



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

TABLE OF CONTENTS

Preamble.....	2
1. Objectives.....	2
2. DEFINITIONS.....	2
3. Scope	3
4. General principles	4
5. Annual report.....	4
6. General provisions	5
6.1. Authorization	5
6.2. Definition of need and analysis of options	5
6.3. Contracts.....	5
6.4. Supplement to a contract.....	5
6.5. Payment Requisition	6
6.6. Documentation.....	6
6.7. Assistant Advisor.....	6
7. Conditions of application of invitations to tender and solicitation of bids	6
8. Exceptions to the procedure for invitations to tender.....	7
9. Invitation to a sole supplier.....	9
10. Rules governing the procedure for invitations to tender	9
11. Selection criteria.....	10
12. Statement of compliance with the procedure for calls to tender when applicable	10
13. Request for information from suppliers	10
14. Roles and responsibilities	11
14.1. Applicant	11
14.2. Executive Vice-Presidencies, Office of the President and Chief Executive Officer and Vice-Presidency, Internal Audit.....	11
14.3. Senior Vice-Presidency, Policies and Compliance	11
14.4. Executive Vice-Presidency, Finance, Treasury and Strategic Initiatives.....	11
14.5. Senior Vice-Presidency, Legal Affairs and Secretariat.....	12
APPENDIX 1: Principal Selection Criteria	13
APPENDIX 2 : Tender documents.....	14
APPENDIX 3: Statement of compliance with the procedure for calls to tender when applicable ...	15

PREAMBLE

La Caisse de dépôt et placement du Québec is not subject to the regulations governing the contract conditions of government departments and agencies enacted under la *Loi sur l'administration publique* [the Public Administration Act], R.S.Q., c. A-6.01, but it shall:

- / Adopt a policy on the conditions of its contracts, which must be filed with the Treasury Board and made public no later than 30 days after it is adopted.
- / Ensure that its policy takes account of the government's general policies regarding public contracts.
- / Provide an account of the application of this policy in its annual report.

1. OBJECTIVES

The purpose of this policy is to outline the process for the acquisition or leasing of goods and services that are the subject of a contract.

2. DEFINITIONS

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

- / **Invitation to tender:** A competitive bidding procedure that, subject to section 10.1, involves inviting at least three (3) previously selected suppliers to submit an offer with a view to obtaining a contract. It includes requests for project proposals, calls for bidders and calls for tenders consisting of bidding only one price or one rate for the complete project.
- / **Caisse:** Refers to la Caisse de dépôt et placement du Québec and all of its wholly owned subsidiaries.
- / **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 that may include the cost of installation, use, operation and maintenance of the property.

Also includes service contracts, such as those for publications, document copying, insurance, caterers and travel agencies.

- / **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 an intellectual work in a specialized field. Its execution 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.
- / **Outsourcing contract:** Without limiting the definition outlined in the “outsourcing risk management policy (excluding the outsourcing of fund management)”, this is a contract granting a supplier part of a function normally carried out by internal resources at la Caisse, with the exception of the management of funds covered by the integrated risk management policy.
- / **Request for information from suppliers:** Process that may be used prior to the procedure for invitations to tender that consists of consulting potential suppliers for the execution of a project in order to learn about the products and services available on the market and the possible costs of this type of project.
- / **Supplier:** Any physical person, business, partnership, cooperative 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 the 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.
- / **Standing offer:** An offer presented by a supplier to possibly obtain specific contracts, at a prearranged price or according to a prearranged pricing procedure, with set terms and conditions, for a specific period of time and on an as-required basis, including either the obligation to deliver the required goods or services every time the user requests them, or a simple obligation to deliver them based on their availability.

3. SCOPE

3.1 This policy applies to any contract concluded by la Caisse for the acquisition or leasing of goods and services. This policy does not apply to:

- / employment contracts of officers or employees of la Caisse;
- / 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 framed by separate policies;
- / contracts concluded within the context of project support or funding of a charitable, philanthropic or business nature, depending on the application criteria.

- 3.2 With regard to outsourcing contracts, the provisions of the present policy apply subject to section 3.1 and application of the “Outsourcing risk management policy (excluding the outsourcing of fund management)”.

4. GENERAL PRINCIPLES

- 4.1 Transparency, equity and sound management are the principles that shall guide the process of awarding contracts.
- / **Transparency:** ensured by a uniform purchasing process and knowledge of that purchasing process on the part of the suppliers.
 - / **Equity:** ensured by equal opportunity for suppliers and the objective evaluation of offers, an assessment grid for this purpose and a selection committee for contracts of \$100,000 or more.
 - / **Sound management:** ensured by obtaining goods and services that meet the criteria of quality and advantageous cost.
- 4.2 The lowest qualifying bid will not necessarily be accepted, unless price is the sole determining factor. La Caisse sets out to obtain, within its fixed time frames, goods and services that fulfill its expectations in terms of quality, at an advantageous cost and, insofar as possible, that contribute to Quebec’s economic and technological development.
- 4.3 The process of the acquisition or leasing of goods and services must attach all appropriate importance to economy, efficiency and effectiveness by obtaining goods and services at an advantageous cost, by the judicious use of financial and human resources and by the establishment of methods that promote transparency, equity and sound management.
- 4.4 The fixed price contract formula must be favoured whenever possible. Also, purchases should be consolidated when this can result in increased effectiveness or significant savings.
- 4.5 Insofar as possible, La Caisse aims to deal with suppliers who espouse responsible social and environmental practices.
- 4.6 French must be used in accordance with the applicable provisions of the Charter of the French Language. The use of French must be promoted at all times.

5. ANNUAL REPORT

In its annual report, la Caisse provides an account of the application of its policy on contracts.

6. GENERAL PROVISIONS

6.1. Authorization

Before the award of a contract, a person empowered to do so under the applicable delegation of authority shall authorize the financial undertakings arising therefrom.

6.2. Definition of need and analysis of options

Before proceeding with the acquisition or leasing of goods and services, the applicant must first clearly define its needs in order to obtain the desired goods or service of the level of quality required at the desired time. This phase is essential in drafting the call for tenders. The applicant must also carefully evaluate the different possibilities for arriving at the expected outcomes. By using such a procedure, it is possible to evaluate the costs and time frames of potential solutions, determine their feasibility and assess their cost-benefit ratio. If necessary, the applicant may issue a request for information from suppliers according to section 13.

6.3. Contracts

Any supply of goods or provision of services shall be the subject of a contract.

A contract as set out by this policy shall:

- / refer to a defined item;
- / have a term that is fixed or limited by the nature of the mandate;
- / include a financial undertaking 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 \$10,000 or more, with the exception of catering services;
- / be concluded by the person(s) empowered to do so under a delegation of authority or proxy.

The applicant shall contact the Senior Vice-President, Legal Affairs and Secretariat, for agreement on the contractual document to be used.

Legal counsel from the office of the Senior Vice-Presidency, Legal Affairs and Secretariat shall review contracts of \$100,000 or more, and this legal counsel shall track revisions.

6.4. Supplement to a contract

Before any supplement to a contract is granted, the financial undertakings arising therefrom shall be authorized on the basis of the level of authorization required for the total of the contract and its supplement.

6.5. Payment Requisition

The applicant shall certify that he has complied with the present policy on the payment requisition form.

6.6. Documentation

The applicant shall ensure that he has the appropriate documentation supporting the choice of supplier and shall provide justification for exemption from the procedure for invitations to tender, if applicable. As well, a file shall be created for each invitation to tender and include the documents listed in Appendix 2.

Each Executive Vice-Presidency, the Office of the President and the Vice-Presidency, Internal Audit, shall maintain a complete updated list of contracts that they have awarded to suppliers in accordance with the scope of the present policy so that they can provide it on request to the Senior Vice-Presidency, Policies and Compliance.

6.7. Assistant Advisor

A representative of the Senior Vice-Presidency, Policies and Compliance, provides the necessary expert support to the applicant in order to promote compliance with the policy, particularly in terms of facilitating the procedure for calls to tender and the choice of supplier.

7. CONDITIONS OF APPLICATION OF INVITATIONS TO TENDER AND SOLICITATION OF BIDS

7.1 Exceptions notwithstanding, the procedure for invitations to tender shall be used in the following cases:

Supply contracts	\$50,000 or more
Professional services contracts	\$100,000 or more
Accommodation services contracts	\$100,000 or more
Outsourcing contracts¹	\$100,000 or more

¹: subject to application of the “outsourcing risk management policy (excluding the outsourcing of fund management)”.

7.2 For amounts lower than those set in the preceding point or when an exception applies in accordance with the present policy, the procedure for invitations to tender is optional and when it is not exercised, section 9 applies.

- 7.3** In unusual circumstances, 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 section 8. These reasons shall then be noted in the file. In addition, the Executive Vice-President concerned, with the approval of the Board of Directors of la Caisse, shall recommend referral to the present section.
- 7.4** 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 available information.
- 7.5** In the case of a contract that includes both supplies and professional services to be provided by the same supplier for the execution of work, the contract shall be concluded in accordance with the rules applicable to the item that represents the largest part of the estimated amount of the contract.
- 7.6** The applicant is responsible for the choice of suppliers that the applicant invites to bid. The applicant should be able to transparently justify and defend the applicant's choices, particularly with respect to the suppliers' skills for assuming the mandates, taking into account the distinctive characteristics of the field, the complexity of the tasks and the time frame.

8. EXCEPTIONS TO THE PROCEDURE FOR INVITATIONS TO TENDER

- 8.1** Use of the procedure for invitations to tender for the award of a contract covered by the present policy is not mandatory in the following situations:
- a) a contract concluded in an emergency because the security of persons or the protection of 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 it is to the benefit of la Caisse to maintain a business relationship with the supplier rather than proceed with an invitation to tender, when 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 5 years.

The application of one or another of the exceptions shall be justified and noted in the file and be the subject of a recommendation by the applicant, authorized by the Executive Vice-President concerned or by the President and Chief Executive Officer if the applicant is an Executive Vice-President.

8.2 The procedure for invitations to tender for the award of a contract covered in the present policy is not mandatory in the following specific cases:

- a) a contract for the maintenance of equipment, particularly specialized software, or repairs or professional services that must necessarily or preferably be performed by the supplier of the good or plans, or by its authorized representative, for relevant reasons;
- b) a contract for outsourced services that is renewed with the same supplier that has already been negotiated, or a service contract with special advisors hired to assist the managers in negotiations with the selected outside contractor;
- c) provisioning from a supplier accredited by la Direction générale des acquisitions [Procurement Branch] of le Ministère des services gouvernementaux [Department of Government Services] of the Government of Quebec;
- d) a supply contract with one of the suppliers on the list of suppliers with a standing offer accepted following a call for tenders in the spirit and to the letter of the process described in the present policy. This list should be revised at least every three years;
- e) a service contract with a caterer accredited by the manager of the building housing la Caisse who, for reasons of site safety, ensures an accreditation process based on his own criteria;
- f) a contract for the processing, supply or consultation of information or data, collected and collated by the supplier or belonging to the supplier;
- g) a contract for subscriptions or the acquisition of books;
- h) a contract for the services of an artist or the acquisition of works of art;
- i) a contract for the purchase or rental of space on billboards or in the print media or radio or television time;
- j) a contract for financial or banking services, fiduciary services, financing, compensation, securities settlement or borrowing;
- k) a contract with an insurance broker or an insurance contract for which the services of a broker were retained to seek the best price-quality ratio;
- l) a contract for the 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* (R.S.Q., c. A-2.1);
- m) a contract for training activities or for the services of training consultants;
- n) a 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;

The section cited to justify an exception to the procedure for calls to tender shall be noted in the file.

9. INVITATION TO A SOLE SUPPLIER

When the procedure for invitations to tender is not mandatory according to the present policy and a sole supplier is invited, a process of negotiation shall nonetheless be conducted with the supplier so that la Caisse obtains the required good or service at market conditions. Negotiations must specifically focus on **cost**, **service** and **quality** (for example: the mandate, work processes, time frame, qualification of resources, etc.). The provisions of the present policy shall be respected insofar as they apply.

10. RULES GOVERNING THE PROCEDURE FOR INVITATIONS TO TENDER

- 10.1** Invitations to tender shall be addressed to at least three (3) suppliers. In the event that few suppliers offer the type of service required, the invitation to tender may be restricted to two (2) suppliers only and the justification shall be noted in the file.
- 10.2** The invited suppliers shall enjoy consistent and equitable treatment in terms of the information provided to them. To this 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 shall notify the invited suppliers of this by means deemed appropriate.
- 10.3** The applicant shall use documents standardized by the Senior Vice-Presidency, Policies and Compliance, related to invitations to tender. Any change to the standardized invitation to tender document shall be submitted to legal counsel in the office of the Senior Vice-Presidency, Legal Affairs and Secretariat for review.
- 10.4** The invitation to tender document shall necessarily, but not restrictively:
- / include a complete description of the subject of the contract;
 - / set out the instructions to invited suppliers regarding the deadline for submission and other terms and conditions;
 - / inform the invited suppliers of the rules that will be followed in the evaluation of bids, especially the principal selection criteria and their weighting;
 - / provide information on the contract validity requirements provided in this policy;
 - / present the provisions of clauses regarding non-compliance of bids;
 - / indicate that all information contained in the invitation to tender or obtained during evaluation of the offer of service and/or collected during execution of the mandate will remain the property of la Caisse and shall be handled with strict confidentiality;
 - / state the bidder's obligation to avoid any conflict of interest situation and require the disclosure of all business relationships that could possibly lead to a real or potential conflict of interest;
 - / state that la Caisse does not undertake to accept any bid received.

- 10.5 Only bids submitted by suppliers with the required qualifications, authorizations, permits, licences and registration shall be considered.
- 10.6 Bids shall be submitted in writing.
- 10.7 La Caisse will notify the supplier in writing that its bid is accepted or denied.

11. SELECTION CRITERIA

- 11.1 If the estimated amount of the contract is equal to or greater than \$100,000, the applicant must form a selection committee to evaluate the bids. This committee is composed of at least three (3) members, of whom at least one (1) is from outside the office of the Executive Vice-Presidency concerned. The external member should have no hierarchical connection with the other members of the selection committee and may not be from the office of the Senior Vice-Presidency, Policies and Compliance. One person shall act as committee secretary.
- 11.2 The applicant or, if appropriate, the members of the selection committee shall be extremely thorough and completely impartial.
- 11.3 The applicant or, if appropriate, each member of the selection committee evaluates qualified bids using an evaluation grid on which they note their assessment of the bids. The grids are compiled to determine the supplier to whom the contract is awarded.
- 11.4 The evaluation grid shall include a minimum of four (4) criteria established by the applicant, unless price is the sole determining factor. Each criterion shall be weighted according to its importance in the execution of the contract (a list of some possible criteria can be found in Appendix 1).
- 11.5 La Caisse reserves the right to terminate the process at any time.

12. STATEMENT OF COMPLIANCE WITH THE PROCEDURE FOR CALLS TO TENDER WHEN APPLICABLE

- 12.1 When the procedure for calls to tender is required under the present policy, the applicant shall contact the Senior Vice-Presidency, Policies and Compliance, to review the file and issue the statement of compliance set out in Appendix 3. Recommendations may result from this.
- 12.2 No contract shall be signed by la Caisse unless all steps are validated by the statement of compliance.

13. REQUEST FOR INFORMATION FROM SUPPLIERS

Prior to the procedure for invitations to tender, this process may be used to clarify the needs and potential costs of a project based on market data. It shall not replace the procedure for invitations to tender and shall be conducted according to the general principles of the present policy. If a request for information document in writing is sent to a

supplier, it shall include a revision by a legal counsel from the office of the Senior Vice-Presidency, Legal Affairs and Secretariat.

14. ROLES AND RESPONSIBILITIES

14.1. Applicant

The applicant shall comply with the present policy, in particular, he shall: prepare all of the documents; document the process as required; establish selection criteria and their weighting; contact the Senior Vice-Presidency, Policies and Compliance, if the call for tenders procedure is required; list the contracts awarded in accordance with the scope of the present policy; certify that he has complied with the policy on the payment requisition form; contact the Senior Vice-Presidency, Legal Affairs and Secretariat, for revision of the call for tenders and request for information from suppliers documents, if necessary, and for the drafting and/or revision of the contract awarded; and obtain the required approvals and signatures.

14.2. Executive Vice-Presidencies, Office of the President and Chief Executive Officer and Vice-Presidency, Internal Audit

The Executive Vice-Presidencies, Office of the President and Chief Executive Officer and Vice-Presidency, Internal Audit shall maintain a complete updated list of contracts under their responsibility awarded to suppliers in accordance with the scope of the present policy so that they can provide it on request to the Senior Vice-Presidency, Policies and Compliance.

14.3. Senior Vice-Presidency, Policies and Compliance

The Senior Vice-Presidency, Policies and Compliance shall:

- / Ensure that the policy is updated and distributed and provide an assistant advisor *a priori* and training in order to promote compliance.
- / Complete the statement of compliance with the procedure for calls to tender as set out in Appendix 3 in all cases where a call for tenders is required under this policy.
- / Provide an account of the application of the policy to the Audit Committee and in the annual report of la Caisse as a result of processes carried out within the framework of the compliance program.

14.4. Executive Vice-Presidency, Finance, Treasury and Strategic Initiatives

The Executive Vice-Presidency, Finance, Treasury and Strategic Initiatives shall:

- / Ensure production of financial information required for budget monitoring and accounting on the application of the policy by the Senior Vice-Presidency, Policies and Compliance. Specifically, he shall provide reports on disbursements by supplier.
- / Ensure payment of suppliers on condition that the manager has certified compliance with the present policy on the payment requisition form.

14.5. Senior Vice-Presidency, Legal Affairs and Secretariat

The Senior Vice-Presidency, Legal Affairs and Secretariat shall:

- / Ensure support for the drafting of contracts awarded and legal assistance required during contract negotiations.
- / Ensure legal revision of amendments to the standardized call for tenders document when submitted by the applicant, and the legal revision of requests for information.
- / Revise and certify the legal revision of contracts of \$100, 000 or more.

APPENDIX 1: Principal Selection Criteria

The possible criteria are, but are not restricted to, the following:

- / **Recommended approach:** evaluation of the methodology, taking into account the originality and quality of the proposed solution as a function of the project objectives.
- / **Quality assurance:** evaluation of the mechanisms put in place by the supplier for organization of the work in order to ensure the quality of the expected services.
- / **Succession:** evaluation of the experience of the resources that the supplier can offer as replacements for one or more members of the proposed team.
- / **Quebec content:** goods or services for which most of the manufacture or the manpower was carried out in or comes from the Province of Quebec. A head office in Quebec is also a factor to consider.
- / **Project coordinator's experience:** evaluation of the project coordinator's experience and competence in the type of project concerned and similar projects, taking into account such matters as their complexity and importance and his specific contribution to such projects.
- / **Supplier's experience:** evaluation of the supplier's relevant experience in the specific area of the contract to be awarded and in similar completed projects.
- / **Experience and relevance of the proposed team:** evaluation of the competence of the team proposed by the supplier and the experience of the professionals and other members of this team in the specific area or in an area comparable to that of the contract to be awarded.
- / **Project organization:** evaluation of the organization and deployment of the human resources assigned to the project and who are available to the supplier for its execution.
- / **Espousal of responsible social and environmental practices:** evaluation to determine whether or not the supplier has espoused responsible social and environmental practices.
- / **Price or fees:** evaluation of the price or fees that are most advantageous for la Caisse in comparison with other suppliers.

APPENDIX 2 : Tender documents

The call for tenders file shall contain:

- / Dates of the various steps, meetings, encounters and presentations
- / Hand-written notes of conversations with suppliers
- / Letters exchanged with suppliers
- / All documentation supporting requests for information from suppliers, if applicable
- / Invitations to tender
- / Bids received
- / Reasons justifying denial of bids
- / Evaluation grids for each participant, as required
- / Reasons justifying exemption from application of the procedure for calls to tender
- / Required authorizations
- / Reports of meetings of the selection committee
- / Statement of compliance with the procedure for calls to tender when applicable, signed by a representative of the Vice-Presidency, Policies and Compliance
- / All other documents supporting the process of choosing a supplier

APPENDIX 3: Statement of compliance with the procedure for calls to tender when applicable

Step	Validated
The documentation in the file is complete, according to the documents required in Appendix 2.	
The invitation to tender was sent to at least three (3) suppliers; two (2) in cases where few suppliers provide this type of service, which was justified in the file.	
The file shows that the suppliers were treated consistently and equitably in terms of the information provided to them. If the scope of the call for tenders changed, the suppliers were notified to ensure equitable treatment of all suppliers.	
The standardized call for tenders document was used.	
Any change or addition to the standardized document was submitted to legal counsel in the office of the Vice-Presidency, Legal Affairs and Secretariat for revision.	
The invitation to tender complies with section 10.4.	
Only bids submitted by suppliers with the required qualifications, authorizations, permits, licences and registration were considered.	
Sections 11.1 to 11.5 were respected.	
Reasons for denying non-qualifying bids were noted.	
Bids were submitted in writing.	
A notice in writing was sent to suppliers whose bids were denied.	
A notice in writing was sent to the supplier whose bid was accepted.	
If it was decided to terminate the procedure for invitations to tender, the reasons are recorded in the file.	

Findings and recommendations:

 Signature of representative of
 Senior Vice-President, Policies and Compliance

 Date