

TITLE	APPROVING BODY
Policy – Contracts for the Acquisition or Leasing of Goods and Services	Board of Directors
ISSUING BUSINESS UNIT	DATE
Finance and Operations	2023-06-01
RELATED LEGISLATION, POLICIES AND DIRECTIVES	
<ul style="list-style-type: none"> • Directive – Suppliers 	
OBJECTIVES	
<ul style="list-style-type: none"> • 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 requests for proposals by invitation. 	
Table of Contents	
1. Definitions	2
2. Scope	2
3. General principles	2
4. General provisions related to contracts	3
5. Contract concluded following request for proposals by invitation	4
6. Contract entered into by mutual agreement	6
7. Conflicts of interest	6
8. Eligibility for public contracts	7
9. Request for information from suppliers	7
10. Request for candidates resulting from a request for proposals by invitation	7
11. Processes for adopting and updating the policy	7
Appendix 1: Definitions	8
Appendix 2: Rules governing the request for proposals by invitation procedure	9

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 for the acquisition or leasing of works of art;
- 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.

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 respond to a request for proposals by invitation and the use of objective evaluation criteria of the proposals;
- 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. Accordingly, La Caisse reserves the right to evaluate submissions not only based on price, but also based on the cost-benefit ratio when its needs require additional quality or specific expertise.

3.3 Environmental, social and governance (ESG) considerations

La Caisse seeks to establish and maintain relationships with suppliers who have adopted ESG practices that are in keeping with its ESG strategy.

At a minimum, La Caisse expects its suppliers to comply with the legislation applicable to their activities regarding the environment, sustainable development, human rights, labour and employment rights, the protection of privacy and personal information, cybersecurity and combating corruption. In addition, it favours suppliers who have implemented ESG practices that are in line with ESG best practices in their respective industries.

In particular, La Caisse offers equal employment opportunities to everyone and expects its suppliers to do the same by offering employment opportunities free from discrimination. La Caisse encourages its suppliers to implement programs and initiatives that promote diversity, equity and inclusion within their company, as well as accessibility and inclusion measures for people with disabilities.

3.4 Québec suppliers

La Caisse promotes the use of Québec suppliers, while ensuring sound competition between suppliers and in compliance with the applicable rules for awarding contracts.

3.5 Language Policy

La Caisse uses French and promotes the quality of French in Québec. Any supplier operating in Québec hired by La Caisse must comply with the provisions of the *Charter of the French Language* regarding the acquisition of goods and the delivery of services.

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 an information security policy for which reporting is prepared 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 term that is fixed or limited by the nature of the mandate, unless it 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 CAD 25,000 or more, before any applicable sales taxes;
- 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 request for proposals 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 deadlines, contract length, and determine their feasibility and assess their cost-benefit ratio.

If necessary, the employee may issue suppliers a request for information according to section 9 of this policy.

An employee may not consciously divide, split their needs or amend a contract with the intention of evading the obligation to follow the request for proposals by invitation procedure or to evade any other obligation stemming from this policy.

4.2 Contract model

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

4.3 Cloud computing services and personal information

Procurement, Legal Affairs and Corporate Security must be involved in awarding contracts for cloud services and for any contract involving access to or the transmission of personal information held by La Caisse.

4.4 Review by Legal Affairs

Any framework agreement or contract in which the initial value or, in the absence of a specific duration, the initially planned value (without taking into account potential renewal options) is CAD 250,000 or more, including any contract related to a framework agreement or any renewal of a contract of CAD 250,000 or more, must be reviewed by Legal Affairs, except in the following situations:

- 4.4.1 Service proposal resulting from an IT services outsourcing contract handled according to the framework agreement with the supplier;
- 4.4.2 Service agreement or proposal (or purchase order) resulting from a framework agreement for which (i) Procurement is involved in the review and (ii) the La Caisse template is used without any modification to the legal clauses and (iii) no personal information held by La Caisse is made accessible or transmitted by La Caisse.
- 4.4.3 Renewal of a contract if no change is made to the legal clauses and that only the prices and duration are modified; or
- 4.4.4 Contracts listed in the *Lignes directrices concernant la révision par les Affaires juridiques de certains contrats*, as amended from time to time.

Any contract involving access to or the transmission of personal information held by La Caisse must be reviewed by Legal Affairs, regardless of its value.

Any contract review by Legal Affairs must be carried out before the contract is signed.

5. Contract concluded following request for proposals by invitation¹

5.1 General conditions of application

When estimating the amount of the contract to determine if there will be request for proposals by invitation, only the initial duration of the contract shall be considered, without taking into account potential renewal options likely to bind La Caisse.

In general, a request for proposals must be used for the following contracts:

Categories of the type of contract	Amount
Supply contracts	\$250,000 or more
Professional services contracts	\$250,000 or more
Accommodation services contracts	\$250,000 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 estimated amount in the contract.

¹ Exceptions to the procedure for request for proposals by invitation are described in section 5.3 of this policy.

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, in particular 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 request for proposals.

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

5.3 Exceptions to the procedure for requests for proposals

The application of one of the exceptions to the request for proposals by invitation 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 Executive Vice-President and Chief Financial and Operations Officer if the employee who requests such an exception is an Executive Vice-President.

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 La Caisse;
- 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 a request for proposals would not serve the interests of the depositors (for example, if a change in supplier would involve substantial costs), provided the following three (3) conditions are met:
 - The current supplier provides a satisfactory quality of service;
 - A comparative analysis is conducted regularly to ensure that the prices remain competitive;
 - A request for proposals 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 Centre d'acquisitions gouvernementales, d'infrastructures technologiques Québec;
- 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) Purchase or rental of advertising space on billboards, in print media, online on websites and on social media outlets, or radio or television time;

- f) Financial or banking services, fiduciary services, financing, compensation, securities settlement or borrowing;
- g) Contract with an insurance broker or an insurance contract for which the services of a broker were retained;
- h) 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;
- i) 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;
- j) Contract (lease) for the leasing of space in a building;
- k) Upgrading or renewal of a licence for software already implemented and a support and maintenance contract or a third-party agreement arising from the implementation of such software;
- l) Recruitment of permanent or temporary employees and placement agencies;
- m) 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.

5.3.3 Other possible exception

La Caisse may grant an exception to the procedure for requests for proposals by invitation 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 or the Executive Vice-President and Chief Financial and Operations Officer.

5.4 Rules governing the procedure for requests for proposals by invitation

The rules governing the procedure for requests for proposals by invitation are presented in Appendix 2 of this policy.

5.5 Optional application of the procedure for requests for proposals by invitation

An employee may choose to proceed with a request for proposals by invitation 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. Conflicts of interest

All employees must be thorough and impartial during the supplier selection process and throughout the negotiations with them. They shall not be placed or place themselves in an actual or apparent conflict

of interest and must contact the Ethics and Compliance team (ethique@lacaisse.com) if they find themselves in one of the following situations:

- The employee has a direct relationship with supplier, proponent or member of their Board of Directors or management;
- The employee is a director, officer or major shareholder of a current or potential supplier;
- The employee is taking part in a selection committee for a request for proposals by invitation but was recently (in the last three years) an employee or director of the proponent.

The employee must also adhere to La Caisse's Code of Ethics and Professional Conduct for Officers and Employees at all times.

8. Eligibility for public contracts

La Caisse does not conclude contracts with suppliers listed in the register of enterprises ineligible for public contracts (Registre des entreprises non admissibles aux contrats publics or RENA).

9. Request for information from suppliers

With the assistance of Procurement, an employee may decide to use a process of requesting information from potential suppliers, prior to the procedure of a request for proposals by invitation, 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 requests for proposals by invitation and shall be conducted according to the general principles of this policy.

10. Request for candidates resulting from a request for proposals by invitation

Certain requests for proposals by invitation aim to "prequalify" the suppliers for potential services that will be subject to subsequent bids. In such a case, Procurement will ensure that only the prequalified suppliers will be invited during subsequent requests for candidates. In the event that no bidder is selected following a request for candidates, Procurement may authorize a new request for candidates from suppliers that were not prequalified.

11. Processes for adopting and updating the policy

This policy has been approved by the Board of Directors upon the recommendation of the Audit Committee. It is revised regularly by Procurement and at least every three years.

Appendix 1: Definitions

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

- **Fit-out services contract:** Contract for the refurbishment, 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.
- **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.
- **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.
- **Proposal:** 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.
- **Request for proposals by invitation:** A competitive process involving three or more suppliers (unless there is an exception) in order to select the goods and/or services that best meet the needs expressed. The form of the request for proposals may be adapted to the context (e.g. request for proposals, request for quotations, request for candidates or any other form of process approved by Procurement and Legal Affairs).
- **Supplier:** Any physical person, business, company, 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.
- **Supply contract:** Contract for the purchase or lease of goods (tangible or intangible) that may include the cost of installation, use, operation and maintenance.

Appendix 2: Rules governing the request for proposals by invitation procedure

RULES OF REQUEST FOR PROPOSALS BY INVITATION PROCEDURE

Involvement of Procurement

The employee must communicate with Procurement prior to initiating any request for proposals by invitation. They may not proceed alone. Procurement and the employee shall agree on the form of the process based on the context.

Number of suppliers

Requests for proposals by invitation shall be addressed to at least three (3) suppliers. If there is sufficient competition in Québec, the request for proposals 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 benefit from 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 request for proposals by invitation, it will notify the invited suppliers of this by the means deemed appropriate.

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 request for proposals shall be considered. Exceptionally, the selection committee may decide otherwise and justify its decision in writing.

SELECTION TERMS AND CONDITIONS

The selection terms of a proposal described below apply to cases where price is not the only evaluation criteria used.

Selection committee

The employee forms a selection committee, responsible for evaluating the proposals received as part of the request for proposals 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 Vice-President group 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 evaluating the proposals received, in order to maintain their independence.

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

Decision-making committee

When Procurement considers it necessary to involve management in a request for proposals by invitation, it may decide to create a decision-making committee based on the size of the contract to be awarded or its potential value. The composition of this committee shall be determined by Procurement jointly with the selection committee.

The decision-making committee must confirm or deny the recommendation of the selection committee. If the decision-making committee denies the selection committee's choice, the latter shall address the comments received and resubmit its recommendation.

Member impartiality

Members of the selection and decision-making committee (depending on the case) must be rigorous and impartial; they must not be or place themselves in a real or apparent conflict of interest. Accordingly, they shall refer to La Caisse's Code of Ethics and Professional Conduct for Officers and Employees.

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.

The decision-making committee (if there is one) must also validate the evaluation grid (criteria and their weighting) and the suppliers invited prior to sending the request for proposals by invitation.

Each member of the selection committee evaluates the proposals using an evaluation grid. The supplier that receives the highest evaluation (through the average of all members' evaluations), and following the decision-making committee's process (if applicable), will be awarded the contract.

Receipt of a single offer

If only one qualifying proposal 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.