



# Procurement Policy

Date: February 7, 2018



<b>TITLE</b>	PROCUREMENT AND CONTRACTING POLICY			
<b>APPROVED BY</b>	Board of Directors	February 7, 2018	<b>ISSUED</b>	May 1, 2018
		DATE		DATE

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*In the following text, the masculine gender includes the feminine and the use of the singular could include the plural.*



# 1. Scope

This Procurement Policy (“Policy”) describes the fundamental principles and range of activities that govern the acquisition of Goods and/or Services, including without limitation, the identification and selection of vendors, establishment of commercial terms, negotiation of contracts and the actual purchase.

This Policy is aligned with applicable legislation and trade agreements and reflects the dynamic environment in which BDC operates. It is also aligned with other BDC Policies.

This Policy strengthens BDC’s transparency, oversight and accountability and ensures proper governance.

# 2. Principles

a) BDC procurement shall be conducted in a manner that:

- i. Meets BDC’s specific requirements (whether operational, technical, financial, legal or other) in order to receive the best value for BDC;
- ii. Ensures the selected supplier is competent, can be expected to provide satisfactory performance (based, among others, on references, past experience) and has sufficient financial and other resources to deliver the goods or services;
- iii. Stands the test of scrutiny in matters of prudence and probity, encourage competition and reflect fairness in the awarding of contracts to suppliers;
- iv. Considers economic, social and environmental factors, e.g. international human rights standards and BDC’s goal of managing its impact on the environment;
- v. When permitted, promotes Canadian goods and/or services, while always respecting the selection process/criteria in place.

BDC has no obligation to select the lowest cost proposal or to accept any of the proposals submitted.

b) The authority to enter into procurement activities shall be in accordance with sound management principles and practices:

- i. Employees must transact on behalf of BDC in a responsible, fair and transparent manner, having due regard for the selection of appropriate goods, services and suppliers. The supplier selection process must be undertaken with a sufficient and appropriate due diligence;
- ii. Employees must perform their responsibilities with a clear understanding of the budget approval process, the appropriate authorities required to enter into a procurement contract, and the ability to ensure all elements of the procurement process have been implemented in accordance with this Policy;



- iii. All decisions regarding the awarding to a supplier must be properly documented, including all pertinent information about the supplier selection, and contract negotiations;
  - iv. The transacting department must ensure effective stewardship of BDC funds with adequate control frameworks to monitor that the goods are received and/or services are performed prior to payment.
- c) When sensitive information is exchanged with suppliers, BDC needs assurance from those suppliers that they will adequately protect and safeguard the integrity and confidentiality of the information assets entrusted to them, in accordance with BDC's information security requirements.
- d) All procurement activities undertaken by suppliers and BDC employees must comply with the BDC *Code of Conduct, Ethics and Values* and the *Business Development Bank of Canada Act*. Employees shall communicate their relevant elements to suppliers who shall confirm their acknowledgement and agreement to comply with such documents.

## **3. Compliance with the Canadian Free-Trade Agreement (CFTA) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA)**

Procurement of goods and/or services shall comply with the CFTA and CETA requirements which include, without limitation, the publishing of a tender notice on a tendering website or system designated by the Government of Canada. Such obligation is subject to certain exclusions allowed in these agreements, which application must be validated by BDC's Legal department.



## 4. Levels of Responsibility

This Policy is reviewed every two (2) years by the President and CEO and recommended for approval by the audit committee to the Board of Directors.

All exceptions to this Policy are to be submitted for approval to the Board.

## 5. Review Process

The Finance Department will provide advice on the application of this Policy and all procurement related matters.

Suppliers who have a complaint relating to a procurement process may specify their concern to the BDC Ombudsman who has established a procedure for dealing with such situations and for ensuring that BDC provides an equal treatment to all suppliers.

# Stefano Lucarelli

EVP and CFO

- END OF POLICY-

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