



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Procurement Policy

1. Effective Date

This policy was approved by the Clerk of the House of Commons on November 4, 2020 and replaces the previous version approved in November 2014.

2. Introduction

The *Governance and Administration By-law* of the Board of Internal Economy confers upon the Clerk of the House of Commons the authority to enter into and terminate contracts or other arrangements related to the provision of goods and services on behalf of the Board of Internal Economy.

To support Members of the House of Commons in the fulfillment of their parliamentary functions, the House of Commons Administration is required to procure goods and services to meet its corporate requirements. This policy governs the House Administration's procurement activities.

3. Position

The House of Commons Administration acquires goods and services to achieve its mandate and strategic objectives in accordance with this policy.

4. Principles

The policy is governed by the following principles:

- a) **Fairness and transparency:** Decisions and actions regarding procurement are fair, transparent and equitable, and show no preferential treatment to firms or individuals.
- b) **Effectiveness:** The House of Commons Administration implements procurement processes to deliver the right goods or services at the right time while achieving the best value for money. Collaboration with all stakeholders is the key to procurement effectiveness. As a result, the House Administration works with all parties, including its suppliers, in defining success and risk and in actively monitoring performance.
- c) **Accountability:** Accountability for procurement decisions is demonstrated by:

- relying on the participation and approval from business owners, as well as from contracting, functional and technical authorities, throughout the procurement process;
- exhibiting professional conduct, practice and compliance with this policy and associated procedures; and
- maintaining accurate and reliable documentation.

d) Risk management: Legal, financial and reputational risks are identified and managed.

e) Responsible stewardship: Care and respect for public trust are demonstrated by complying with this policy, the provisions of the House of Commons Administration's *Conflict of Interest Policy* and other applicable policies.

5. Objectives

The objectives of this policy are to:

- support fair and transparent procurement while effectively managing risks;
- outline the responsibilities of employees involved in procurement activities;
- promote and maintain high ethical, managerial and professional standards in the management of resources;
- obtain the best value in the expenditure of public funds; and
- demonstrate the House of Commons Administration's commitment to suppliers and in doing business fairly and working with them productively.

6. Application

This policy and related guidelines and procedures apply to procurement and contracting activities undertaken by House of Commons Administration employees. Compliance is mandatory.

7. Exclusions and Exceptions

7.1 Members and Officers of the House of Commons

This policy does not apply to procurement activities undertaken directly by Members or Officers of the House of Commons.

7.2 Committees and parliamentary associations and exchanges

This policy does not apply to procurement activities undertaken by committees or parliamentary associations and exchanges when exercising their contracting authority.

7.3 Goods and services

The procurement of the following goods and services is excluded from the application of this policy:

- individual education/training courses, seminars, conferences provided by an external supplier (including associated fees and costs);
- professional association memberships, as permitted by the *Learning and Development Policy* or as required, to allow employees to practice their profession;
- subscriptions for newspapers and periodicals (both hard and electronic copies);
- insurance premiums (except vehicle insurance);
- utilities (gas, electricity, etc.);
- postage, including the reloading of postage meters;
- banking and underwriting services;
- health care services, including services provided by specialized health care professionals;
- legal services (these services refer to legal advice provided by a lawyer and are to be distinguished from mediation or negotiation services that may be provided by a legal professional); and
- legal expert witnesses in a legal proceeding or matter.

Note: Employees involved in procuring excluded goods or services must have the necessary financial signing authorities, as specified in the *Delegation of Financial Signing Authorities Policy*.

8. Contracting Authorities

Employees and managers with delegated contracting authority may conduct contracting activities to procure goods and services up to the maximum limits specified in the *Delegation of Financial Signing Authorities Policy*.

Material and Contract Management and other functional contracting authorities within Finance Services are responsible for contracting activities above these limits.

When exercising their contracting authority, employees must follow this policy and the *Procurement and Contracting Guidelines and Procedures*, and should consult Material and Contract Management for advice and information.

9. Governance and Accountability

Clear accountabilities drive behaviour toward achieving the procurement objectives outlined in this policy. Procurement activities must be conducted with integrity. Each stakeholder involved in a procurement process plays a defined role with specific accountabilities.

9.1 Integrity

9.1.1 Conflict of interest

The provisions of the *Conflict of Interest Policy* apply to all House of Commons Administration employees.

Employees involved in acquiring goods and services must avoid any situation that could be, or be perceived to be, a conflict of interest when dealing with suppliers, potential suppliers, or bidders.

Throughout the procurement process, employees must attest that they are not in a position of real or perceived conflict of interest.

Employees must report any actual or perceived conflict of interest to Materiel and Contract Management before starting the procurement process, regardless of limits.

9.1.2 Standards of conduct

House of Commons Administration employees involved in procuring or contracting goods and services must uphold high standards, values and ethics. They must protect the House of Commons from unethical business practices and collusive behaviour. Employees must ensure the proper management of procurement activities through compliance with all applicable policies, practices, and established guidelines and procedures. They must maintain accurate and reliable records in support of procurement activities and protect the integrity of those records.

All employees must report potential wrongdoing regarding procurement and contracting activities to the Deputy Director, Corporate Procurement and Contracting Services or to the Director, Materiel and Contract Management who will determine the appropriate next steps and/or escalate the matter accordingly.

9.2 Roles and responsibilities

Procurement activities include the following roles:

9.2.1 Chief Financial Officer

The Chief Financial Officer (CFO) is the service area head designated by the Clerk of the House of Commons as the functional authority for all procurement activities. Under this authority, the CFO approves changes to the guidelines and procedures to ensure that business processes are aligned with evolving procurement practices.

9.2.2 Procurement review

Procurements that are considered high risk or that may pose a reputational, legal or financial risk to the organization, as defined in the *Procurement and Contracting Guidelines and Procedures*, will be subject to review by the Deputy Clerk, Administration and the CFO, with support from Materiel and Contract Management. Procurements that may be considered high risk are the following:

- non-competitive procurements and executive amendments; and
- invitational competitive requirements when not using existing framework agreements.

9.2.3 Materiel and Contract Management

Materiel and Contract Management is the functional authority for procurement and contracting activities, and as such, conducts procurement on behalf of the House of Commons and ensures that the resulting contracts or framework agreements comply with this policy and any related policies. Furthermore, Materiel and Contract Management:

- establishes guidelines and procedures to be followed by all contracting authorities and other stakeholders; and

- provides ongoing support, advice and guidance to House of Commons Administration employees throughout the procurement process and over the life of agreements.

As part of its quality assurance program, Materiel and Contract Management will monitor and report on the corporate procurement program and periodically assess compliance with this policy, guidelines and procedures with respect to the procurement and contracting activities under the limits established in the *Delegation of Financial Signing Authorities Policy*.

With respect to individual procurement processes and agreements, in collaboration with stakeholders, Materiel and Contract Management:

- defines the overall procurement strategy;
- conducts, monitors and documents the procurement process;
- resolves disputes that may arise in the course of the procurement process, and escalates them to the CFO and the Deputy Clerk, Administration for review and guidance, in consultation with the Office of the Law Clerk and Parliamentary Counsel, if further examination is necessary;
- investigates, documents and resolves any performance issues that may arise in the course of the contract;
- receives complaints and escalates them to the appropriate level of the organization; and
- monitors and reports any conflict of interest that may exist, takes appropriate mitigating action, and escalates any conflict that requires further consideration to the CFO and the Deputy Clerk, Administration, in consultation with the Office of the Law Clerk and Parliamentary Counsel.

9.2.4 Other employees with contracting authority

Employees who exercise their delegated contracting authorities conduct, monitor and document procurements up to the limits specified in the *Delegation of Financial Signing Authorities Policy*, in accordance with this policy and the *Procurement and Contracting Guidelines and Procedures*.

These employees must also inform Materiel and Contract Management of any issues related to public disclosure exemption applications.

9.2.5 Functional authorities

To ensure corporate standards are maintained, the procurement of certain goods and services must involve or be led by specific representatives of functional authorities within the House of Commons Administration. Details can be found in the *Procurement and Contracting Guidelines and Procedures*.

9.2.6 Business owners

The business owner is the stakeholder or main end user of the goods or services being acquired. Typically, the business owner:

- identifies business requirements;

- obtains the appropriate approval to initiate the procurement process;
- ensures adequate funding is available to cover the cost of the goods or services once acquired;
- participates in proposal evaluations;
- supports any related reporting requirements; and
- ensures compliance with contract requirements and monitors performance.

9.2.7 Technical authorities

The technical authority provides specialized advice and expertise on the market and technical aspects of certain procurements. The technical authority collaborates with contract authorities and business owners by:

- defining the technical specifications related to the goods or services being acquired;
- participating in proposal evaluations;
- ensuring compliance with the contract's technical requirements and confirming performance against those requirements; and
- supporting any related reporting requirements.

9.2.8 Debriefings, complaints, disputes and escalation

Debriefings

Materiel and Contract Management will provide a debriefing to any bidder upon request.

Complaints

Formal complaints from bidders or suppliers must be submitted in writing to Materiel and Contract Management for resolution.

Disputes

Any dispute arising between the House of Commons and a supplier must be transferred to Materiel and Contract Management for resolution.

Escalation

The CFO and the Deputy Clerk, Administration will intervene when early dispute resolution cannot be achieved.

10. Procurement Planning and Strategy

Effective planning is essential to corporate investment, resource planning and successful procurement outcomes.

10.1 Annual Corporate Procurement Plan

Corporate procurement planning maximizes the use of resources involved in procurement activities and ensures alignment with organizational priorities. In collaboration with each service area, Materiel and Contract Management will coordinate the preparation of the Annual Corporate Procurement Plan.

In support of the House of Commons Administration's annual business plan, Materiel and Contract Management will present the consolidated Annual Corporate Procurement Plan to the Clerk's Management Group.

10.2 Procurement Planning

Procurement planning is the process of deciding what to buy, when and from what source(s). During the procurement planning process, the procurement method is assigned and the expectations for fulfillment of procurement requirements determined. Details on the required elements of the procurement planning process are provided in the *Procurement and Contracting Guidelines and Procedures*.

11. Procurement Method

11.1 Competitive processes

Competitive procurement processes are the normal practice. If a competitive process is not used, the provisions of this policy for non-competitive procurement processes must be observed.

The CFO, in consultation with the Deputy Clerk, Administration, establishes financial limits related to the use of non-competitive processes.

11.1.1 Open tendering

Open (public) tendering refers to a procurement method whereby all interested suppliers may submit a bid in response to requirements.

The House of Commons publishes a notice of intended procurement on the public tendering site.

11.1.2 Invitational tendering

Invitational tendering refers to a procurement process whereby a selection of vendors are invited to bid through direct invitation. The CFO, in consultation with the Deputy Clerk, Administration, establishes financial limits and criteria related to the use of invitational tendering.

Materiel and Contract Management may determine that an invitational procurement process may be warranted in at least one of the following circumstances:

- **Cost-effectiveness:** The value of the purchase is less than the amount specified in the *Procurement and Contracting Guidelines and Procedures*.
- **Security:** There are significant security or corporate confidentiality concerns that have the potential for financial, legal, operational, reputational or other demonstrable repercussions.
- **Limited market:** Limited market is confirmed and documented (e.g. a specific technology or brand), and there is limited capacity to open a competition.
- **Unforeseen and urgent circumstances:** Only when strictly necessary where, for reasons of extreme urgency brought about by unforeseeable

events, the goods or services could not be obtained in time using open (public) tendering.

11.2 Non-competitive processes

Exceptions to competitive tendering requirements must not be made for the purpose of avoiding competition or discriminating against or favouring specific suppliers.

11.2.1 Exceptional circumstances

It may be acceptable to conduct a non-competitive procurement process in at least one of the following circumstances:

- **Emergencies:** When the purchase of the goods or services is necessary due to:
 - an immediate risk to the safety or health of employees, Members, Members' staff, or the general public;
 - possible serious damage to House property or private property; or
 - the need to resume or continue an essential business function.
- **Security:** When there are urgent or national security considerations and a competitive process would not be in the public's interest.
- **Prior notice:** If, in response to a prior notice, to open tendering or to invitational tendering:
 - no tenders were submitted or no suppliers requested participation;
 - no tenders that conform to the essential requirements of the tender documentation were submitted;
 - no suppliers met the conditions for participation; or
 - the House of Commons Administration is aware that tenders have been collusive.
- **Unforeseen and urgent circumstances:** Only when strictly necessary where, for reasons of extreme urgency brought about by unforeseeable events, the goods or services could not be obtained in time using competitive tendering.
- **Sole supplier:** There is only one supplier capable of providing the goods or services and it is not possible to obtain competitive bids.
- **Single source:** When goods or services are available from more than one source but must be purchased from a specific supplier for valid and documented reasons.

When contracting within the delegated contracting limit, employees must document the reason for selecting a non-competitive process in the procurement file.

11.2.2 Advance contract award notice

An advance contract award notice (ACAN) is a public notice indicating to the supplier community that the House of Commons intends to award a goods or services contract to a pre-identified supplier, believed to be the only one capable of performing the work, thereby allowing other suppliers to signal their interest in tendering by submitting a statement of capabilities.

If no other supplier submits a statement of capabilities that meets the requirements set out in the ACAN, the House of Commons Administration may then proceed with awarding the contract to the pre-identified supplier.

Materiel and Contract Management will establish guidelines, including criteria related to its use of the ACAN as a procurement tool, and will determine when it is efficient and practical to use it.

Further details can be found in the *Procurement and Contracting Guidelines and Procedures*.

12. Procurement and contract award

Procurement processes may result in the award of either a contract or a framework agreement.

Contracts are legally binding arrangements that define the terms under which a supplier will provide goods and/or services to the House of Commons.

Framework agreements are agreements that establish the terms governing future contracts made with one or more than one supplier. Framework agreements allow for the purchase of goods and/or services at a future date. There is no obligation between the House of Commons and the signatories of a framework agreement to procure goods or services under a framework agreement until the required purchase order or contract is issued to the supplier.

If a framework agreement is established, its use is mandatory, unless otherwise authorized by Materiel and Contract Management.

13. Contracting for Services

The requirements related to contracting for services are the following:

- The statement of work must clearly describe the work involved, the deliverables and the milestones.
- A contract with an identifiable individual for the provision of services must not result in the establishment of an employer-employee relationship.
- An employee may not require a bidder or supplier to employ a specific individual as a condition of being awarded a contract.

Contracting directly for services with former employees who have accepted consideration under the *Work Force Adjustment Policy* is not permitted for a period of 24 months following their resignation as an employee, unless otherwise authorized by the Chief Human Resources Officer.

14. Contract Management

Contract management is the process of systematically and efficiently managing contract development, implementation, and administration for maximizing financial and operational performance and managing inherent risk. Contract management encompasses the life cycle, and reflects the complexity, of a contract and may involve several stakeholders, including the contracting authority, the business owner, the technical authority and the supplier.

Contract management is an essential element of the procurement process that protects the interests of the House of Commons, while ensuring that suppliers are being treated fairly. In extreme cases, suppliers who consistently underperform may be barred from applying for future contracts.

14.1 Amendments

Amendments to contracts or framework agreements must be documented and approved according to the limits specified in the *Delegation of Financial Signing Authorities Policy* and the procedures established by Materiel and Contract Management.

Materiel and Contract Management may determine that an amendment can be issued in at least one of the following circumstances:

- **Emergencies:** When the purchase of the goods or services is necessary due to:
 - an immediate risk to the safety or health of employees, Members, Members' staff, or the general public;
 - possible serious damage to House of Commons property or private property; or
 - the need to resume or continue an essential business function.

An emergency is normally unavoidable and requires immediate action. Urgency by itself is not an emergency.

- **Unforeseen and urgent circumstances:** Only when strictly necessary where, for reasons of extreme urgency brought about by unforeseeable events, the goods or services could not be obtained in time using competitive tendering.
- **Executive amendment:** May be required when the initial procurement faces a change in scope due to factors, such as changes in business requirements or broad technological advances, that a diligent authority could not have foreseen.
- **Administrative amendment:** May be required when changes to contact information, part or product numbers, price indexation or obsolete goods occur.

- **Options:** In order to exercise optional periods in accordance with the terms of the original agreement.
- **Additions:** May be required when goods, services or additional delivery not included in the original agreement or contract need to be obtained and the effective change does not alter the overall nature of the initial procurement.

15. Communication and Training

The Chief Financial Officer will ensure that this policy and related guidelines and procedures are communicated to the House of Commons Administration.

Employees and managers who are delegated contracting authorities must attend a mandatory training on this policy and any associated guidelines and procedures prior to exercising their delegated contracting authorities.

16. Public Disclosure

Contracts over \$10,000 are subject to proactive disclosure in accordance with *An Act to amend the Access to Information Act and the Privacy Act and to make consequential amendments to other Acts*, which received Royal Assent on June 21, 2019 and came into force on June 21, 2020.

The House of Commons Administration will also publicly disclose:

- Contracts of the same nature with the same supplier and with a value of less than \$10,000 that reach an aggregate total of over \$10,000 by the end of a quarter.
- Certain information related to framework agreements: the value disclosed for a framework agreement represents an estimated value of the expenses to be incurred over the period of the agreement and must not be interpreted as legally binding. Where it is not possible to establish an estimated value, the value will be disclosed as \$0.

The Speaker of the House of Commons may determine that the publication of certain contract information constitutes a breach of parliamentary privilege, in which case the information is exempt from public disclosure.

The Speaker may also determine, after receiving advice from the Parliamentary Protective Service or the House of Commons Administration, that the publication of certain contract information compromises the security of persons or goods in the parliamentary precinct or of the precinct's infrastructure, in which case the information is not required to be published.

17. Policy compliance

All House of Commons Administration employees and managers involved in procurement activities who do not comply, knowingly or inadvertently, with the provisions of this policy may be subject to disciplinary action, including:

- mandatory training;

- exclusion from participating in procurement processes;
- removal of contracting authority;
- removal of all spending and financial signing authorities; and
- any other disciplinary action, including suspension and termination.

Details are found in the *Procurement and Contracting Guidelines and Procedures*.

18. Policy and Program Responsibilities

| Senior Position | Responsibilities |
|--|---|
| Clerk of the House of Commons | <ul style="list-style-type: none"> • Approve this policy and subsequent amendments. |
| Deputy Clerk, Administration | <ul style="list-style-type: none"> • Oversee the review of high-risk procurements. • Act as an authority for the resolution of vendor disputes. |
| Chief Financial Officer | <ul style="list-style-type: none"> • Review high-risk procurements. • Act as the functional authority for contracting services on behalf of the Clerk of the House of Commons. • Act as an authority for the resolution of vendor disputes. • Review financial authorities related to non-compliance with this policy. • Flag serious, repeated or complex cases of non-compliance with this policy to the appropriate service area heads for disciplinary action. • Recommend changes to the policy. |
| Service Area Heads | <ul style="list-style-type: none"> • Ensure employees exercise their contracting authorities within their delegated limits, in accordance with this policy and the <i>Delegation of Financial Signing Authorities Policy</i>. • Provide advice and support related to their specific functional area of expertise. |
| Director, Materiel and Contract Management | <ul style="list-style-type: none"> • Exercise program authority for procurement in accordance with this policy, related procedures and the limits established in the <i>Delegation of Financial Signing Authorities Policy</i>. • Establish guidelines and procedures in compliance with this policy. |

19. References

- *Access to Information Act*
- *Parliament of Canada Act*
- *Governance and Administration By-law*

- *Delegation of Financial Signing Authorities*
- *Procurement and Contracting Guidelines and Procedures*
- *Conflict of Interest Policy*
- *Agreements with Public Sector Entities*
- *Work Force Adjustment Policy*

20. Contacts

For more information, please contact Heather Bradley, Director of Communications, Office of the Speaker of the House of Commons, by email at heather.bradley@parl.gc.ca.