will consider, when relevant, suppliers that offer such solutions.

3.5. Québec suppliers

La Caisse promotes the use of Québec suppliers, while ensuring sound competition between suppliers.

3.6. Compliance and reporting program

This policy aims to promote reporting based on accountability of the officers of la Caisse and on the proper use of funds. Accordingly, la Caisse has implemented a compliance program and reports on a regular basis.

4. GENERAL PROVISIONS RELATED TO CONTRACTS

Any supply of goods and services shall be subject to a contract that must:

- have a terms that is fixed or limited by the nature of the mandate, unless is is a framework agreement which can be for an indefinite term;
- include a financial commitment or, in the case of an open contract, a maximum or estimated amount for fees and expenditures;
- be formalized in a document in writing if it is for \$25,000 or more, before any taxes using the applicable Consumer Price Index;
- be concluded by the person(s) empowered to do so under the delegation of authority or a proxy.

A contract may be entered into by mutual agreement or following a call for tenders by invitation based on the award terms and conditions established in this policy.

4.1. Determining the subject and scope of a contract

Before awarding a contract, an employee must define the needs to be filled. The employee must evaluate the different possibilities to satisfy the identified needs, that is, he must identify the suppliers, evaluate the costs and time frames, contract length, and determine their feasibility and assess their cost-benefit ratio.

If necessary, the employee may issue a request for information from suppliers according to section 11 of this policy.

An employee may not consciously divide, allocate its needs or amend a contract with the intention of evading obligation or following the procedure of the call for tenders by invitation or to evade any other obligation stemming from this policy.

4.2. Contract model

La Caisse makes available to its employees contract models drafted by Legal Affairs. The employee may also use another contract model with equivalent conditions.

4.3. Cloud computing services and personal information

Procurement, Legal Affairs and Information Security must be involved in awarding any cloud computing services contract, regardless of its value, and for any contract likely to involve sending personal information.

4.4. Review by Legal Affairs

Any framework-agreement and any contract of \$100,000 or more, including any contract related to a framework-agreement or any contract renewal (if this renewal involves a change in conditions other than price and term), must be revised by Legal Affairs.

4.5. Amendment of a contract

Any amendment to a contract which, without changing the nature of the contract, results in additional expenses, must be justified or duly approved by a person empowered to do so under the delegation of authority or a proxy.

5. CONTRACT CONCLUDED FOLLOWING AN INVITATION TO TENDER¹

5.1. General conditions of application

When the amount of the contract is estimated in order to determine whether there will be an invitation to tender, the term of the contract and the renewal options or clauses likely to be binding on la Caisse shall be taken into account, based on the available information.

In general, an invitation to tender must be used for the following contracts:

Categories of the type of contract	Amount
Supply contracts	\$50,000 or more
Professional services contracts	\$100,000 or more
Accommodation services contracts	\$100,000 or more

If the type of contract involves more than one category of expense, it must be concluded in compliance with the rules applicable to the expense category representing the majority of the estimate amount in the contract.

5.2. Responsibility for choosing suppliers

The employee is responsible for the choice of suppliers that he invites to bid. He must be able to justify and defend his choices, particularly with respect to the suppliers' ability to carry out the mandates, taking into account the distinctive characteristics of the market, the complexity of the product or services and the time frame.

Only Procurement may, in collaboration with the employee and to help him choose the suppliers that he invites to bid, issue a notice inviting any potential supplier to express his interest in participating in a call for tenders.

Exceptionally, Procurement may exclude a supplier identified by an employee from an invitation to bid process. In such a case, Procurement must send the employee, in writing, the reasons for the exclusion.

5.3. Exceptions to the procedure for invitations to tender

The application of one of the exceptions to the invitation to tender as detailed in section 5.3.1 must be justified and noted in the file, recommended by the employee and authorized by the Executive Vice-President in question or by the President and Chief Executive Officer if the employee who requests such an exception is an Executive Vice-President.

¹ Exceptions to the procedure for invitations to tender are described in section 5.3 of this policy.

5.3.1. Situations likely to give rise to an exception

- a) A contract concluded in an emergency because the security of persons or the protection of the property or assets (including the return) of la Caisse is at stake;
- b) A contract concluded with a sole supplier, with a supplier in a monopoly situation or with a supplier who has rare skills in a leading-edge area of expertise or expert knowledge of the organization;
- c) A contract requiring confidentiality to ensure or maintain protection of the property or assets (including the return) of la Caisse;
- d) A contract for which an invitation to tender would not serve the interests of the depositors (for example, if a change in supplier would involve substantial costs), provided the following conditions are met:
 - the supplier provides a satisfactory quality of service;
 - a comparative analysis is conducted regularly to ensure that the prices remain competitive;
 - a call for tenders has been made within the past five (5) years.

5.3.2. Types of contracts likely to give rise to an exception

- a) Maintenance of equipment, particularly specialized software, or repairs or professional services that must necessarily or preferably be performed by the supplier of the goods or plans, or by its authorized representative, for relevant reasons;
- b) Procurement with a supplier accredited by the Québec Centre of Shared Services;
- c) Services of a caterer accredited by the manager of the building housing la Caisse;
- d) Consultation or use of information collected and collated by the supplier or belonging to the supplier, including memberships to research firms or with suppliers of market data;
- e) Services of an artist or the acquisition or leasing of works of art;
- f) Purchase or rental of advertising space on billboards, in print media, online on websites and on social media outlets, or radio or television time;
- g) Financial or banking services, fiduciary services, financing, compensation, securities settlement or borrowing;
- h) Insurance coverage for which the services of a broker were retained;
- i) Loan of services concluded with a public body within the meaning of section 3 of the Act respecting access to documents held by public bodies and the protection of personal information;
- j) Contract for which a procedure to analyze the best product to meet the needs was conducted within the framework of project management in information technologies;
- k) Contract (lease) for the leasing of space in a building;

- l) Upgrading or renewal of a license for software already implemented and a support and maintenance contract or a third-party agreement arising from the implementation of such software;
- m) Recruitment of personnel;
- n) Exercise of renewal options set out in the initial contract or extension of a contract that was initially subject to an exception set out in section 5.3.1, up to a maximum cumulative term of five years.

5.3.3. Other possible exception

La Caisse may depart from the procedure for invitations to tender for a genuine and valid reason that is not included in the exceptions set out in sections 5.3.1 and 5.3.2. Recourse to such an exception shall be subject to a recommendation written by the Executive Vice-President concerned and approved by the President and Chief Executive Officer.

5.4. Rules governing the procedure for invitations to tender

The rules governing the procedure for invitations to tender are presented in Appendix 2 of this policy.

5.5. Optional application of the procedure for invitations to tender

An employee may choose to proceed by invitation to tender even if the contract is of an amount lower than one of those set in 5.1 or when an exception provided in section 5.3 applies.

6. CONTRACT ENTERED INTO BY MUTUAL AGREEMENT

The awarding of a contract entered into by mutual agreement must be subject to a process of negotiation with the supplier to obtain the goods or services at market conditions. The negotiations must specifically focus on cost, quality of the goods and services, delivery time frame, and the supplier's work methods.

7. CONFLICT OF INTERESTS

All employees must be thorough and impartial while during the supplier selection process and throughout the negotiations with him. He shall not be placed or place himself in an actual or apparent conflict of interest. Accordingly, the employee shall refer to the Code of Ethics and Professional Conduct for Officers and Employees of the Caisse.

8. REGISTRE DES ENTREPRISES NON ADMISSIBLES AUX CONTRATS PUBLICS

The Registre des entreprises non admissibles aux contrats publics (the "**RENA**") contains the names of companies that have committed infractions as set out in Appendix 1 of the *Act Respecting Contracting by Public Bodies* (the "**ARCPB**").

La Caisse may not conclude a contract with a supplier declared ineligible during the ineligibility period. La Caisse must furthermore determine whether there are grounds to terminate an ongoing contract with a supplier who becomes ineligible.

9. ATTESTATION FROM REVENU QUÉBEC

Any supplier having an establishment in Québec where it operates permanently must send la Caisse a valid² Attestation from Revenu Québec (ARQ) before entering into any contract to purchase or lease goods and services valued at \$25,000 and more.

The ARQ must be valid and have been issued at the latest on the date and time set for closing of tenders, or, in the case of a contract entered into by mutual agreement, on the contract award date.

10. AUTHORIZATION TO CONCLUDE A CONTRACT

As provided by the *Integrity in Public Contracts Act*, any supplier interested in concluding with la Caisse a contract for services of a value exceeding the threshold set by the government, must have for this purpose authorization from the competent authority in the subject at the date set for closing of tenders or, at the date of the contract entered into by mutual agreement. In addition, this authorization must be maintained throughout the entire execution of the contract.

11. REQUEST FOR INFORMATION FROM SUPPLIERS

With the assistance of the Procurement team, an employee may decide to use a process of requesting information from potential suppliers, prior to the procedure for invitations to tender, to inquire about the products and services offered on the market as well as their potential costs. This process shall not replace the procedure for invitations to tender and shall be conducted according to the general principles of this policy.

12. CALL FOR TENDERS FROM AN INVITATION TO TENDER

Certain calls for tender by invitation aim to “prequalify” the suppliers for potential services that will be subject to bids. In such a case, Procurement will ensure that only the prequalified suppliers will be invited during the call for tenders.

13. PROCESS OF ADOPTING AND UPDATING THIS POLICY

This policy is submitted to the Board of Directors for approval. It is revised regularly and at least every three years.

² Under the Regulation Respecting Supply Contracts, Construction Contracts and Service contracts of Government Departments and Public Bodies, set out in section 7 of the ARCPB

APPENDIX 1: DEFINITIONS

In this policy, unless otherwise indicated by the context, the following expressions and words are defined as follows:

- **Fixed-price contract:** Contract formula based on a prearranged, fixed price, regardless of the supplier's actual costs.
- **Supply contract:** Contract for the purchase or lease of movable property (tangible or intangible) that may include the cost of installation, use, operation and maintenance of the purchased or leased property.
- **Accommodation services contract:** Contract for the rebuilding, refit, maintenance, renovation, repair, modification or demolition of a structure attached to a building requiring specialized labour from the construction field, excluding the services of architects and designers, which are included in professional services.
- **Professional services contract:** Contract for the production of intellectual work in a specialized field. Its performance usually requires a university education or specific technical training as well as specific knowledge, including the application of methods and practices corresponding to the area of expertise involved.
- **Open contract:** Supply contract whereby la Caisse undertakes, for a given period, to make acquisitions or cause acquisitions to be made from a supplier that undertakes, during that period, to supply the required goods or services as they are needed, at the agreed prices and conditions.
- **Supplier:** Any physical person, business, company co-operative or corporation carrying on operations of a commercial nature, whether for its own account or for that of a physical person or a corporate person that it represents.
- **Bid:** Proposal in writing from a supplier to sell or lease identified goods or services, at a price or according to a prearranged pricing procedure, with set terms and conditions, for a specific period of time.

APPENDIX 2: RULES GOVERNING THE PROCEDURE FOR INVITATIONS TO TENDER

RULES OF THE PROCEDURE OF INVITATIONS TO TENDER

Involvement of Procurement

The employee must communicate with Procurement prior to initiating any invitation to tender. He may not proceed alone.

Number of suppliers

Invitations to tender shall be addressed to at least three (3) suppliers. If there is sufficient competition in Québec, the invitation to tender should be restricted to Québec suppliers.

When suppliers from outside Québec are invited to bid, the evaluation grid must include a “Québec supplier” criterion.

Treatment of suppliers

The invited suppliers shall enjoy consistent and equitable treatment in terms of the information provided to them. To that end, all relevant information provided to one supplier shall be provided to the other invited suppliers. In the event that la Caisse decides to change the scope of its invitation to tender, it will notify the invited suppliers of this by the means deemed appropriate.

Use of standardized documents

Standardized documents in connection to the invitations to tender must be used on a mandatory basis. Any change to the standardized invitation to tender document shall be submitted to legal counsel in Legal Affairs for review.

Qualification of suppliers

Only bids submitted by suppliers with the required qualifications, authorizations, permits, licences and registrations required and meeting the key conditions specified in the invitation to tender shall be considered. Exceptionally, the selection committee may decide otherwise and justify its decision in writing.

Bid format

Bids shall be submitted in writing.

Notice to the supplier

La Caisse will notify the supplier in writing that its bid is accepted or denied.

SELECTION TERMS AND CONDITIONS

Les modalités de sélection d’une offre décrites ci-dessous visent les cas où le prix n’est pas le seul critère d’évaluation utilisé.

Selection committee

The employee forms a selection committee, responsible for evaluating the bids received as part of the invitation to tender procedure, irrespective of the value of the contract.

This committee is composed of at least three (3) members, of whom at least one (1) is from outside the Executive Division concerned. The external member should have no hierarchical connection with the other members of the selection committee.

An employee from Procurement is an invited member of the committee. As a rule, the employee from Procurement does not participate in assessing the bids received, in order to maintain his independence.

A member must act as committee secretary. Each member of the committee must play an active part in the decision.

Decision-making committee

Lorsque l'Approvisionnement juge nécessaire d'impliquer la direction dans un processus d'appel d'offres sur invitation, elle peut décider de former un comité de décision. La composition de ce comité sera déterminée par l'Approvisionnement conjointement avec le comité de sélection.

Le comité de décision doit confirmer ou infirmer la recommandation du comité de sélection. Si le comité de décision infirme le choix du comité de sélection, ce dernier devra traiter les commentaires reçus et resoumettre sa recommandation.

Member impartiality

Les membres du comité de sélection et du comité de décision (selon les cas) doivent faire preuve de rigueur et d'impartialité; ils ne peuvent être ou se placer en situation de conflit d'intérêts réel ou apparent. Ils doivent à cet égard se référer aux règles du code d'éthique et de déontologie des dirigeants et employés de la Caisse.

Use of an evaluation grid

The evaluation grid shall include a minimum of four (4) criteria established by the employee and validated by the selection committee. Each criterion shall be weighted according to its importance in the performance of the contract.

Le comité de décision (s'il y en a un), doit lui aussi valider la grille d'évaluation (les critères et leur pondération) et les fournisseurs invités préalablement à l'envoi de l'appel d'offres sur invitation.

Chaque membre du comité de sélection évalue les offres au moyen d'une grille d'évaluation. Le fournisseur qui reçoit l'évaluation la plus élevée (par la moyenne des évaluations de tous les membres) et à la suite de la démarche auprès du comité de décision (s'il y en a un), se voit attribuer le contrat.

Receipt of a single offer

If only one qualifying bid is received, the selection committee shall evaluate whether it is advantageous to conclude a contract with the supplier or to restart the process.

Right to terminate the process

La Caisse reserves the right to terminate the process at any time and is not committed to accepting any of the bids received.