

GUIDELINE

Procurement Guideline

AUTHORITY SIGNATURES

Approved by: Scott Moore, SVP & Chief Financial Officer

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Recommended by: Christine Fischer, VP, Finance Operations and Corporate Services

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CONTROL SHEET

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1. PURPOSE AND SCOPE

1.1. PURPOSE

The purpose of this Guideline is to provide clear guidance regarding the procurement of goods and services at EDC, so as to ensure acquisitions are made in a manner that is open, fair, transparent, accessible, sustainable, and efficient; in accordance with applicable legislation and trade agreements (the Canadian Free Trade Agreement (CFTA) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA)); and, to manage legal, financial, reputational, environmental and social risks in alignment with EDC's risk management practices.

1.2. SCOPE AND APPLICATION

This Guideline is applicable to all EDC employees (including those seconded to a subsidiary) who are engaged in procurement-related activities.

2. PROCESS

The following outlines at a high-level the RACI for procuring goods and services on behalf of EDC.

The level of effort and rigour required and the extent of support provided to business teams by the Sourcing & Supplier Management (S&SM) team will vary based on the estimated procurement value, with higher complexity and higher dollar value procurements requiring more focus and additional steps which are not captured in the RACI below (e.g. competitive procurement processes). For further details, refer to *Section 3.4 Procurement of Goods and Services* and the procedure documents referenced in *Section 8 Other Related Documents* for more information.

Figure 1 – High Level RACI

Activity	Business Team	Sourcing Partner	Budget Authority	Procurement	Supplier	Accounts Payable
Identify and Document Requirements	A/R	C	I			
Review Sourcing Options and Approve Sourcing Approach	R	C	A			
Approve Requisition / Spend	C		A/R			
Validate Documentation Completeness and Compliance with Policy				A/R		
Enter into Contract with Supplier				A/R		
Fulfill Requirements and Issue Invoice to EDC	C				A/R	
Receive Invoice and Send to Business Team						A/R
Create Invoice Payment Request	A/R					
Approve Invoice Payment (confirm receipt of services)	A/R					
Approve Invoice Payment (budget approval)			A/R			
Process Invoice Payment						A/R

3. REQUIREMENTS

3.1. GUIDING PRINCIPLES

To support the attainment of EDC’s corporate objectives, when engaging in procurement-related activities EDC leaders and employees in the Procurement team and within other lines of business are expected to ensure the following:

- Procurement activities comply with all relevant legislation and trade agreements, EDC’s Code of Conduct and EDC’s Third-Party Risk Management Program (including the [Supplier Code of Conduct](#));

- Procurement decisions are documented and able to stand the test of public scrutiny for openness (competition), fairness, and transparency;
- Appropriate contractual approvals are obtained before entering into a contractual relationship with a supplier;
- Legal, financial, reputational, environmental and social risks are identified and managed in alignment with EDC's risk management practices;
- EDC obtains best value for money;
- EDC creates an inclusive and environmentally responsible supply chain, by fostering participation in our procurement processes of Certified B corporations and historically underrepresented groups (businesses owned by women, Indigenous people, minorities/visible minorities, persons with physical limitations or other disabilities, veterans, and members of the 2SLGBTQ+ community); and Policy exceptions are reserved for extraordinary circumstances.

3.2. AUTHORITY AND RESPONSIBILITY

The authority and responsibility to contract for goods and services is described in the **Schedule of Appointed Signing Officers and Related Approvals** and the **Delegation of Authority – Appendix N (Procurement)**.

The authority and responsibility to approve invoices for established contracts rests solely with Contract Owners within EDC's lines of business, per the **Delegation of Authority – Appendix N (Procurement)**.

3.3. SOURCING

Each EDC team has an assigned Sourcing Partner (refer to list here: Sourcing Partner (edc.ca) whose role it is to provide advice and guidance to business teams on:

- procurement approaches that meet business needs, achieve value for money (including identifying opportunities to consolidate procurement needs across teams), and meet Procurement Policy and trade agreement obligations;
- expected procurement timelines and level of effort for business teams, to help inform business plans;and
- vendor performance and risk management, in accordance with EDC's **Third Party Risk Management Policy** and Guideline.

Proactively preparing for and executing on procurements helps to ensure EDC meets its compliance obligations, business objectives are met on time, and outcomes are achieved. Business teams and Sourcing Partners are accountable for regularly meeting (generally, monthly

or quarterly, depending on volume of needs) to build out a forecast of their procurement needs (contract renewals, new requirements for services/solutions or contingent labour).

Business Partners should be engaged where appropriate in this planning. Where new procurement needs arise unexpectedly, business teams are accountable for engaging their Sourcing Partner as soon as the business need is identified, to ensure alignment of expectations regarding procurement approach, time required, and prioritization, and that business plans reflect these assumptions.

3.4. PROCUREMENT OF GOODS AND SERVICES

EDC is subject to both the Canadian Free Trade Agreement (CFTA) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and as such must comply with these trade agreements.

The standards that are set for government procurement under these trade agreements are intended to promote open and transparent procurement practices and to support local development, especially small and medium-sized enterprises.

The trade agreements currently apply to goods and services with a value greater than approximately \$600,000 (thresholds are updated every two years). The trade agreements impose the following key legal requirements:

- Must use a competitive procurement process which can consist of either an open tender inviting all interested parties or a selective tendering of prequalified suppliers (e.g., the use of one of EDC's supply arrangements or standing offers)
- Must provide a minimum notification period to prospective bidders of the intended procurement and a minimum number of days to submit a proposal (refer to Appendix A for further details)
- The formulation of requirements must be goal-oriented and not product-specific
- Must follow a prescribed method of valuation:
 - the basis for valuation must be the total value of the procurement including all forms of remuneration (such as premiums, fees, commissions, interest, costs for transportation, insurance, travel, and living expenses);
 - the value of the procurement does not include taxes;
 - for fixed-term requirements, all optional purchases must be taken into account (including options to renew or extend the contract);
 - for ongoing requirements (e.g., software or other solutions that EDC reasonably expects to procure on an ongoing basis for many years), the value of the

procurement must be calculated by multiplying the annual spend by 4 years, notwithstanding if EDC decides to contract for a term less than 4 years;

- if the value of the procurement is in a foreign currency, the value must be converted to Canadian dollars; and
- the valuation must be made in good faith based on the full scope of goods/services required and the pricing information available at the time of its calculation. There must be no manipulation or dividing of the procurement requirement (referred to as contract splitting) in order to avoid a competitive procurement process or bias the decision regarding the required procurement approach. For example:
 1. fixed-term requirement: where a business team plans to execute multiple phases of work with a supplier as part of a project or program. Given all phases of this work serve a common overall need, the cost for all phases should be used to estimate the value and determine the appropriate procurement approach.
 2. ongoing requirement: where a business team plans to procure a new solution. In this case, the cost of the solution, the system integrator, and the ongoing support costs should be used to estimate a value for the first four years and determine the appropriate procurement approach.

For further guidance on valuation, business teams are encouraged to consult with their Sourcing Partner.

There are a few circumstances, outlined below, under which limited tendering (directed procurement) may occur under the trade agreements. However, these exceptions are never to be used for the purpose of intentionally avoiding a competitive procurement process and the legal threshold to justify the use of limited tendering is significantly challenging. For further guidance on policy exceptions, business teams are encouraged to consult with their Sourcing Partner.

- **Exclusive Rights:** If the goods or services can be supplied by only one particular supplier and no reasonable alternative or substitute goods or services exist, due for example to proprietary rights to software, patent rights, being a sole licensee to software, etc.
- **Economic or Technical Reasons:** Where a change of supplier cannot be made due to:
 - Economic or technical reasons such as interoperability with existing equipment, software, or services procured under the initial contract; **and**
 - A change of supplier would cause significant inconvenience or substantial duplication of costs.

- **Extreme Urgency:** If, for reasons of extreme urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using a competitive procurement approach.
- **Exemption to trade agreements:** EDC has adopted the position that services that EDC procures “with a view to use in the supply of services for commercial sale or resale,” could be found to fall outside the scope of CETA/CFTA, because such services would fall outside of the definition of “government procurement”, which is what CETA/CFTA regulate. This would include where EDC procures legal and consulting services in furtherance of activities such as recoveries and asset management, connections financing, and project finance transactions.

When purchasing goods and services, Policy requirements are guided by trade agreement obligations as well as best value for money for EDC.

Table 1: Procurement of Goods and Services - Requirements

Estimated Procurement Value	Requirement
Less than \$100,000	<p>At a minimum, business teams must obtain one (1) quote / proposal from a supplier (a directed procurement or single source acquisition).</p> <p>However, it is always good practice to follow the competitive procurement process outlined below where business teams obtain and evaluate a minimum of three (3) proposals including at least one diverse supplier from EDC’s diverse supplier registry where available, so as to:</p> <ul style="list-style-type: none"> • obtain value for money • support EDC’s supplier diversity objectives which include decreasing supply chain risk, increasing innovation and decreasing operating costs <p>For purchases of allowable expense types, business teams can also use their team’s Purchasing card (“P-card”) or their individual Corporate Card (please refer to Appendix B).</p>
Between \$100,000 and \$600,000	Business teams must obtain and evaluate a minimum of three (3) proposals including at least one diverse supplier from EDC’s diverse supplier registry where available.

<p>Greater than \$600,000</p>	<p>A formal competitive procurement process administered by Procurement and tender notice posted on MERX is required (refer to Appendix A for further details), to ensure trade agreement obligations are met (e.g. a Request for Proposal process, a bid solicitation process against one of EDC’s supply arrangements or standing offers, or the use of a Federal Government procurement vehicle).</p>
<p>Change requests</p>	<p>Business teams must:</p> <ul style="list-style-type: none"> • include a 10 to 25% contingency in their fixed-price contracts, to provide the flexibility to continue working with the supplier on the <u>defined scope of work</u> should the need arise. • include a “not to exceed” dollar threshold in their time & materials-based contracts. • scope their statements of work broadly enough to include all phases of work envisaged. <p>Requests for additional scope <u>not</u> contemplated in the existing contract should be managed through a new competitive procurement process and not a change request. Exceptions to this rule should be saved for exceptional circumstances, as these are considered a directed procurement for which the legal threshold to justify this approach is high.</p> <p>Fixed-price deliverables-based and milestones-based contracts, by definition, should not typically require change requests for additional funds.</p>
<p>Procurements of software (of any value) which the business team plan to implement in production</p>	<p>Business teams must work with their Sourcing Partner to define and align on the procurement approach prior to implementing the approach, with a view to ensuring the long term procurement strategy and cost is considered and compliance with Policy and trade agreements is maintained.</p>
<p>Procurements for legal services, training, information subscriptions, or technology (e.g. software)</p>	<p>Corporate requirements for these services are administered centrally, to ensure EDC obtains best value for money, ensures quality of services, and eliminates any duplication of acquisitions across the organization. Therefore, prior to implementing a procurement for these types of goods / services, business teams must consult with:</p> <ul style="list-style-type: none"> • EDC’s Legal Services team in relation to requests for legal services.

	<ul style="list-style-type: none"> • EDC’s Learning & Development team in relation to requests for training services. • EDC’s Content Management team in relation to requests for information subscriptions. • their Business Partner and Sourcing Partner, in relation to requests for technology.
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3.5. PROCUREMENT OF CONTINGENT WORKERS

The procurement of the services of contingent workers is intended to meet a point-in-time, short term, need for specialized knowledge or skills which are not available within EDC. This type of procurement is not to be used to replace an employee on leave or to meet ongoing, longer term, capability / resource requirements. For replacement of an employee on leave, business teams are encouraged to consult with their HR Business Partner, to determine the most appropriate resource strategy (e.g., permanent or contract position). For replacement of a longer term capability business teams are encouraged to consult with their Sourcing Partner and HR Business Partner, to determine the most appropriate strategy.

Contingent workers must be retained using the EDC standing offer for contingent labour, regardless of the estimated procurement value, as this procurement vehicle has been established to ensure EDC meets its trade agreement requirements.

In addition to trade agreement requirements for these types of procurements, EDC is also subject to requirements flowing from the Retaining External Resources Guideline which seeks to protect EDC from risks associated with an individual being deemed an employee under the Income Tax Act, the Canada Pension Plan Act, the Employment Insurance Act, the Canada Labour Code, or the Common Law, with all of the corresponding legal obligations associated with such a designation. Failure to comply with applicable statutory duties is non-compliance with applicable laws, which is a major reputational risk to EDC and contrary to EDC’s Code of Ethics.

Refer to the **Retaining External Resources Guideline** for more information.

3.6. THIRD-PARTY RISK AND PERFORMANCE MANAGEMENT

To manage third party risk and performance to EDC’s risk appetite, procurement activities must be assessed for criticality and risk (including the degree to which a third-party relationship could impact EDC customers, reputation and / or regulatory compliance) and due diligence must be applied commensurate to the risk. This includes contract controls to address identified risks and risk and performance management and monitoring activities tailored to the risk level and performed throughout the contract lifecycle.

Refer to the **Third-Party Risk Management Guideline** for more information.

3.7. SUPPLIER DIVERSITY

The Sourcing & Supplier Management team has established a Supplier Diversity Program since 2020 and continues to build and mature the program year over year, with demonstrated results to date in new contracts signed with diverse suppliers and diverse suppliers qualified on existing EDC procurement vehicles.

The goal of the Supplier Diversity Program is to ensure fair and equitable access to EDC's procurement processes for suppliers from historically under-represented groups (women-, 2SLGBTQ+ -, Indigenous-, persons with disabilities-, minority-, and veteran-owned businesses), in order to sign new contracts with these suppliers. The expected benefits of the Program include increased capacity, experience, and ability to scale for diverse suppliers, decreased social and economic inequalities, increased innovation and decreased operating costs and supply chain risk for EDC.

Diverse suppliers are certified through six advocacy organizations in Canada and are defined as companies 51% or more owned, operated and controlled by one or more of the historically under-represented groups. Our team works closely with these six organizations to mature the Program and provide directories of diverse suppliers for EDC buyers. For further information on the Program and how you can support EDC's supplier diversity and social procurement objectives, please reach out to supplierdiversity@edc.ca. For a directory of diverse suppliers, please consult our team Livewire site: <https://communication.edc.ca/EN/procurement/Pages/Home.aspx>.

3.8. ACCESSIBILITY CONSIDERATIONS IN PROCUREMENT

Business teams are responsible for ensuring that the intended outcomes of their procurements are aligned with EDC's corporate values and key priorities, including inclusion, diversity and equity objectives.

Business teams are responsible for identifying when it is appropriate to include accessibility considerations in a procurement (i.e. where EDC has established standards internally and/or is subject to legislative or industry standards). When it is deemed appropriate, business teams should include accessibility considerations when specifying requirements for goods, services and construction and ensure that deliverables incorporate accessibility features. For procurements for which accessibility considerations are deemed appropriate but an exception is required (such as when accessibility considerations are deemed to be inconsistent with trade agreements or if it is not possible to obtain goods, services or construction that comply), the business team and the Procurement Advisor assigned to the procurement are jointly responsible for ensuring clear justification is documented.

3.9. ENVIRONMENTAL AND SOCIAL CONSIDERATIONS IN PROCUREMENT

EDC seeks to work with environmental and socially conscious suppliers who share our commitment to people and the planet and are able to meet the expectations outlined in the Supplier Code of Conduct.

Business teams are responsible for identifying when it is appropriate to include environmental and social considerations when specifying requirements for goods, services and construction procurements; considerations such as:

- Products that are sustainable and environmentally responsible, with a demonstrated commitment to supporting biodiversity, improving energy and water efficiencies, reducing waste and emissions, and/or contributing to the circular economy;
- Respect for internationally recognized human rights, including the provision of safe working environments and fair working conditions aligned with international labour standards and prohibition of forced labour and importation of goods produced, in whole or in part, by forced or compulsory labour, including child labour; and
- Commitment to fostering an inclusive, diverse, and equitable workplace and one that prohibits discrimination, harassment and workplace violence.

3.10. CONFLICTS OF INTEREST

Conflicts of interest during procurement processes must be disclosed and managed in accordance with EDC's Code of Conduct and Conflict of Interest Standard, to ensure that procurement processes are, and are perceived to be, objective and fair.

3.11. EMERGENCY SITUATIONS

It is recognized that emergency situations may arise that would necessitate immediate action and an exception to standard procurement requirements and process. If, for reasons of extreme urgency brought about by events unforeseeable by EDC, goods or services could not be obtained in time using a competitive procurement process, leaders must contact the Procurement team as soon as feasible and the Procurement team will address the need on an urgent basis.

3.12. CONTRACTING

Fixed-price deliverables-based or a transaction-based contract is the preferred means to realizing receipt of services or goods as planned. Where this is not possible, business teams should establish milestones, to provide a mechanism for check-ins and ensure the progression of the supplier's delivery is as planned. A time and materials contract requires ongoing monitoring and while flexible, is prone to contract run-on and slippage of deliverables.

For fixed-price deliverables-based and milestones-based contracts, business teams must include a 10-25% contingency in the contract, to provide the flexibility to continue working with the supplier on the defined scope of work should the need arise.

Where a contract is not yet in place, business teams are to inquire with Procurement before sharing confidential information with a supplier, so that Procurement may provide a Confidentiality Agreement (non-disclosure agreement).

Business teams are not to allow a supplier to commence work until a contract has been fully executed (signed by Procurement and the supplier). Without a contract in place that covers the scope of work performed by a supplier, EDC is without protections required to protect confidential, customer and personal information, and intellectual property (such as the ability for EDC to demand financial compensation for damages or other supplier obligations).

Where an existing contract and funds could potentially be leveraged for work which may not have been contemplated in the original contract, business teams must validate this assumption with their Sourcing Partner prior to allowing the supplier to commence work.

Refer to the **Role of the Contract Owner** and consult with your Sourcing Partner for more information.

3.13. PROVIDING SUPPLIER REFERENCES

Per EDC's standard contract terms and conditions, suppliers are obligated to request prior written authorization from EDC, before making reference to EDC in any promotional material or utilizing EDC as a client reference.

When business leads receive a request from a supplier for a client reference that is required as part of a competitive procurement process executed by another buying organization, they are encouraged to provide the reference as EDC also relies on client references in our competitive processes. Requests for a client reference as part of a non-competitive procurement process may also be considered, as long as the conditions below are met.

Before providing a reference, business teams must ensure ALL of the following conditions are met and consult with the Procurement team for information and guidance as needed.

1. The work to be referenced is completed or in full operation to EDC's satisfaction after a stability period.
2. The individual providing the reference has direct knowledge of the work to be referenced and was pleased with the supplier's performance.
3. The individual providing the reference has the requisite authority to provide this feedback on behalf of EDC and has briefed their leader, as applicable.
4. There are no upcoming or in-flight competitive procurement processes at EDC in which the supplier is participating. EDC has to be concerned about the perception of preferential treatment of a supplier in a competitive procurement process.
5. The reference will be provided via telephone interview. Caution should be exercised with respect to written references, as there is a risk that these may be used out of context at a later time. Please reach out to the Procurement team for guidance if the requirement is for a written reference.
6. The reference will confirm details about the contract(s) with the supplier (e.g. duration and scope), but will not include details about EDC's level of satisfaction/performance details. EDC has to be concerned about the subjectivity of the reference.

Providing a reference or quote to be used in a supplier's promotional materials is NOT allowed.

Finally, under no circumstances should a reference be provided if this comes with an offer of financial benefit for EDC, as this can result in a perceived or actual conflict of interest.

3.14. RECORD KEEPING AND RETENTION

Decisions made during a competitive procurement process must be documented and be able to stand the test of public scrutiny:

- In the case of a formal competitive procurement administered by Procurement, documentation is the accountability of the Procurement Team.
- When business teams obtain and evaluate three (3) proposals, documentation is the accountability of the business team. The three (3) proposals, scoring documents and Selection Summary Form must be attached to the P2P requisition when submitted for approval.

Contract documentation is the accountability of the Procurement Team and is stored centrally on behalf of EDC.

EDC must keep records created during the Procurement process in accordance with the minimum record keeping and retention standard of 10 years. Record retention and destruction in relation to the Procurement process must also be aligned with EDC's enterprise record keeping and retention approach as defined in the **Content Management Standard**.

Refer to the process documents referenced in Section 8 for more information.

3.15. CONSEQUENCES OF NON-COMPLIANCE

Non-compliance with certain requirements of the Procurement Policy and this Guideline could result in legal, reputational, and financial consequences for EDC and its shareholder. EDC expects that all employees, leaders, executives, and contractors will not knowingly facilitate or participate in instances of non-compliance with the Procurement Policy or Guideline, unless prior approval for a Policy exception has been obtained.

4. REPORTING

The table below sets out the minimum reporting requirements for this Guideline.

Table 2: Reporting Requirements

Report	Frequency	Description	Distribution
Sourcing and Procurement Report	Monthly	Progress of competitive procurements against plans and related blockers, procurement transformation progress against plans, supplier diversity spend	By: Sourcing & Supplier Management To: Initiatives Oversight Committee (IOC)
Procurement and Third Party Risk Report	Quarterly	Aggregated view of third party risk profile and third party performance, policy and trade agreement exceptions and exclusions, , policy non-compliances, and supplier complaints	By: Sourcing & Supplier Management To: Risk Management Committee and Operational Risk Management Committee
Corporate Function Review	Bi-annually	Policy and trade agreement exceptions and exclusions, Policy non-compliances, spend metrics and forecasts (top ten vendors by spend, competitive procurements forecast, supplier diversity spend, number of active suppliers, number of active contracts, etc.)	By: Finance To: Executives
Material Third Party Risk and Performance Profile	Annually	View of third party risk profile and performance of each High Materiality Third Party in the business unit and key action plans in place (where relevant)	By: Sourcing & Supplier Management To: Contract Owner (VP and Director)

TPRM Program Report	Annually	Report on the effectiveness of the TPRM Program.	By: Sourcing & Supplier Management and Operational Risk Management To: Risk Management Committee and Policy Owner
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5. ROLES AND RESPONSIBILITIES

This Guideline is approved by the SVP & Chief Financial Officer.

As Guideline Owner, the Vice President, Finance Operations and Corporate Services is accountable for the effectiveness of this Guideline, and responsible for its development, implementation and maintenance.

As Guideline Monitor, the Director, Sourcing & Supplier Management is responsible for ensuring the proper administration of the requirements set out in this Guideline.

As the First Line of Defense, all EDC employees engaged in procurement-related activities must be familiar with and act in compliance with this Guideline, associated Procedures, the Schedule of Appointed Signing Officers and Related Approvals, and the Delegation of Authority – Appendix N (Procurement). When acquiring goods and services, Senior Vice Presidents (SVP) and Vice Presidents (VP) are responsible for compliance with this Guideline and the Procurement Policy in their respective departments and for the effectiveness of the procurement processes in which their teams are involved.

The executive Risk Management Committee (RMC) is responsible for providing guidance or direction on third-party risk management and procurement and contracting related matters.

Internal Audit, as the Third Line of Defense, is responsible for providing independent assurance to the Board and Executive regarding the design and operational effectiveness of controls supporting this Guideline.

6. REVIEWS AND REVISIONS

This Guideline will be reviewed at a minimum every three years, or more frequently as required, based on changes to EDC’s risk management practices , business strategies, and current and emerging risks. Any material revisions to or rescinding of the Guideline will be accompanied by supporting detail on the material changes and associated rationale.

Roles and responsibilities with regard to approval, revision and/or rescinding of the Guideline shall be as follows:

Table 3: Reviews and Revisions

Document	Review & Recommend for Approval, Revision (or Rescinding)	Approval	Approval Cycle
Procurement Guideline	VP, Finance Operations and Corporate Services	SVP & CFO	At least every three (3) years, or more frequently as required

7. ESCALATION AND EXCEPTIONS

A process is to be maintained by the Guideline Owner to identify, record and report on exceptions or instances of non-compliance with this Guideline.

Any instances of non-compliance with this Guideline must be escalated to the Procurement Policy Owner, the SVP & Chief Financial Officer, in a timely fashion, for review. It is the accountability of the SVP & Chief Financial Officer to ensure corrective actions are taken to ensure instances of non-compliance with the requirements of this Guideline are not repeated. Corrective actions may include requiring additional training, changes to processes and systems, the suspension or removal of approval authority, disciplinary action and other measures.

Business teams are accountable for escalating any requests for exceptions to this Guideline in a timely fashion for resolution or approval. The SVP & Chief Financial Officer is accountable for the resolution or approval of any exceptions to this Guideline and has delegated part of this approval authority to alternate parties, as outlined in the following table. Per the procurement Guiding Principles, EDC employees engaging in procurement-related activities are expected to ensure policy exceptions are reserved for extraordinary circumstances. As such, exception requests must include a justification for the exception outlining the extraordinary circumstances.

For further details regarding exception processes and non-compliances, refer to the **Competitive Procurement Procedure – \$100-\$600K**, **Competitive Procurement Procedure – RFP**, or the **Retaining External Resources Guideline**.

Table 4: High-Level Exception Path

Exception	Process
<p>Exceptions to competitive procurement approach for procurements between \$100,000 and \$600,000 (including new procurements and change requests for new scope, whether or not the original contract resulted from a competitive procurement process)</p>	<ul style="list-style-type: none"> • Exception request with justification submitted by business team to their leader (minimum VP-level) • Request reviewed and approved by leader (minimum VP-level) and submitted to Procurement along with P2P requisition
<p>Exceptions to competitive procurement approach for procurements greater than \$600,000 (including new procurements and change requests, whether or not the original contract resulted from a competitive procurement process)</p>	<ul style="list-style-type: none"> • Exception request with justification submitted by business team to Procurement • Request reviewed and endorsed by Procurement • Request approved by SVP & CFO (accountable decision owner) and team SVP
<p>Exceptions to Retaining External Resources Guideline (for very exceptional cases)</p>	<ul style="list-style-type: none"> • Exception request with justification submitted by business team to Procurement • Request reviewed and endorsed by Procurement • Request reviewed and approved by VP, Finance and Corporate Services and VP HR Operations

8. OTHER RELATED DOCUMENTS

8.1. DOCUMENT HIERARCHY

The following documents are governed by this Guideline:

- Delegation of Authority – Appendix N (Procurement)
- Schedule of Appointed Signing Officers and Related Approvals

- Retaining External Resources Guideline
- Procurement Procedures: refer to Livewire for comprehensive list: [EDC Procurement Policies](#). In particular, the following are key documents that EDC employees engaged in procurement-related activities should be familiar with:
 - Procurement Intake Procedure
 - Standard Requisitioning Procedure
 - Credit Card Procedure
 - Competitive Procurement Procedure – \$100-\$600K
 - Competitive Procurement Procedure – greater than \$600K
 - Competitive Procurement Procedure – External Resources
 - Policy Non-Compliance Procedure

8.2. OTHER DOCUMENTS RELATED TO THIS GUIDELINE

The following documents should be read in conjunction with this Guideline:

- Third-Party Risk Management Guideline
- Sponsorship Guideline
- Capital Asset Policy
- Role of the Contract Owner
- Supplier Code of Conduct

9. EFFECTIVE DATE

This **Procurement Guideline** will take effect immediately upon the date of approval.

10. DEFINITIONS

Table 5: Definitions

Terminology	Definition
Acquisition	An “Acquisition” is the act of obtaining goods or services from a supplier.
Approved Suppliers	Suppliers that have been validated by Corporate Finance & Control as having provided the company information required to be activated in EDC’s supplier list.

Budget Authority (BA)	Budget Authorities are employees (and/or those employees whose principal duties include the supervision, directly or indirectly, of a Budget Authority) who are responsible and accountable for authorizing the use of budgets as approved in the Corporate Plan. Budget Authorities also provide the approval for the selection of supplier(s) engaged under the Procurement Policy and Guideline. The specific Budget Authority is determined by the acquisition’s procurement value.																							
Certified B corporations	A for-profit corporation that has been certified by B Lab , which is a non-profit company that measures a company’s social, environmental and governance practices and performance against the standards in the B Impact Assessment. In 2022, there were over 5,200 Certified B Corporations in 83 countries and across 150 industries.																							
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Confidential Information	Any personal (information about an identifiable individual) or corporate (EDC) information that is not publicly available / not published for public consumption.		
Contract Owner	The accountable leader in the EDC team who is responsible, per the Delegation of Authority – Appendix N (Procurement), for the budget, relationship, risk and performance management of the contract throughout the contract lifecycle.		
Contract Signing Authority	The accountable team or leader per the Schedule of Appointed Signing Officers and Related Approvals, who is responsible for committing and binding EDC in supplier contracts.		
Corporate Plan	This is the budget approval/financial forecast process utilized by EDC.		
Directed Procurement (otherwise known as Single Source Procurement or Limited Tendering)	Acquisition made directly with one supplier without the use of a competitive procurement approach.		
Diverse Supplier	A business that is at least 51% owned and operated by an individual or group from historically underrepresented groups (women-, 2SLGBTQ+-, Indigenous-, persons with disabilities-, minority-, and veteran-owned businesses).		
Documentation	All documents (regardless of format or media type) related to: <ul style="list-style-type: none"> a) A specific procurement transaction(s). b) An assessment (or analysis) that identifies which supplier, good and/or service may or may not be required. c) Written communications associated to (a) or (b). d) Proposals, quotes or Statements of Work received from suppliers (accepted or not). 		
Executive	The cadre of managers that provides the most senior level of review, guidance and decision making.		
Goods and Services	This includes all equipment, material, supplies, and administrative, specialized or professional services acquired by EDC.		
Guideline	A document that sets out the parameters (including limits) within which EDC leaders and employees are required to act and/or the norms and criteria to achieve expected outcomes and Policy requirements.		
HR Business Partner	A role within the Human Resources team that provides advice and direction to leaders and employees on the application of the HR Policy and Guidelines.		

MERX	An electronic tendering system used by EDC Procurement for all competitive procurements.
Notice of Intended Procurement	A notice published publicly by a procuring entity inviting interested suppliers to submit a request for participation, a tender, or both.
Notice of Planned Procurement	Procuring entities are encouraged to publish publicly, as early as possible in each fiscal year, a notice regarding their future procurement plans.
Open Tendering Procurement Process	A competitive procurement process conducted through a publicly accessible system such as MERX under which all interested proponents may participate in the tendering process.
Policy	A document which sets out the principals or protocols to guide decisions and achieve expected outcomes. Policies are derived from EDC’s mandate, missions, strategic objectives and Risk Appetite.
Policy Monitor	The authority responsible for monitoring, ensuring and attesting to compliance with the Policy and also responsible for reporting instances of non-compliance to the Policy Owner (if different from Policy Owner).
Procurement Policy	The document that establishes the context and guiding principles under which EDC will procure goods and services.
Procurement Value	This value is used to assist in determining an appropriate competitive procurement process and authorities. When the procurement is a one-time cost, the estimated cost is equal to the total cost of the contract including options for extensions. When the procurement is for a recurring need (e.g. Subscriptions, Software and Software as a Service (SaaS) requests), a standard contract term of four years will be used to estimate the cost to determine the appropriate process and authorities, notwithstanding that the contract is established for less than a four-year term.
Qualified Supplier	A supplier that a procuring entity recognises as having satisfied the conditions for participation in future procurements.
Selection Summary Form	A form, completed by the business unit following a competitive process, which will provide the background on the procurement and details the process for choosing the supplier.
Selective Tendering	A procurement method whereby only qualified suppliers are invited by the procuring entity to submit a tender.
Sole Source	Acquisition whereby only one supplier in the market is capable of providing the good or service (e.g. a manufacturer or only authorized distributor of a good or service). Requests for directed procurements that rely on a sole source justification require ample documentation to demonstrate that the supplier is the only supplier in the market capable of providing the good or service. Business teams should consult with their Sourcing Partner for further guidance.
Sourcing Partner	A senior team member of the Sourcing and Supplier Management Team who acts as the main point of contact for strategic advice and guidance on

	sourcing, procurement, contracting, and supplier management (e.g. vendor risk and performance management).
Standing Offer	Method of supply that is used when it is possible to clearly define the requirement but expected quantities (level of effort) and timing are not known. It is used when EDC is unwilling or unable to offer a minimum work guarantee, or wants to maintain multiple sources of supply. It is used to satisfy requirements for commonly ordered, commercially available goods, services or both, by arranging with suppliers to submit standing offers to provide goods, services or both. A call-up against a standing offer is a contract.
Supplier	A vendor, manufacturer, distributor or service provider.
Supplier Code of Conduct	EDC's Supplier Code of Conduct sets out the principles and expectations that suppliers, service providers, intermediaries and independent contractors, including their employees and representatives must comply with when conducting business with, or providing goods and services to, or acting on behalf of EDC.
Supply Arrangement	Method of supply that is used to establish a pool of suppliers when there is a recurring need for a certain type of good or service, but a standing offer is not suitable due to the inability to fully define the requirement in advance, and there is a desire to compete the requirement. The supply arrangement establishes a framework that permits expeditious processing of individual bid solicitations ("call-ups") which result in contracts.
Thresholds	The Procurement Value associated to procedural requirements; the threshold is a set amount at which procedural requirements change.
Third-Party Risk Management Program	EDC Program administered by the Sourcing & Supplier Management team, to facilitate the identification, assessment, management and monitoring of operational risks that present themselves when EDC establishes agreements with third parties (brokers, partners, and traditional suppliers of goods and services).

APPENDIX A – REQUIRED TIME PERIODS UNDER THE TRADE AGREEMENTS

When the Notice of Intended Procurement is posted separately from the Request for Tender, the deadline for submission of tenders shall be no less than **30 calendar days**

- from the date of publication of the Notice of Intended Procurement (in the case of open tendering)
- from the date that EDC notifies suppliers they will be invited to submit tenders (in the case of selective tendering)

The above time period can be further reduced if the Notice of Intended Procurement is posted at the same time as the Request for Tender. In this case, the deadline for submission of tenders shall be no less than **25 calendar days** from the date of publication of the Notice of Intended Procurement.

In the case of selective tendering, the deadline for submission of Requests for Participation (“letters of interest”) shall be no less than **25 calendar days** from the date of publication of the Notice of Intended Procurement.

APPENDIX B – PROCUREMENT CARDS AND CORPORATE CARDS

Refer to the Credit Card Procedure, [Purchasing Card Terms of Use.docx \(edc.ca\)](#) and [Corporate Card Terms of Use.docx \(edc.ca\)](#) for further details and reach out to the Accounts Payable team for any questions.