

PROCUREMENT POLICY

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PROCUREMENT POLICY

1. Introduction

1.1 Purpose

- 1.1.1 The Canada Infrastructure Bank (“**CIB**”) is a Crown corporation established by the *Canada Infrastructure Bank Act* (the “**CIB Act**”) with the purpose to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.
- 1.1.2 As a Crown corporation, the CIB is not subject to the regulations respecting the conditions under which contracts may be awarded by the Government of Canada, as specified in section 41 of the *Financial Administration Act*.
- 1.1.3 The CIB sets its own principles, policies and procedures in respect of the Procurement of goods and services through this Procurement Policy (the “**Policy**”). This Policy establishes the authority and responsibility for the Procurement of goods and services by the CIB to ensure that:
- the CIB receives the best value for the goods and services required for its operations;
 - these goods and services are purchased in compliance with laws and regulations, including Trade Agreements, and in a manner that is professional, fair, transparent, consistent, cost effective and cost-efficient; and
 - risks, including compliance risks, contractual risks and reputational risks are effectively managed and mitigated.

1.2 Scope

- 1.2.1 This Policy applies to all Employees who purchase goods and services on behalf of the CIB or are involved in leading or executing Procurement activities (“**Procuring Employees**”). In addition to this Policy, the guidelines regarding the Employees’ general obligations to ensure that all Procurement activities comply with laws and are conducted in an open, fair, and transparent manner are set out in the **Code of Conduct for Employees**.
- 1.2.2 This Policy is supported by the **Procurement Procedure**, which describes the CIB’s framework for Procurement activities and provides supplementary guidance, including the roles and responsibilities, for Procuring Employees and Employees who support the CIB’s processes to procure goods and services.
- 1.2.3 The capitalized terms used but not (otherwise) defined in this Policy are defined in section 5.

1.3 Procurement Activities Covered by this Policy

- 1.3.1 This Policy covers the Procurement of all goods and services procured by the CIB, either on its own behalf or on behalf of an entity other than the CIB, including and without limitation:

- a) Professional and consulting services;
- b) Real estate and construction services;
- c) Technology related products and services;
- d) Maintenance agreements;
- e) General non-consulting goods and services required to support operations;
- f) Bid solicitation to procure legal, technical and financial advisors for due diligence activities.

1.3.2 This Policy does not apply to the following types of Contracts:

- a) Purchase or lease of real property and other immovable property or rights thereon;
- b) Intellectual property (such as subscriptions to data sources, books, newsletters, news sites);
- c) Engaging individuals as Employees or as independent contractors;
- d) Contracts with the Government of Canada, government agencies or other Crown corporations;
- e) Public utilities (e.g., heat, power, water);
- f) Memberships in professional organizations and similar entities;
- g) Arrangements that are governed by a legislation or relate to the CIB's mandate, including any form of advisory services or financial support provided by the CIB, such as grants, loans, equity infusions, guarantees and fiscal incentives;
- h) Arrangements where the CIB is procuring goods or services as agent for another entity, provided that any laws, regulations or policies applicable to Procurement activities by the other entity are complied with;
- i) In exceptional circumstances, engagements by the Board of Directors or any one or more of its committees or any individual director of independent legal counsel and other advisors, as may be considered necessary to fulfill the directors' duty of care (provided that such engagement shall comply with any applicable requirements under Trade Agreements).

2. Principles

This Policy is founded on the following guiding principles:

2.1 Fairness and Non-Discrimination

- 2.1.1 All Suppliers will be treated in a fair, transparent and equitable manner, including with respect to the information made available to them and the timing to respond to a Procurement opportunity.
- 2.1.2 The evaluation criteria for Procurement opportunities will be developed and applied fairly to assess the merits of competitive bids, proposals, quotes and submissions.

2.2 Best Value

- 2.2.1 The overarching objective of the Procurement process is to achieve the best value in the acquisition of goods and services based on the principles of fitness for purpose, fair market price, return on

investment, whole-of-life costs, timely delivery, post-delivery support, evidence of previous performance or experience (where applicable and permitted), and compliance with relevant laws and regulations.

2.2.2 The CIB is not required to accept the lowest bid and may base its evaluation on quality, price and other criteria, as appropriate, of the goods or services being procured.

2.2.3 To achieve best value, a competitive Procurement process is to be used for all purchases except where the Procurement meets the criteria for a Non-Competitive Procurement, as further described in section 4.4 and applicable Trade Agreements.

2.3 Transparency and Openness

2.3.1 The CIB should be open and transparent throughout the competitive Procurement process by publishing solicitation documents for large Procurement opportunities on a publicly available platform (such as MERX.com) to afford equal access to all qualified Suppliers.

2.3.2 In appropriate and permitted circumstances, the CIB reserves the right to engage in permitted Non-Competitive Procurements, as set out in section 4.4 and the Procurement Procedure.

2.4 Accountability

2.4.1 All Procuring Employees are accountable for their decisions and are responsible to ensure compliance with this Policy and the Procurement Procedure. The Procurement process, Supplier evaluation and Supplier selection must be documented by the Procuring Employee and maintained in accordance with the record retention and disposition practices set out in the **Information Management Policy** and supporting procedures. The CIB also has legal responsibilities to maintain the confidentiality of the Suppliers' trade secrets, and sensitive financial, commercial, scientific or technical information, while respecting the provisions of the CIB Act, the *Access to Information Act* and the *Privacy Act*.

2.5 Integrity

2.5.1 The Procurement of goods and services must be completed responsibly and with the highest standards of integrity and ethical conduct in compliance with the CIB's **Code of Conduct for Employees** and **Conflict of Interest Policy for Employees**. This includes the following:

- a) The Procurement of goods and services shall be carried out in accordance with all applicable laws and Trade Agreements, as further described in the Procurement Procedure.
- b) Bid and pricing information from prospective Suppliers shall not be disclosed externally and only disclosed internally to Employees who have a need to know.
- c) Procuring Employees and Suppliers seeking Contracts for goods and services are required to disclose and avoid real, potential or perceived conflicts of interest in relation to the Procurement process.

- d) Employees cannot split up commitments, Contracts or purchase orders, or select a particular valuation method in order to avoid or bypass the approval thresholds set by the CIB or in applicable legislation and Trade Agreements.

2.6 Sustainability

- 2.6.1 The CIB will seek to adopt sustainable Procurement practices that take into account environmental, social and economic sustainability issues when procuring goods and services. When appropriate, the CIB will consider in its evaluation of Suppliers and contracting processes a prospective Supplier's approach to diversity and inclusion in terms of its employment practices and service delivery.
- 2.6.2 In alignment with the federal government's Procurement Strategy for Aboriginal Businesses (PSAB), the CIB reserves the right to set aside Procurements for competition among First Nations, Metis and Inuit businesses. Set-aside Procurements are subject to the practices for competitive Procurements described in the Procurement Procedure.

2.7 Risk Management

- 2.7.1 The CIB will identify, consider and manage risks and implement appropriate risk management practices to minimize unexpected or adverse outcomes in relation to the Procurement of goods or services. Compliance with this Policy and the Procurement Procedure should assist in mitigating the risks associated with CIB's Procurement activities.

3. Governance – Roles and Responsibilities

3.1 Procuring Employees

- 3.1.1 As the 1st Line of Defense, Procuring Employees are responsible for reviewing, having a sound understanding of, and complying with, the principles and the requirements contained in this Policy and the Procurement Procedure.
- 3.1.2 Procuring Employees who contract with, or participate in the decision to contract with, a supplier shall comply with the provisions of the Code of Conduct for Employees and the Conflict of Interest Policy for Employees and disclose any real or potential conflict of interest and recuse themselves from the Procurement process.
- 3.1.3 Procuring Employees are accountable for their actions and decisions and must maintain and make readily available to the Legal and/or Finance teams all documents and records pertaining to the Procurement process.
- 3.1.4 Procuring Employees must report any non-compliance with the practices set out in this Policy and the Procurement Procedure to the General Counsel & Corporate Secretary.

3.2 Chief Financial Officer (Finance Team)

- 3.2.1 As part of the 2nd Line of Defense, the Chief Financial Officer, with the support of the Finance team, is responsible for:

- a) monitoring compliance with this Policy;
- b) reviewing and approving Contracts within the thresholds outlined in the Procurement Procedure and the Delegation of Signing Authority Procedure; and
- c) approving any exceptions to this Policy or the Procurement Procedure, as outlined in section 4.8 below.

3.3 General Counsel & Corporate Secretary (Legal Team)

- 3.3.1 As part of the 2nd Line of Defense, the General Counsel & Corporate Secretary, with the support of the Legal team, is responsible for:
- a) supporting the Procuring Employees and the Chief Financial Officer (Finance team) in the procurement process, including the coordination, review and safeguarding of contracting documentation and reporting;
 - b) ensuring the requirements of this Policy and the Procurement Procedure are well understood and regularly communicated through training; and
 - c) responding to questions pertaining to the interpretation or application of this Policy and the Procurement Procedure.

3.4 Internal Audit

- 3.4.1 As the 3rd Line of Defense, Internal Audit conducts periodic independent reviews of the CIB's administration of this Policy in accordance with the priorities contained in the CIB's risk-based internal audit plan.

3.5 Board of Directors

- 3.5.1 The Board of Directors fulfills its duty or care and oversight responsibilities for ensuring that the CIB maintains appropriate policies and procedures for Procurement activities through the Finance and Audit Committee, including with respect to the review and approval of this Policy and monitoring of the risk management and compliance controls maintained with respect to Procurement activities.

4. Activities

4.1 Three Lines of Risk Governance

- 4.1.1 The CIB has adopted the Three Lines of Risk Governance Model designed to ensure a balance between those involved in taking and managing risk (1st Line), those responsible for risk policy setting and independent oversight (2nd Line) and those providing assurance (3rd Line). The roles and responsibilities for the CIB's Procurement activities and oversight of Suppliers, in alignment with the Three Lines of Risk Governance Model, are described in this Policy and the following supporting policies and procedures:
- Procurement Procedure
 - Delegation of Signing Authority Policy

- Delegation of Signing Authority Procedure
- Supplier Management Procedure

4.2 Authorities

- 4.2.1 The authority to secure the requisite approvals prior to any Procurement activity, enter into Contracts or approve invoices must be in accordance with sound risk management practices, including appropriate division of responsibilities. The authorities required for Procurement activities are described in the Procurement Procedure and the financial authorities delegated for the signature of Contracts are described in the Delegation of Signing Authority Procedure.

4.3 Method of Procurement

- 4.3.1 The methods of Procurement to be used, including the requirements for public tendering and permitted exceptions for Non-Competitive Procurements, are determined by the Total Procurement Value of the Contract and are described in the Procurement Procedure.
- 4.3.2 In procuring goods or services, the CIB will qualify and select Suppliers on a reasoned basis that appropriately balances the nature of the goods or services being procured, timeframe for selection, universe of potential suppliers, past procurement experience, available information about potential suppliers, and likely price variations. The Procuring Employee will document the selection criteria in the solicitation documents for Procurement opportunities to ensure a fair, open and transparent process.

4.4 Non-Competitive Procurements

- 4.4.1 Subject to the exceptions in section 4.4.2 and section 4.4.3, Non-Competitive Procurements (such as Single Sourcing or Sole Sourcing) are prohibited for Procurements where the Total Procurement Value is \$50,000 and above.
- 4.4.2 Non-Competitive Procurements for Procurements will be permitted under the following circumstances:
- a) an emergency situation where delay in taking action would be injurious to the public interest and/or the organization (such as a threat to human life, serious damage to property, or suspension of the provision of an essential service);
 - b) the nature of the work is such that it would not be in the public interest to solicit bids;
 - c) only one person is capable of performing the contract (for example, where patents, copyright requirements, or technical compatibility factors and technological expertise suggest that only one Supplier exists and no competitive product or service is available from another source);
 - d) a situation where there is economy or value in continuing prior work provided by the Supplier;
 - e) a public and open competitive process has been undertaken but has failed to identify a viable Supplier;
 - f) an embedded product base that requires selection of products compatible with the existing inventory or due to exclusivity clauses;

- g) a situation where tendering could compromise the confidential information of the CIB or sensitive government information;
- h) a situation where the Procurement falls within the exceptions for limited tendering in applicable Trade Agreements;
- i) purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy.

4.4.3 Procuring Employees who elect to rely on the exceptions in section 4.4.2 must submit documentation to the Employee with delegated authority to approve the Contract to support the reliance on the exceptions including:

- a) the application of one of the above exceptions;
- b) a description of the business requirements and the facts that support the Single Source or Sole Source selection;
- c) a description of the process used to identify the Supplier and the unique qualifications and expertise of the Supplier to deliver the goods or services;
- d) whether any alternative Suppliers were considered; and
- e) an explanation that the anticipated cost to deliver the goods or services is fair and appropriate.

4.5 Contract Administration

4.5.1 Procuring Employees are accountable for ensuring that Supplier deliverables are compliant with the terms and conditions specified in the Contract and that any modifications and/or amendments are administered in accordance with the Procurement Procedure.

4.5.2 Procuring Employees are accountable for tracking any amendments that materially increase the original Contract amount and reporting to the Chief Financial Officer (or other member of the Finance team) as required.

4.5.3 Where the fulfillment of a Contract is jeopardized, the Procuring Employee must take the necessary steps to protect the interests of the CIB. Contract disputes must be dealt with fairly and as promptly as possible.

4.6 Official Languages

4.6.1 Solicitations for Procurement opportunities that are made available on a public platform (such as MERX.com) must meet the CIB's obligation to serve the public in both official languages, pursuant to the *Official Languages Act*.

4.7 Supplier Complaint Review Process

4.7.1 Suppliers who believe they have a valid complaint relating to the Procurement process in which they participated may communicate their concerns in writing to the Procuring Employee who is their CIB contact. Suppliers who continue to believe that their concern has not been adequately addressed may contact the General Counsel & Corporate Secretary at CIBLegal@cib-bic.ca.

4.8 Record Keeping

- 4.8.1 The CIB will maintain complete and accurate records for Procurement activities, as further described in the Procurement Procedure, as well as the monitoring and compliance with this Policy. All records relating to this Policy will be maintained in accordance with the activities described in the **Information Management Policy** and supporting procedures.

4.9 Employee Training and Education

- 4.9.1 The General Counsel & Corporate Secretary, with the support of the Legal team, will develop and maintain written training materials to ensure that Procuring Employees are aware of this Policy and their responsibilities under the Procurement Procedure.
- 4.9.2 At a minimum, Employees will be provided with training within six months after the day on which their employment begins and at least once every two years thereafter.

4.10 Exceptions and Reporting

- 4.10.1 The Chief Financial Officer may grant non-substantive exceptions to this Policy prior to any commitment to the Supplier. The reasons for granting an exception to the Procurement process and practices outlined within the Procurement Procedure and the financial authorities described in the Delegation of Signing Authority Procedure must be recorded in writing, maintained by the Legal team, and communicated to the Finance and Audit Committee on a quarterly basis.
- 4.10.2 The General Counsel & Corporate Secretary will report on compliance with respect to the administration of this Policy and the Procurement Procedure to the Finance and Audit Committee, no less than annually.

4.11 Non-Compliance

- 4.11.1 Issues of non-compliance with this Policy and the Procurement Procedure should be reported promptly to the General Counsel & Corporate Secretary and, in his or her absence, the Chief Financial Officer, for remedial action. Employees may also report instances of non-compliance in accordance with the process described in the **Disclosure of Wrongdoing Policy for Employees**.
- 4.11.2 Remediation actions to address non-compliance may include one-on-one training and improvements to this Policy, the Procurement Procedure and underlying processes as required.

5. Definitions

CIB Act: means the *Canada Infrastructure Bank Act* (S.C. 2017, c. 20, s. 403), as amended from time to time.

Contract: means the agreement between parties to provide goods or services comprised of an offer and acceptance of that offer, a price that is determined or determinable, a description of the goods or services to be supplied, the terms and conditions, and an obligation to pay if the goods or services are delivered.

Contracts include all written contracts, sub-contracts, purchase orders, letters of intent, letters of agreement, memoranda of understanding, memoranda of agreement, leases, licenses, deeds, certificates, instruments, or any other document which creates an obligation or is binding upon the CIB, and any accessory document.

Employees: any person who is part of the personnel of the CIB, including any officer, whether working on a full-time, part-time, permanent or temporary basis, and including the CEO.

Non-Competitive Procurement: means a Procurement that is executed directly without a competitive process, including Single Sourcing and Sole Sourcing. Non-Competitive Procurements are also described in the Trade Agreements as a limited tender.

Procurement: means the process and all related activities involved in the acquisition of goods and services either purchased, leased or licensed by the CIB, either on its own behalf or on behalf of an entity other than the CIB, including but not limited to:

- identifying the need to procure;
- selecting Suppliers;
- Contracting and placing orders; and
- managing Contracts and Suppliers.

Procuring Employee(s): means an Employee who has a business requirement for goods or services and is responsible for managing a specific Procurement process.

Single Sourcing: refers to a situation where the competitive bid process is waived, and the Supplier is selected directly, even if there are other Suppliers capable of providing the specified goods or services.

Sole Sourcing: refers to circumstances in which there is clearly only one Supplier who can provide the goods and/or service. The competitive bid process is therefore waived, and the Supplier is selected directly.

Supplier: means a person that seeks to supply or supplies goods or services to the CIB.

Total Procurement Value: means the best estimate of the maximum amount to be paid to the Supplier for the scope of work, including all premiums, fees, commissions and interest, for the expected term of the Contract (including options, renewal terms or additional goods or services identified in the Contract) in Canadian dollars, excluding taxes.

Trade Agreements: include the Canadian Free Trade Agreement (CFTA) and the Canadian European Union Trade Agreement (CETA).

6. Review

This Policy is reviewed and updated at least once every two years or earlier, if circumstances dictate that a review take place more frequently.

7. Questions

For questions or interpretation of any aspect of this Policy and the Procurement Procedure, contact the General Counsel & Corporate Secretary.

8. Approval and Effective Date

This Policy was reviewed and approved by the Finance and Audit Committee of the Board of Directors on January 31, 2022. This Policy replaces the *Procurement Policy* dated January 15, 2020.

Control Sheet	
Policy Name:	Procurement Policy
Policy Owner:	Chief Financial Officer
Policy Monitor:	General Counsel & Corporate Secretary
Version:	4.0
Approved by (date):	Finance and Audit Committee (January 31, 2022)
Next Review Date:	January 2024
Filename:	Procurement Policy (Approved 2022-01-31)-EN

History			
Version	Action Taken	Date	Comments
1.0	Approved by Chair of the Board	August 3, 2017	Resolution regarding interim procurement policy related to the CIB's start-up activities.
2.0	Approved by the Board	January 18, 2019	Inaugural Procurement Policy.
3.0	Approved by the Board	January 15, 2020	Amended to be consistent with the activities described in the Procurement Procedure approved by the President & CEO in August 2019 and the Compliance Policy Framework approved by the Board in September 2019, including with respect to the roles and responsibilities described in the Procurement Policy.
4.0	Approved by the Finance and Audit Committee	January 31, 2022	Amended following the scheduled review of the Policy to conform with the substantive changes made to the Procurement Procedure approved by the CEO in April 2021, reflect organizational changes to role and responsibilities, and to codify existing practices and integrate best practices in the public sector.