

## 1. Effective date

The President has approved this policy and it takes effect on 1 October 2015.

## 2. Executive Sponsor

VP Defence and Contract Management & CFO (Joint) .

## 3. Definitions

**“Purchasing Office”** means the assigned individual responsible for the verification of the compliance of any planned purchase against this policy and the coordination of complex or high dollar value competitive purchases.

**“Purchasing Document”** means a document used to authorize a supplier to provide goods or services to CCC within certain terms and conditions. Examples include purchase orders, contracts, and CCC accepted letters of offer or online orders.

**“Single-Source”** means that there is more than one supplier that could provide the good or service, however, only one is selected for the purposes of completing a purchase.

**“Sole-Source”** means that there is only one supplier that is able to provide a specific good or service; where there are no other options available.

**“Value for Money”** means that CCC has obtained or seeks to obtain the maximum benefit from the goods and services it acquires, within the resources available to it. Factors such as quality, availability, cost of purchasing process and price of goods and services are all to be considered, not just the lowest price.

## 4. Application

This policy applies to all staff of the Corporation as it pertains to the administrative purchases of goods and services for the benefit of CCC and/or its employees and supersedes any prior policy.

The following are excluded from this policy.

- Travel for individuals (as these are governed by CCC Policy / Instruction);

- Hospitality (as these are governed by CCC Policy / Instruction);
- Salaries, wages and benefits for employees and Board of Directors;
- Training;
- Insurance arranged through a broker;
- Memberships/ Associations/ Sponsorship;
- Memorandum of Understandings with Other Government Departments of Canada; and
- Legal services arranged with out-side council.

## 5. Compliance and Monitoring

All CCC employees are to comply with this policy, related instructions and all subordinate unit specific procedures as it pertains to the conduct of all CCC operations. Further, it is the responsibility of their respective Executive and Managers to ensure that:

- All employees are made aware of the policies, instructions or procedures that govern daily work activities, especially during the orientation phase of a new employee or an employee transferred from another business unit within CCC;
- All employees are continuously monitored in the application of all relevant policies, instructions and procedures during the conduct of daily business operations; and,
- Cyclical review of policies, instructions and procedures take place as defined in the 'Policy Governance Framework'; and that any resultant amendments or amendments otherwise derived from lessons learned be forwarded to VP S&OD for overall policy suite reconciliation.

## 6. Context

As a Federal Crown Corporation the Canadian Commercial Corporation operates in accordance with commercial principles and at arm's length from the government.

In support of our mandate CCC is required to purchase goods and services to meet corporate requirements.

## 7. Policy Statement

CCC will purchase goods and services in a manner that is professional, efficient,

effective, and economical and in accordance with legislation and trade agreements.

## 8. Policy Requirements

8.1 CCC shall purchase goods and services in accordance with thresholds established in Annex A of this Policy in keeping with the following principles:

- Purchases shall only be made for which there is a sufficient uncommitted budget, unless approved by the Chief Financial Officer;
- CCC obtains the appropriate Value for Money;
- With respect to contracting for services, contracting authorities must ensure, in accordance with the Purchasing Instruction, that an employer-employee relationship will not result when contracting for the services of individuals in accordance with criteria established by the Canada Revenue Agency, other key legislation, such as the Employment Insurance Act and the Canada Pension Plan and pertinent court rulings; and
- The provisions of CCC's Code of Conduct and Business Ethics apply to all purchasing activities.

8.2 For all purchases greater than \$ 2,500 and in accordance with the Purchasing Instruction:

- CCC Purchasing and Legal are consulted as required;
- Description of how CCC intends to obtain the appropriate Value for Money is to be provided;
- Fair and equitable purchase processes (including competitive purchase processes, where applicable) are used;
- Good documentation is maintained; and
- Purchasing Documents must be properly executed before the receipt of goods or services.

8.3 Responsibilities:

8.3.1 The VP Defence and Contract Management is responsible for:

- Co-approving recommendations to use sole-source and single-source contracting methods for any purchases with an estimated value in excess of the Low Threshold value in Annex A;
- Managing the solicitation process for any purchase within the Medium and High

Threshold values in Annex A;

- Providing interpretations in situations where this policy is silent;
- Maintaining and updating this policy, as required.

8.3.2 The VP Risk and Finance is responsible for:

- Approving purchases for which there is not sufficient uncommitted budget; and
- Co-approving recommendations to use sole-source and single-source contracting methods for any purchases with an estimated value in excess of the Low Threshold value in Annex A.

8.3.3 The VP Legal is responsible for:

- Approving contract templates for purchases of goods and/or services within the Low Threshold value in Annex A;
- Approving procurement/solicitation templates for purchase of goods and services within the Medium Threshold value in Annex A;
- Drafting and reviewing contracts for purchases of goods and/or services within the Medium Threshold value in Annex A; and
- Drafting and reviewing procurement documents and associated contracts for purchases of goods and/or services within the High Threshold value in Annex A.

8.3.4 Vice-Presidents, Directors and Managers are responsible for:

Ensuring authorizations for expenditure initiation, contracting and contract performance are exercised in accordance with the Delegation of Financial Authorities Policy:

- Creating written recommendations to support the use of sole-source and or single source contracting methods in situations where a competitive process is required under the Purchasing Thresholds in Annex A; and
- Following this Purchasing Policy, Instructions and Procedures.

8.3.5 All employees are responsible for making reasonable efforts to secure the best Value for Money and terms for purchases made on behalf of the corporation regardless of which purchasing process or threshold is utilized.

## **9. References**

### **9.1 Internal**

Delegation of Financial Authorities Policy  
Legal Instructions  
Purchasing Instructions

## **10. Exceptions**

The President must approve any exception to this policy.

## **11. Enquiries**

Please direct enquiries regarding this policy to the Director of Contract Management and Procurement.

## Document History

<b>Original</b>	Version 1.0
<b>Approval: Name</b>	D. Patriquin
<b>Approval: Title</b>	President
<b>Approval: Date</b>	March 31, 2005

<b>Amendment History</b>	
<b>Version/Date</b>	<b>Change Summary</b>
1.1 / Apr 1, 2015	Annual review
1.2 / Oct 1, 2015	Policy Restatement including change of threshold values and sponsorship
Note: Add Rows as Required	

**ANNEX A****Purchasing Thresholds (all values are in equivalent Canadian Dollars and exclusive of any taxes):**

Classification	Purchasing Value*	Requirement
Low	Up to \$ 50,000	Purchases may be single-sourced without additional Sole Source Approval
Medium	\$ 50,001-\$ 150,000	Competitive process is to be followed; Minimum of three (3) written submissions are to be solicited from suppliers
High	\$ 150,001 and over	Formal competitive solicitation process, and if applicable is to be compliant with any Free Trade Agreement ("FTA") obligations, is required and is to be administered by the Purchasing Office

\*The above thresholds are to be applied to the cumulative value of purchases from any one supplier on a fiscal year basis. Once the threshold is reached, all subsequent purchases must be analysed to see if they are for unique goods or services in which case they can be assessed against the lowest applicable threshold, or if they are for the same goods or services, then the purchase must elevate to the next level of threshold. In the case of amendments to existing purchase arrangements, due care must be taken when establishing the thresholds to ensure that they are applied to the cumulative value of the particular purchase arrangement.