

SENATE



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CANADA

SENATE PROCUREMENT POLICY

This policy was approved by the Standing Committee on Internal Economy, Budgets and Administration of the Senate of Canada on:

October 20, 2011

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1. INTRODUCTION

1.1 Name

This document is called the “*Senate Procurement Policy*”.

1.2 Purpose

The purpose of this policy is to provide the framework to acquire goods or services in an efficient and effective manner that results in best value while mitigating risks, enhancing access, competition and fairness to suppliers. The procurement activities of the Senate will be conducted in a manner that will stand the test of public scrutiny in matters of prudence and probity and reflect fairness in the spending of public funds.

1.3 Application

This policy applies to Senators, Senate Committees, Senate Caucuses and the Senate Administration.

1.4 Authority

This policy was adopted by the Standing Senate Committee on Internal Economy, Budgets and Administration on October 20, 2011. This policy replaces the *General Materiel Management Policy* dated March 27, 2003.

This policy becomes effective as of November 7, 2011.

1.5 Definitions

For the purpose of this policy,

Best Value:

Means the combination of price, technical merit, and quality, as determined prior to the bid solicitation and set out in the bid solicitation evaluation criteria, and which forms the basis of evaluation and negotiation between buyers and sellers to arrive at an acceptable basis for a purchase and sale.

Ceiling Price Contract:

Means that the contract price is subject to downward adjustments so as not to exceed the actual costs reasonably incurred in the performance of the Work.

Committee:

Means the Standing Senate Committee on Internal Economy, Budgets and Administration.

Competitive Sourcing Process:

Means a process managed by the Procurement division where bids are solicited from two or more sources. This process requires that all bidders be placed on an equal footing, and that they bid under the same terms and conditions.

Confirming Order:

Means a confirming contract document issued to regularize an unauthorized contractual arrangement entered into by an individual who does not have the appropriate contracting authority. This practice is forbidden and is a case of non-compliance with this policy.

Contract:

Means a legally enforceable agreement between two or more parties which can be either verbal or in writing, including partnership agreements. To be legally binding a contract must contain the following elements:

- Offer
- Acceptance
- Consideration
- Legal Intent
- Capacity
- Legal Object
- Genuine Consent

Contract Amendment:

Means any change in the scope, value, terms and conditions and term of a contract that is already in existence. Approval of any amendment to a contract must be vetted by the Contracting Authority and if there is an increase in the value of a contract, the authorizing individual must have the appropriate delegated authority to amend the value of the contract.

Contracting Authorities:

Means an employee of the Senate administration authorized under the Senate's Delegation of Financial Authorities to enter into contracts on behalf of the Senate.

Disbursements:

Means direct out-of-pocket expenses incurred by the contractor.

End User:

The individual or group of individuals who will use or consume the material or services, which is the subject of a particular procurement.

Fair Value:

Means the value of a good or service as determined by negotiation between buyers and sellers and which the value would be acceptable as a basis of a purchase and sale.

Fixed-Priced Contract:

Means that the contract price is not subject to any adjustments and is inclusive of all amounts paid to the vendor. Both parties will agree on the price to be paid before the contract is awarded. This type of contract places relatively more cost responsibility on the contractor than on the Senate and makes profit a function of the contractor's ability to manage to complete the work within this establish price.

Goods:

Means moveable property acquired by the Senate for use as a resource in its operations and includes machinery, equipment, furniture, fixtures, and consumables, whether held in stores or located at the point of use.

Materiel Management:

Means the collective methods and procedures dealing with materiel in all of its states or stages of its use, including design specification, acquisition, allocation, utilization, monitoring, controlling, disposing and reporting.

Partnership Agreements:

Means all agreements between the Senate and other organizations (excluding the private sector) with or without any financial commitments. These include Memorandum of Understanding, Memorandum of Agreements, Service Level Agreements and Letters of Understanding.

Procurement:

Means the process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment. Generally this process contains four phases: Pre-contractual phase (planning), Contracting phase (Bidding and awarding of the contract), Contract management phase and the Post contract phase.

Request for Proposal (RFP)

A form of bid solicitation used for requirements, where the selection of a supplier cannot be made solely on the basis of the lowest price. An RFP is used to procure the most cost-effective solution based upon evaluation criteria identified in the RFP.

Request for Quotation (RFQ)

Solicitation document used to solicit bids for low dollar value requirements or for requirements where the evaluation is primarily based on accepting the lowest-priced responsive quotation.

Sole source contract:

A contract awarded after soliciting and negotiating with only one source/ vendor.

Standing Offer:

Is an offer from a potential supplier to supply goods, services or both, on the pricing basis and under the terms and conditions stated in the standing offer. Standing offers are established by competitive bidding or negotiation. A separate contract is entered into each time a call-up is made against a standing offer. Standing offers are established by the Finance and Procurement Directorate in cooperation with end users.

Unauthorized Contractual Arrangement:

Means any of the following situations:

- goods or services are requested and/or delivered without a legally binding purchasing document (written contract or Purchase Order); or
- goods or services are requested and/or delivered after a contract has expired or prior to an amendment being issued to an existing contract, e.g., beyond the existing dollar amount or scope; or
- a partial delivery of goods or services is received without a legally binding purchasing document – i.e., future delivery(ies) are anticipated to complete the requirement.

Valid Bid:

A priced offer that is in response to a solicitation that meets all the requirements stipulated in that solicitation.

Value of a Contract:

Means that the value of a contract includes all costs and fees, overhead, administration, profit, travel costs provided in the contract but excluding all applicable taxes. If an individual requirement for procurement results in the award of more than one contract, or in contracts awarded in separate parts, the basis for valuation shall be the total value of all contracts.

1.6 Enquiries

Questions regarding this policy and the procurement of goods and services by the Senate should be directed to the Manager responsible for procurement.

2. POLICY

2.1 General

Only individuals with formal delegated contracting authority can enter into contracts on behalf of the Senate. It is also expected that individuals with contracting authority will exercise good judgement in order to challenge requests that may not meet policy requirements or may not appear to be appropriate expenditures of Senate funds. Any employee, with or without contracting authority, must not in any way benefit personally from their activities by accepting gifts or discounts from suppliers.

No person who will render services or benefit from payments under a contract with the Senate is a family member of the end user as defined in the *Senate Administrative Rules*.

No person who will render services or benefit from payments under a contract with the Senate is a full-time employee of the Senate, House of Commons, Library of Parliament or any department or agency of the Government of Canada or receives full-time employment income from the Consolidated Revenue Fund.

2.2 Objectives

The objectives of the Senate Procurement policy are that:

- all acquisition of goods and services are in compliance with this policy;
- individuals with delegated contracting authorities understand their roles and responsibilities; and
- procurement activities achieve value for money.

2.3 Indemnity

2.3.1 The Senate shall indemnify and save harmless any employee of the Senate from and against all costs, claims, damages, charges and expenses whatsoever that the employee sustains or incurs arising from, or in connection with, any action or proceeding in respect to any act done or permitted by the employee in connection with materiel management, provided that the employee:

- a) acted within the scope of the delegated authority assigned to the position that the employee occupies;
- b) acted honestly and in good faith with a view to the best interests of the Senate; and
- c) the employee had reasonable grounds for believing that the employee's conduct was lawful.

2.4 Persons Authorized to Contract

- 2.4.1 Contracts for goods or services shall only be entered into by persons occupying positions with specific delegated contracting authority in accordance with this policy or the Delegation of Financial Authorities Policy of the Senate. Persons who enter into contracts without formal delegated contracting authority may be deemed to have entered into a personal contract and risk being held personally liable for all the terms and conditions of the contract including payment to the contractor.
- 2.4.2 Senators are delegated contracting authority to enter into services contracts up to a maximum value of \$2,500 in response to a pressing emergency situation. This authority offers the possibility of immediately entering into a contract to address the urgency. Senators will inform the Procurement Division as soon as possible that the emergency contracting authority has been exercised and provide sufficient information to document the situation and to open a contractor file. Procurement will assess the file and, if the services are required beyond the emergency situation, will prepare a contract for the additional requirements.
- 2.4.3 The Law Clerk and Parliamentary Counsel and the Deputy Law Clerk and Parliamentary Counsel are delegated contracting authority to enter into a contract for legal services in response to a pressing emergency situation up to the limit set in the Delegation of Financial Authorities Policy. This authority offers the possibility of immediately entering into contracts to address the urgency. The Office of the Law Clerk will inform the Procurement Division as soon as possible that the emergency contracting authority has been exercised and provide sufficient information to document the situation and to open a contractor file. Procurement will assess the file and, if the services are required beyond the emergency situation, will prepare a contract for the additional requirements.
- 2.4.4 Situations where the emergency contracting authority has been exercised will be reported to the Clerk of the Senate.
- 2.4.5 The authority to enter into contracts by way of a partnership agreement may be delegated, where appropriate, to the responsible Manager by way of written authorization from the Manager responsible for procurement. In such cases, the agreement cannot be modified or changed without the approval of the person delegating the contracting authority.
- 2.4.6 An instruction to the appropriate contracting authority to enter into a competitive sourcing process for the procurement of goods or services shall constitute an authority for the contracting authority to enter into a contract as a result of that process.

2.5 Standardization

- 2.5.1 Equipment standardization and variety reduction will be implemented wherever possible in order to obtain best value for money unless this objective cannot be accomplished given the special character or unique nature of the particular procurement.

2.6 Quality Level

- 2.6.1 Where no quality standards or restrictions exist for comparison, the quality of materiel to be procured shall be determined on the basis of a cost effectiveness review.

2.7 Surplus Materiel

- 2.7.1 Since excess materiel that is no longer used or required in one area can be an expensive waste of resources, to the extent possible and where economically feasible, it shall be promptly reallocated to other areas where the need is greatest.

2.8 Alternative to Purchasing Materiel

- 2.8.1 Procurement shall encourage the reallocation within the Senate of excess materiel, the sharing of materiel resources within the Senate, the borrowing of materiel from outside sources and other innovative forms of sourcing materiel that will reduce expenditures.

2.9 Socio-Economic Objectives

- 2.9.1 The Senate supports national objectives such as industrial and regional development, aboriginal economic development and other approved socio-economic objectives.

- 2.9.2 When economically and logistically feasible, impediments to suppliers in the regions shall be reduced in order to enable them to compete for Senate business with local suppliers. This may be achieved by removing certain factors such as shipping costs in the competitive documents and evaluation process and potentially the inclusion of other factors as may be appropriate to ensure that the location of suppliers does not impede their ability to compete for Senate business. A review of the potential application of these objects will apply in the following cases:

- procurement estimated to be over \$100,000;
- procurement of goods or services for use in the regions regardless of dollar value;
- any potential additional costs such as shipping and travel is estimated to be under 10% of the value of the goods and services to be procured;
- when mandatory logistical requirements such as lead-time, installation, maintenance and support are not compromised due to the remote location of suppliers; and
- when all other mandatory requirements including quality and specifications can be achieved.

2.10 Types of Contracts

2.10.1 The Senate enters into two basic types of contracts: contracts for goods; and contracts for services. In cases where procurement includes a combination of goods and services, if more than 50 per cent of the estimated value is for goods, the contract is deemed to be a contract for goods. Similarly, if more than 50 per cent of the estimated value is for services, the contract is deemed to be a contract for services.

2.10.2 Contracts for Goods

These are contracts for moveable property acquired by the Senate for use as a resource in its operation, and include machinery, equipment, furniture, fixtures, and consumables, whether held in stores or located at the point of use.

In a request for materiel (goods) procurement, the end user must specify or define in terms capable of objective verification by the contracting authority, the technical specifications of the materiel to be procured. Technical specifications should be in terms of performance criteria rather than design or descriptive characteristics. They should not refer to a particular trademark or product name, or producer or supplier, unless there is no sufficiently precise or intelligible way of otherwise describing the procurement requirements and, in such cases, words such as “or equivalent” should be included in the procurement request.

2.10.3 Services Contracts

Services contracts can either be for the provision of professional and consulting services (e.g., provision of advice, research and studies, interpretation, architectural and engineering services, data collection, auditing etc.) or for non-professional services (e.g., janitorial, facilities maintenance and laundry services). Persons engaged in a services contract are independent contractors and are not employees of the Senate, and are thus not entitled to any deduction at source or any benefits except for the consideration explicitly stated in the contract.

The statement of work (SOW) is a written description of the end user’s requirements in a Request for Proposal (RFP) or a contract. Its intent is to clearly inform the potential contractor of what types of services need to be provided, when, and under what conditions. The SOW is a stand-alone document within a RFP and a contract. Within the RFP, the SOW provides critical information to bidders (i.e., to bid or not to bid, can they do the work, price, approach, etc.). The SOW also lays the foundation for the evaluation and selection process. The development of the SOW is the responsibility of the end user in consultation with the appropriate contracting authority.

The SOW should clearly describe the work to be carried out, the objectives to be attained and the time frame. It should be explicit about the client's requirements and the contractor's responsibilities so that questions of interpretation can be avoided; and be detailed enough to ensure that the end user receives the services that it requires but,

at the same time, flexible enough to permit innovation and initiative by the Contractor in the interests of Senate.

The appropriate contracting authority is the final approval authority for all technical specifications and statements of work to ensure that they are not unduly restrictive and that otherwise comply with this policy and the best interests of the Senate.

2.10.4 Employer / Employee Relationship

When contracting for services, care must be taken that an employer-employee relationship does not occur.

A contractor who is treated like an employee for an extended period may be deemed an employee under common law and risk incurring liability under the following statutes the *Canada Pension Plan*, the *Income Tax Act* and the *Employment Insurance Act*.

Elements that indicate an employer-employee relationship is imminent include the following:

- supervision of the individual;
- doing the same work as employees;
- disciplinary authority over the contractor;
- provision of accommodation and equipment;
- no opportunity for profit or loss;
- payments are made on a bi-weekly or other regular basis;
- provision is made for sick or holiday pay;
- the contractor cannot sub-contract or hire others to do the work; and
- the contractor is integrated into the work force of the organization and cannot be readily distinguished from other employees.

When one or more of these situations exist, the contract must be reviewed. When contracting with individuals or firms, the intent to avoid employer-employee relationships must be clear, reflected in the contract documents and maintained throughout the life of the contract.

2.11 Approval requirements

2.11.1 End users must seek and obtain approval from the Committee:

- a) prior to initiating any procurement action for goods or services that exceed \$100,000;
- b) for amendments that will bring the original contract above \$100,000;
- c) for aggregate payments by the Senate to a contractor, whether an individual or a firm that exceed \$100,000 per fiscal year;
- d) for major amendments of terms and conditions of contracts, previously approved by the Committee, prior to final changes made on the contract; and

- e) for requests, regardless of value, that the Director of Finance and Procurement may judge that it is not proper use of public funds.

2.11.2 In such cases, the contracting authority must ensure that the formal decision of the Committee is included in the contract file.

2.12 Principles of Competitive Sourcing

2.12.1 The competitive sourcing rules established by this policy are to be interpreted to allow:

- a) the Senate to purchase those goods and services which provide the best overall value; and
- b) suppliers the equal and fair opportunity to have access to Senate business.

2.13 Competitive Sourcing Process

2.13.1 To promote fair, open, impartial and competitive procurement procedures in the Senate, a competitive sourcing process (a “competition”) will be held in compliance with the rules established in this policy for goods or services with a contract value exceeding the following thresholds:

Services:

- \$35,000 for services contracts for Senate Committees and for Senate Administration directorates.
- \$70,000 for a given fiscal year for services contracts for a Senator’s office and for a caucus.

Goods

- \$25,000 for goods.

2.13.2 Procurement must not be divided into separate contracts solely to avoid a competitive process or the appropriate contract approval authorities.

2.13.3 The competitive process must not be utilized for requests for pricing information.

2.13.4 The contracting authority shall ensure that an appropriate number of suppliers are invited to compete, having due regard to the effectiveness and efficiency of the competition process.

2.13.5 When goods or services are to be procured under this policy by competition, the contracting authority shall invite bids from suppliers by posting the business opportunity on the Government Electronic Tendering Service (GETS) electronic bulletin board, but may also invite suppliers, or utilize other tools at their disposal.

2.13.6 A standing offer (also referred as an open contract) can be awarded as a result of a competitive process. The standing offer method may be the best approach when there are many users ordering the same item or definable service across the Senate and the

goods or services are commercially available from local suppliers. The speedier procurement and the price advantages may be further enhanced by reduced administrative paperwork, and, in the case of materiel, the use of existing industry distribution facilities will eliminate the need to warehouse large inventories.

2.14 Time Limits for Bids or Proposals

2.14.1 Requests for bids or proposals must state the closing date and time for receipt of bids or proposals. The closing time for a competition may only be changed if all bidders are notified of the new date and time prior to the expiry of the original closing time. Suppliers will be provided with a reasonable period of time to submit a bid, taking into account the time needed to disseminate the information and the complexity of the procurement.

2.15 Time Limit for Consideration of Bids or Proposals

2.15.1 Bids and proposals must meet the time limits for their receipt in order to be considered.

2.16 Environmental Purchases

2.16.1 An environmental clause will be included in all RFPs and potential points will be awarded to suppliers that demonstrate in their response sound environmental practices.

2.16.2 In general, RFQs include mandatory requirements that all potential bidders must meet. Quotations are normally evaluated based on the lowest cost quotation submitted that meets all the stated mandatory specifications and other mandatory requirements set forth in the RFQ. Therefore, environmental issues would need to be included as part of the mandatory requirements in the RFQ. In such cases, suppliers must meet this requirement in order to participate in the competition. This may impact on the quantity of suppliers that would qualify and may also result in higher prices. Therefore, all such requirements will need to be evaluated on a case-by-case basis in regard to the merit of including environmental clauses versus the possibility of higher costs.

2.17 Exceptions to the Competitive Sourcing Process (Sole Source)

2.17.1 When it is estimated that the value of the acquisition will exceed the thresholds outlined in 2.13, some or all the provisions of this policy governing competitive sourcing process may be waived as authorized by this policy or by the Clerk of the Senate or the Committee where the end user so requests in writing and attests that that the procurement:

- a) is for works of art or similar items;
- b) can be satisfied only by a particular supplier and no reasonable alternative or substitute exists or there is an absence of competition for technical reasons;
- c) could not be satisfied in time if the competitive process were followed due to the urgency of the requirement;

- d) could result in a change of supplier that would compel the procurement of equipment or services that would not be compatible with existing equipment or services;
- e) is for consulting or similar services of a confidential nature, the disclosure of which could reasonably be expected to compromise parliamentary or government confidences, client attorney confidentiality or similarly be contrary to the public or Senate interest;
- f) affects national security; or
- g) could achieve significant demonstrated cost savings for the Senate.

2.18 Requests for Sole Sourcing

- 2.18.1 Requests from Senators for sole sourcing above the applicable thresholds must be pre-authorized by the Committee.
- 2.18.2 Requests from Senate Committees for sole sourcing must be pre-authorized by the Committee or an authorized subcommittee thereof at the time of the approval of the Senate Committee's budget application.
- 2.18.3 Requests from the Senate Administration for sole sourcing above the applicable thresholds must be pre-authorized by the Clerk of the Senate and the Committee.
- 2.18.4 In all cases, a formal record of the decision authorizing a sole source contract must be provided to the contracting authority and included in the contract file.

2.19 Requests for Information

- 2.19.1 Where price, availability and other products or service information is required for planning, budgetary or other purposes, but the competitive sourcing process is not suitable because it is not yet intended that a contract be awarded, end users may make a request to the appropriate contracting authority to obtain the desired information from suppliers. The request for information to suppliers should clearly indicate that:
 - a) the request for information is for price and availability information only;
 - b) a contract will not be awarded on the basis of the responses to the request for information; and
 - c) should procurement of the subject of the information request under the competitive sourcing process established in this policy follow, the suppliers who responded to the request for information will be expressly invited to submit bids.

2.20 Criteria for Awarding Contracts

- 2.20.1 A decision to award a contract as a result of a competitive process shall be made on the following basis:
 - a) the selected bid or proposal is in compliance with all the mandatory requirements stated in the competitive document;

- b) is made by a supplier whom the evaluation committee considers able to fulfill its bid obligations; and
- c) the selected bid or proposal is determined by the evaluation committee to be the most advantageous in terms of overall value based on the specific evaluation criteria set out in the competition document.

2.21 Notification of Results

- 2.21.1 Once the bid or proposal offering the best value to the Senate has been identified, and a decision to award a contract to the identified bidder has been made, the contracting authority shall notify or attempt to notify, in writing, all bidders of the result of the evaluation process and offer every bidder the opportunity to attend a debriefing session on the evaluation of its bid.

2.22 Debriefing Sessions

- 2.22.1 A bidder in a competition may request a debriefing session within two working days of the day on which the bidder was notified of the results. The debriefing session shall take place no later than four working days after the day on which all bidders were notified of the results.
- 2.22.2 Debriefing should normally include an outline of the factors and criteria used in the evaluation, while respecting each bidder's right to the confidentiality of specific information.

Information that can be released during a debriefing:

- weaknesses and strengths of the bidder's proposal;
- overall total score of the bidder's proposal;
- the rating assigned to each rated criteria for the bidder's proposal only; and
- the names of all bidders.

Information that cannot be released during the debriefing:

- the rating or score assigned to each rated criteria for all other bidders;
- information pertaining to any content aspects of other bidders' proposals;
- per diem or unit prices of other valid bids received; and
- names of bidders who are individuals and the content of their bids, including prices, since such information may be subject to an exemption under the Privacy Act.

2.23 Confidentiality

- 2.23.1 The Senate shall maintain the confidentiality of information submitted by suppliers in accordance with the Senate Administrative Rules (SARs).

2.24 Request for Bid Review

2.24.1 An unsuccessful bidder, who has been debriefed, may within six working days after the day on which he was notified of the selection results, submit a written request to the Director of Finance and Procurement for a bid review by a Bid Review Committee. The request for review must contain one or more specific complaints on the manner in which the procedures were breached in the competition.

2.24.2 Bid Review Committee (BRC)

A Senate BRC shall consist of the Director of Finance and Procurement and two managers, to be named by the Director, who do not have a direct interest in the specific tender in question.

2.24.3 Bid Review

The BRC shall investigate the complaint or complaints in an expeditious manner and either dismisses the complaint or justifies the complaint and issues such instructions, as the BRC deems appropriate.

2.25 Unsatisfactory Materiel or Performance

2.25.1 End users shall report to the appropriate contracting authority at the first possible opportunity the unsatisfactory performance of materiel acquired or put into use or the unsatisfactory performance of a contractor. The appropriate contracting authority shall take corrective measures with the supplier or contractor.

2.26 Travel

2.26.1 The *Senate Administration Policy on Travel* applies to travel costs incurred by contractors when these costs are a specific element of the contract. Travel and living expenses are part of the total value of the contract.

2.27 Monitoring and Reporting

2.27.1 The Finance and Procurement Directorate shall publicly disclose, on a quarterly basis, a report, in regard to all Senate Administration procurement of goods or services exceeding \$10,000 in total value, contract amendments when the value is greater than \$10,000 or any amendment to an existing contract that would result in the revised total surpassing \$10,000. The following types of contracts will not be disclosed:

- a) Contracts charged to Senator's office budgets, committee budgets, caucus and House Officers budgets;
- b) Legal services contracts;
- c) Partnership Agreements;
- d) Service level agreements with Federal departments or with Crown corporations; and
- e) Information about contracts whose proactive disclosure would compromise criminal investigations, national security or public safety.

2.27.2 The Director of Finance and Procurement will report to the Clerk on situations of non-compliance and situations where the emergency contracting authority has been exercised. The Clerk is responsible for taking appropriate action in the case of non-compliance to policies when it concerns the Senate Administration; and

2.27.3 The Committee is responsible for taking appropriate action in the case of non-compliance to policies when it concerns Senators.

2.28 Amendments to Procedures and Appendices

2.28.1 The procedures and appendices associated with this policy provide information, direction and support for the appropriate application of this policy. Accordingly, it is important that they accompany the Policy. However the Committee recognizes that the procedures and appendices of this Policy do not include policy statements and may be modified by Senate Administration, without approval by the Committee, when such changes may be required to improve controls and/or to increase their effectiveness and efficiency.

3. ROLES AND RESPONSIBILITIES

Certain roles and responsibilities are broad enough to apply to all categories of goods and services. The following is a list of positions and their respective responsibilities.

3.1 Standing Senate Committee on Internal Economy, Budgets and Administration (The Committee)

The Standing Senate Committee on Internal Economy, Budgets and Administration is responsible for:

- a) ensuring that policies and procedures are in place to address the acquisition, allocation, control and disposal of assets;
- b) reviewing any requests for goods/services that the Director of Finance and Procurement may deem not to be proper use of public funds;
- c) reviewing requests for goods and services exceeding \$100,000 in value or other requests brought to the attention of the Committee; and
- d) reviewing and issuing a decision for requests for exceptions to the competitive sourcing process.

3.2 Clerk of the Senate

The Clerk of the Senate is responsible for:

- a) ensuring the implementation of the policies in place at the Senate;
- b) in the case of Senate Administration, reviewing requests for exceptions to the competitive process up to \$100,000 or submitting such requests to the Committee or Steering Committee for review and decision; and

- c) providing reports on situations of non-compliance by Senators to the Steering Committee.

3.3 Director, Finance and Procurement Directorate

The Director, Finance and Procurement Directorate is responsible for:

- a) ensuring that qualified individuals are engaged in positions of functional specialty in the acquisition of goods and services;
- b) managing the implementation of policies and the development of plans to address identified problems;
- c) designing, coordinating, organizing and managing the contracting function under their responsibility; and
- d) preparing disclosure reports in conformity with provisions of this policy.

3.4 Comptroller

The Comptroller is responsible for:

- a) ensuring that appropriate financial controls are in place to allow for a diligent payment process; and
- b) developing and maintaining the financial signing authorities and related financial delegation instruments.

3.5 Manager, Procurement

The Manager of Procurement is responsible for:

- a) managing the implementation of policies and the development of plans to address identified problems;
- b) designing, coordinating, organizing and managing the Procurement function at the Senate;
- c) ensuring that aggregated contracts with a single contractor do not exceed \$100,000 per fiscal year without authorization;
- d) monitoring and advising when services contracts appear to result in an employer/employee relationship;
- e) ensuring that reports for non-competitive aggregated contracts with any single vendor that exceed the competitive thresholds are reviewed on a regular basis to ensure that contract splitting is not occurring and to seek opportunities to take advantage of economies of scale; and
- f) preparing reports in accordance with this policy.

3.6 Contracting Authorities

Persons employed in positions with delegated contracting authorities are responsible for:

- a) exercising contracting authority only for the goods or services as specified in the *Delegation of Financial Authorities Policy*;

- b) ensuring that approved policies are applied;
- c) providing direction and professional advice concerning contracting to the Senators, managers and all other Senate employees;
- d) ensuring that only contracts that meet the policy requirements are entered into;
- e) ensuring that contracts are inclusive of appropriate terms and conditions including terms of payment, method of payment and include a clear and well defined statement of work;
- f) ensuring that all requests for contracts have received appropriate budgetary approval and any other special approvals that may be required;
- g) issuing services contracts in a timely and effective manner once the required contractor's security accreditation has been confirmed by the Protective Services Directorate;
- h) managing all competitive processes for goods and services;
- i) investigating and reporting on unsatisfactory quality and performance of materiel or services;
- j) obtaining from end-users a receipt report and/or a post-contract performance report; and
- k) reporting cases of non-compliance to this policy.

3.7 Payment Authorities

- a) reviewing and process financial transactions to ensure that they comply with Senate policies; and
- b) reviewing terms and conditions of contracts or purchase orders prior to initiating the payment of invoices to ensure that the agreed upon work has been performed, the goods supplied or the services rendered in accordance with the contractual document.

3.8 Senators, Directors and Managers¹

Senators, directors and managers are responsible for:

- a) ensuring that requests for goods or services are required in support of parliamentary functions only;
- b) ensuring that goods and services are well defined, including the development of the SOW, terms of payment and evaluation criteria;
- c) ensuring that appropriate funding is available prior to signing and submitting requests for goods and services;
- d) requesting goods or services in a manner that will give evidence of their judicious use of public funds;
- e) managing the services of contractors;
- f) reporting to the appropriate contracting authority the unsatisfactory performance of any materiel or contractors;
- g) completing and signing the receipt report and/or the post-contract evaluation form in a timely manner and providing these documents to the contracting authority; and

¹ Some of these responsibilities may be delegated by the Senate committees to their committee clerk.

- h) seeking and obtaining authorization from the appropriate authority in accordance with this policy.

3.9 Protective Services Directorate

Carries out the security accreditation process for contractors ensuring that the contracting authority is informed of the results in a timely manner.

4. REFERENCES

This policy as well as the appendices are to be read in conjunction with the related Senate policies such as the policy on Corporate Credit Card, Petty Cash, Delegation of Financial Authorities, Books and Subscriptions, Capital Assets Accounting Policy, Miscellaneous Expenditure Accounts and the Security Accreditation Policy.

5. APPENDIXES

5.1 Appendix A - Procedures

Certain procedures are broad enough to apply to all categories of goods and services. The following is a list of such procedures.

A.1 Initiation of Request

When identifying needs, the end user must provide a complete description, intended utilization and detailed specifications in terms that:

- a) are capable of verification;
- b) allow for easiest procurement of goods or services;
- c) include a complete SOW, terms of payment and method of payment;
- d) identify the security requirements for contracts;
- e) subject to this policy, permit the greatest number of suppliers to have access to Senate business; and
- f) the requirement is in accordance with this policy.

A.2 Lead Time

The end user must allow sufficient lead-time to permit the competitive process in cases where the cost is greater than the competitive threshold in this policy. Other factors that will affect lead time are the requirement for special approval such as sole source or for contracts over \$100,000, and the time needed to develop an appropriate contract and obtain the required goods and services. The end user is responsible for providing all of the documents required to process the request.

A.3 Contractual Document

In situations where the contract will be awarded on a sole source basis the contracting authority will:

- a) draft a Purchase Order for goods and straightforward services (e.g., photocopier maintenance, webhosting); and
- b) draft a contract for the procurement of services when it is prudent to detail specific negotiated terms and conditions, including a Statement of Work within a legally binding document.

Where a competitive process will be used to award the contract, the contracting authority will:

- a) prepare a solicitation document and solicit bids;
- b) establish a selection committee to evaluate bids; and
- c) send a Letter of Award to the successful bidder and a regret letter to the unsuccessful ones.

A.4 Receipt of Goods

Persons receiving and signing receipt documents must have formal delegated signing authority and must:

- a) examine the goods to ensure that the goods received are those that were ordered and that they are in good condition;
- b) report damage or improperly filled orders to Purchasing staff as soon as possible;
- c) compare the goods received with packing slips to ensure that no discrepancies exist;
- d) sign the receiving report noting date goods or services were received, quantities received and back-orders; and
- e) send originals of the receipt report, packing slip and shipping documents to Senate Procurement as soon as possible.

A.5 Receipt of Services

End users of services shall:

- a) verify that the services have been performed in accordance with the terms and conditions of the contract;
- b) sign the receiving report portion of the purchase order, noting the date on which the services were completed and complete a post-contract evaluation report; and
- c) send the originals of the receipt report and the post-contract performance evaluation report to the appropriate contracting authority as soon as possible.

A.6 Contracting Process for Emergency Situations

Senators and the Office of the Law Clerk and Parliamentary Counsel shall:

- a) inform procurement as soon as possible that the emergency contracting authority has been exercised;
- b) provide sufficient information to document the emergency and to open a contractor file; and
- c) submit a request for Service Contracts if services are required beyond the emergency situation.

A.7 Partnership Agreements

- a) end users must consult with the appropriate contracting authority from the on-set of discussions with third parties;
- b) requests to draft or review a Partnership Agreements (PA) should be submitted to the appropriate contracting authority. The request must be signed by a manager with the appropriate approval and expenditure initiation authority when the PAs includes a financial commitment on behalf of the Senate;
- c) the proposed agreement must be reviewed by both the Procurement division and the Office of the Law Clerk and Parliamentary Counsel prior to issuance;
- d) PAs may only be signed by person(s) with delegated contracting authority (including the delegation on a case by case basis to specific managers as per the procedure and authority outlined in the *Delegation of Financial Authorities Policy*); and
- e) once signed, the PA must be returned to Procurement. The original will be submitted to the Office of the Law Clerk and Parliamentary Counsel who will be responsible for the depository, one copy for Procurement and one copy for the end-user and signatory if different from Procurement or end-user (when delegated).

A.8 Confirming Orders

Only individuals with delegated procurement authority may request suppliers to deliver goods or commence services. If the Finance and Procurement Directorate receives an invoices or an internal requisition for goods or services delivered without a contract or purchase order being in place prior to the delivery, the request will not be processed and the following procedures will apply:

- a) the Finance and Procurement will complete the top section of the Confirming Order form (date, from (initiator of transaction), subject and issue) and send it, along with a copy of the invoice or requisition, to the initiator of the transaction requesting that they fill out the rest of the form and send it back to the Procurement division;
- b) the initiator must complete the form and forward the original signed copy to the Procurement division. The initiator must supply enough detail to permit the Finance and Procurement directorate to determine that there is a legal obligation on the part of the Senate Canada to pay an invoice submitted by the claimant;
- c) the Finance and Procurement directorate will perform a review of the document and process the invoice if appropriate; and
- d) the Finance and Procurement Directorate will share information regarding Confirming Orders with the Clerk of the Senate and or the Committee.

A.9 Internal Requisition Form

All requests for the acquisition of goods or services shall be made on the forms available from Senate Printing Services or on Intrasen.

A.10 Segregation of Duties

A fundamental element of internal control is the segregation of certain key duties. Ensuring that individuals do not perform conflicting actions is critical to maintaining a strong acquisition cycle. The segregation of duties reduces the risk of erroneous and inappropriate actions.

5.2 Appendix B - Services Contracts Request Form

Reset Form

Print Form



SERVICES CONTRACT REQUEST

SENATE PROCUREMENT POLICY | Senate of Canada
Finance and Procurement Directorate, 11th floor, Chambers Building, K1A 0A4

Contract number

1 Contractor information

Long-term services contracts for individuals who act as support staff should not be issued. An employment contract would be more appropriate and should be offered instead of contracts that potentially create employee/employer relationships (see [questionnaire](#)).

For more information, please see the [Senate Procurement Policy](#).

Individual Name		Corporate Name (if applicable)	
Social Insurance Number or Business Number	Language preference <input type="checkbox"/> English <input type="checkbox"/> French	Telephone number	Fax number
Permanent address (street number and name)			Apartment or suite
City, Province/territory	Postal Code	E-mail	

2 Services Period and Security Accreditation

Contractors may begin their work once the contract has been signed by all contractual parties (minimum 5 business days). **This request does not form a binding contract.**

Requested start date of services	End date of services	Security Accreditation Click here to access form
<p>A Security Accreditation Form is mandatory if "yes" is answered to any of the following:</p> <p>Will the contractor require a Senate identification card to access the parliamentary precinct? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Will the contractor require remote access to the Senate network? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Will the contractor require access to confidential documents? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		

3 Description of Services

Complete statements of work must accompany all requests. This should include elements such as: work to be performed, what is to be achieved (objective), and deliverables, including any formal proposals. **If the description of services is inadequate, this request will not be processed.**

Description of services to be performed:
Deliverables including dates:

4 Cost and Budget

In the case of progress payments, the contractor should submit a detailed invoice on a monthly basis on the day following the day that the work was completed for the billing period. The frequency of billing or progress payments should not be less than 28 calendar days.

Payment by the Senate to the Contractor for the work will be submitted within 30 days following the date on which the invoice is received.

Rate \$	Basis of Payment <input type="checkbox"/> Hourly <input type="checkbox"/> Daily <input type="checkbox"/> Lump sum	
Senator or Manager	Responsibility Centre:	Contributing amount:
Senator or Manager	Responsibility Centre:	Contributing amount:
Senator or Manager	Responsibility Centre:	Contributing amount:
Senator or Manager	Responsibility Centre:	Contributing amount:
Total contract value not to exceed (excluding HST):		\$

5 Authorization

Only Senators and delegated Senate Administration Managers are authorized to sign a request for services contract.

Once signed, please return this form to the Senate Finance and Procurement Directorate, 11th floor, Chambers Building, K1A 0A4 or fax to 613-947-1943.

For all inquiries, please [contact us](#) at 613-947-1923 or millej@sen.parl.gc.ca.

Signature of Senator or Manager: X	Date (yyyy-mm-dd)
Signature of Senator or Manager: X	Date (yyyy-mm-dd)
Signature of Senator or Manager: X	Date (yyyy-mm-dd)
Signature of Senator or Manager: X	Date (yyyy-mm-dd)

5.4 Appendix D - Request for Acquisition of Goods and Services – Senate Committees



REQUEST FOR ACQUISITION OF GOODS AND SERVICES FOR SENATE COMMITTEES

To: Procurement
Chambers Building
40 Elgin Street, 11th floor

From:
Tel. Number: _____

FINANCIAL CODING / COSTS

R.C. Code:

Please provide the breakdown for each category of costs:

Project Code:

- Transportation: \$
- Accommodation: \$
- Meals: \$
- Hospitality: \$
- Others (specify): _____ \$

TERMS AND METHOD OF PAYMENT

CREDIT CARD

INVOICE

Required Deposit (if applicable) \$

GOODS & SERVICES

Description:

SUPPLIER INFORMATION

Supplier Name:
Address:

Contact:
Phone:
Fax:

DATES

Date of Request:

Date Contract Required:

Date of Services

From: To:

SIGNATURE

Authorized Signature: _____

***Please attach supplier's proposal and/or draft contract provided by supplier AND if applicable copies of decisions for sole source approval or other special approval.**

5.5 Appendix E - Confirming Order Letter Template

APPENDIX E



CONFIRMING ORDER LETTER AND DIRECT PAYMENT REQUEST

Date:
From:
To: Director, Finance and Procurement
Subject: Confirming Order and Direct Payment Request for \$[xx] to [Supplier Name]

A direct payment is required to reimburse:	
Name of supplier:	
Amount:	
Description of goods/services obtained:	
Date that the goods/ services were received:	
Reason for direct payment (<i>check applicable</i>)	
Expenditure initiation was not or was incorrectly obtained	<input type="checkbox"/>
Signed contract was not in place before work commenced or good were delivered	<input type="checkbox"/>
Contract value was exceeded and no amendment was negotiated and confirmed by Procurement	<input type="checkbox"/>
Work was done or goods received outside period covered by contract	<input type="checkbox"/>

Next sections to be completed by the end-user

Background (this section should explain who requested the goods/services, when they were requested and how the price was determined and why it is fair and reasonable):

Why were Senate policies not followed?

Steps that have been taken to prevent the same or a similar situation from happening again:

Corrective Action:

Senators, directors and managers are aware that under no circumstances should any work commence and/or goods be ordered before the contract is reviewed, signed and approved by the Procurement Division. Contracting needs should be discussed with Procurement Division on a timely basis.

All senators, directors and managers are aware of the requirement to comply with the *Senate Administrative Rules*, the *Senate Procurement Policy* and the *Delegation of Financial Authority Policy*. Situations of non-compliance may result in up to and including a requirement to take additional training or suspension or removal of the financial delegated authority.

This letter will be used as a substitute supporting documentation for the missing signature (expenditure initiation or transaction authority) for internal reporting purposes. The Finance and Procurement Directorate will share information regarding confirming orders with the Clerk of the Senate. This letter should not be used to circumvent the *Senate Administrative Rules* or other standards and policies.

I acknowledge that I am aware of the situation and support payment to the supplier:

_____	_____	_____
Print Name – Expenditure Initiator	Signature	Date
_____	_____	_____
Print Name – Senator/Director	Signature	Date