



Blood Products

Stem Cells

Human Tissues

POLICY ON HÉMA-QUÉBEC CONTRACTS

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1. GENERAL PROVISIONS

1.1. SCOPE

The purpose of this policy is to specify the conditions under which Héma-Québec awards contracts to suppliers for the supply of goods, the provision of services and for construction work. The policy is also intended to inform the staff, the suppliers and the general public of these conditions.

1.2. PRINCIPLES

This policy is based on the following principles:

- 1.2.1. the safety and sufficiency of safe blood components and substitutes, human tissues and cord blood supply;
- 1.2.2. transparency in the contracting process;
- 1.2.3. the honest and fair treatment of all suppliers;
- 1.2.4. the opportunity for all qualified suppliers to compete for Héma-Québec business through call for tenders issued by Héma-Québec;
- 1.2.5. the implementation of effective and efficient contracting procedures, including a careful and thorough evaluation of users requirements that reflects the Government's sustainable development and environmental policies;
- 1.2.6. the implementation of a quality assurance systems for goods, services and construction work required by Héma-Québec;
- 1.2.7. accountability reporting by the president and CEO of Héma-Québec and the sound use of public funds;
- 1.2.8. ethical business practices.

1.3. DEFINITIONS

Throughout this policy, the following definitions apply:

Contract: any agreement between Héma-Québec and a supplier regarding the supply of goods, the provision of services or professional services and construction work.

Supply contract: a contract for the purchase or rental of goods, including but not limited to costs related to their installation, transportation, use, operation and maintenance.

Construction contract: an agreement for construction work subject to the *Building Act* (R.S.Q., c. B-1.1), for which the supplier must hold the required license pursuant to chapter IV of said *Act*.

Service contract: a contract by which a physical or legal person or a partnership agrees to provide Héma-Québec with a service, other than a professional service, for a price.

Professional services contract: a service contract delivered by or under the responsibility of (a) professional(s). A professional is a person belonging to a professional order subject to the Professional Code or a person with a Bachelor's degree or equivalent.

Supplier: a physical or legal person, or a partnership, with the exception of a public body as defined in section 3 of the *Access to documents held by public bodies and the Protection of personal information* (R.S.Q., c. A-2.1), a department or agency of another government.

Contract amount: the total financial commitment related to a contract or, in the case of an open contract, the maximum cost of all aggregate purchases.

2. PROCUREMENT CYCLE

2.1. PROCUREMENT CYCLE

The number of steps involved in the procurement cycle is dependent upon the nature, the complexity and the monetary value of the goods to be acquired, the services to be provided or the work to be performed. The table in Appendix A illustrates the relative order of the various steps in the procurement cycle and identifies the respective responsibilities of the stakeholders to ensure a seamless flow of the procurement activities.

3. RELATIONSHIPS WITH SUPPLIERS

3.1. RELATIONSHIPS WITH SUPPLIERS

The issuance of calls for tenders, the negotiations and the award of contracts to suppliers on behalf of Héma-Québec are the exclusive responsibility of the purchasing department.

4. AWARDING OF CONTRACTS

4.1. GENERAL RULES

Héma-Québec favors calls for tenders as a pre-requisite to awarding contracts.

Héma-Québec cannot separate or segment its needs with the intent of absolving itself of the present rules.

Héma-Québec may participate in group purchasing or join other companies to fulfill some of its requirement through joint calls for tenders or joint contracts, in which case the applicable conditions may differ from those stipulated in this policy.

Due to ethics, equity and transparency for all the bidders, contracts concluded by mutual agreement, calls for tender as well as contracts shall not include any donations nor any fees, such a practice being against the directives from the Secrétariat du Conseil du Trésor.

4.2. CONTRACTS SUBJECT TO THE PUBLIC CALL FOR TENDERS PROCESS

The public call for tenders is used for supply contracts whose estimated value will exceed 25 000\$, and for construction and services contracts for which the estimated value will exceed 100,000\$, except for cases mentioned in section 4.4.

4.3. CONTRACTS UNDER THE THRESHOLD VALUE FOR PUBLIC CALLS FOR TENDERS

Héma-Québec contracts with a value lower than the threshold triggering a public calls for tenders must be awarded in accordance with the guidelines outlined in this policy. To ensure sound management of such contracts, Héma-Québec must specifically evaluate the possibility, as the case may be, of:

4.3.1. issuing a public call for tenders or a call for tenders by invitation;

4.3.2. implementing measures which promote the procurement of goods, services or construction work from competitors or contractors in the region where these goods are consumed, the services are rendered or the work is being performed, subject to any applicable intergovernmental agreement;

4.3.3. ensuring a rotation of competitors or contractors used by Héma-Québec as well as adding new competitors and contractors;

4.3.4. including provisions to control the amount of such contracts and any related additional expenditure, especially in the case of contracts by mutual agreement;

4.3.5. putting in place monitoring tools in order to ensure the effectiveness and efficiency of the procedures, particularly for contracts whose value.

The call for tenders by invitation shall be extended to a minimum of three (3) suppliers whenever it is determined that there are at least three or more qualified potential suppliers.

4.4. CONTRACTS NOT SUBJECT TO CALLS FOR TENDERS

Contracts can be concluded by mutual agreement under the following conditions:

4.4.1. the safety of individuals or goods is at risk due to an emergency situation;

4.4.2. the safety or sufficiency of supply of blood components and its substitutes, or of human tissues or cord blood may be compromised;

4.4.3. only one contractor is possible, due to a guarantee, property right or exclusive right, such as a copyright or a right based on an exclusive license or patent, or due to the artistic, heritage or museological value of the required good or service;

4.4.4. the nature of the contract is confidential or protected, and it is reasonable to assume that its disclosure, in a public call for tenders, could compromise its nature or otherwise negatively impact public interest;

4.4.5. Héma-Québec believes that, given the object of the contract and in compliance with the guidelines outlined in this policy, it can demonstrate that a call for tenders would not serve the public interest; in the cases mentioned in Appendix B, it is presumed that a call for tenders would not serve the public interest;

4.4.6. the contract involves legal, financial, banking or insurance services, or the services of a patent agent;

In the cases described in sections 4.4.1 to 4.4.4, a written justification of the exception must be documented on file.

4.5. EXCEPTION INVOLVING SUPPLIERS OF CRITICAL EQUIPMENT, MATERIALS AND SERVICES

“Critical equipment, materials and services” refer to equipment, products and services that can affect the quality, integrity, traceability and safety of products manufactured by Héma-Québec. Critical equipment, materials and services are subject to an intensive and lengthy validation process that can span several months and sometimes over a year. In many cases, the use of said critical equipment, materials and services must first be approved by Health Canada. Once incorporated into the manufacturing process, said equipment, materials

and services can be replaced only following a new validation and approval process.

The rotation of suppliers of critical equipment, materials and services will be considered only in the following cases:

- 4.5.1. the material or service has reached the end of its serviceable life;
- 4.5.2. the transformation or manufacturing process is being modified;
- 4.5.3. there is an opportunity to reduce costs, taking into account the total cost of testing and approving a new replacement product, material or service, and for which the cost is generally high compared to the price of the equipment, the materials or the service itself.

4.6. CALL FOR TENDERS PROCESS

The call for tenders document contains all the information and instructions required by bidders to complete and submit a bid in compliance with Héma-Québec's requirements.

The call for tenders typically contains the following information:

- 4.6.1. a description of the work to be performed, the services to be rendered and the goods to be delivered, including the required schedule deadlines;
- 4.6.2. the nature and amount of the bid and performance bonds, as applicable;
- 4.6.3. the set of conditions to be met by the supplier;
- 4.6.4. the location, date and time by which bids must be submitted;
- 4.6.5. the rules applied to evaluate bids, including, as applicable, the description of the criteria used to assess the quality and relative weighting of each criteria;
- 4.6.6. the location, date and time of the public opening of tenders in the case of a public call for tenders;
- 4.6.7. the validity period of bids;
- 4.6.8. the stipulation that Héma-Québec is not bound to accept any of the bids received, including the lowest bid or the bid representing the best quality/price ratio following the evaluation of bids by a selection committee.

Public calls for tenders are published in the Quebec government-approved electronic call for tenders system.

4.7. BID SOLICITATION METHODS

Bids from suppliers can be solicited using one or more of the following methods:

4.7.1. Notice of intent

A notice of intent is used when Héma-Québec's, following a serious and documented search, has been unable to identify more than one supplier that meets the specific requirements and that has all the qualifications necessary to fulfill the contract. The notice of intent notifies suppliers, through the Quebec government's electronic call for tenders system, of Héma-Québec's intention to award a contract by mutual agreement and to provide an opportunity to qualified suppliers to be invited to bid on the requirement.

4.7.2. Solicitation of interest

A solicitation of interest is intended to inform suppliers of an upcoming need and to request technical and budgetary information in support of the preparation of a project brief by Héma-Québec and of the decision as to whether or not to proceed with a specific project.

4.7.3. Request for quotes

In a request for quotes, suppliers submit a quote against a specific requirement for the supply of materials or an all-inclusive price, or a fee for the provision of services which do not require to be evaluated by a selection committee. The strict compliance with the specification and the price are the determining factor for the selection of the successful bidder.

4.7.4. Call for tenders without price (one phase)

A call for tenders without price (one phase) is generally used to solicit the services of professionals whose fees are prescribed by law. Suppliers submit information about their own experience as well as that of their main partners, including their major accomplishments relevant to the project in question.

4.7.5. Call for tenders (two phases)

The first phase of a call for tenders (two phases) generally serves to qualify suppliers. Suppliers submit their own experience as well as that of their main partners, including their major accomplishments relevant to the project in question.

In the second phase, candidates who qualified during the first phase are exclusively invited to submit a tender, including a project schedule and a price for the project.

4.7.6. Request for proposals - services

Requests for service proposals are generally used to solicit a proposal for services, other than professional services, subject to proof of quality.

4.7.7. Request for proposals with price

Requests for proposals with quote are generally used when the need can only be expressed as functional specifications, and for which the bidder is invited to propose a solution to meet the need.

4.7.8. Request for proposals without price

Suppliers submit a proposal according to a budget established by Héma-Québec.

4.7.9. Call for tenders resulting in a standing order

Héma-Québec may solicit bids to conclude one or multiple standing offers with supplier(s) against which releases will be issued from time to time by Héma-Québec during the term of the agreement. This procurement method is used when needs are recurrent and the quantity of goods or demands for services, and the frequency of their acquisition or delivery are unknown.

When soliciting bids indicated in sections 4.7.5 to 4.7.8, Héma-Québec may require that suppliers show proof of quality and may grant a margin of preference when evaluating such bids.

Héma-Québec may also grant a margin of preference when evaluating the bids of suppliers that comply with the guidelines outlined in the *Sustainable Development Act (R.S.Q., c. D-8.1.1)*.

4.8. CONTRACT EVALUATION AND AWARD PROCESS

Under a request for quotes, the contract is awarded to the compliant supplier who has submitted the lowest price.

When the solicitation method involves a quality assessment, the latter is performed by a selection committee comprising at least three (3) members. The selection committee is coordinated by a secretary who is not a member of the committee.

Héma-Québec may, as it deems appropriate, ask a person not in the employment of Héma-Québec to participate as an outside member in the selection committee.

The role of the selection committee is to evaluate bids received and to recommend that the contract be awarded to a given supplier, following the assessment of bids and proposals against the criteria established in the call for tenders document. The selection committee makes its recommendation to the person authorized to sign the contract, as identified in the Héma-Québec signing officers' authorization grid approved by Héma-Québec's Board of Directors. In the event of a tie between suppliers, the committee shall recommend that the contract be awarded by random draw.

If the selection committee's recommendation is not followed by the person authorized to sign the contract, the situation is brought to the attention of the president and CEO, who must then decide what approach to use. If, further to such a review, the selection committee's recommendation is not maintained, the request for proposals process is declared null and void.

4.9. PRESIDENT & CEO APPROVAL

The president and CEO's authorization is required before concluding a contract in the following cases:

- 4.9.1. a contract that is confidential or protected in nature;
- 4.9.2. a contract for which a public call for tenders would not serve the public interest, except for the cases mentioned in Appendix B;
- 4.9.3. a contract whose expected duration, including any renewal, exceeds 5 years;
- 4.9.4. a contract with the only supplier to have submitted an acceptable bid following a review by a selection committee;
- 4.9.5. a contract with a physical person not incorporated and whose total cost is equal to or greater than \$50,000.

Since the coming into force of the Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises (AWMC), in January, 2015, the president and CEO has to authorize more the conclusion of any service contract according to the modalities expressed in Appendix C of this document

4.10. RESERVE

Héma-Québec shall not be bound to accept any of the bids received, even the lowest bid or the bid with the best price-quality ratio following the evaluation by a selection committee.

Héma-Québec may, following the receipt of quotes or proposals in response to a call for tenders, negotiate the price with the only supplier that submitted the lowest compliant eligible bid or offered the best price-quality ratio, if the price differs significantly from Héma-Québec's budgetary estimate of the contract value prepared prior to launching the call for tenders.

5. CONTRACT MANAGEMENT

5.1. EXTENSION OF A CONTRACT

An extension is a period that is added to the initial term of a contract, by exercising the renewal options that are incorporated into the contract or simply by continuing the business relationship under the contract for a longer period of time. In the event of a contract extension, no changes shall be made to the nature of the need(s), with the exception of the duration.

The extension of a contract through the exercise of a renewal option already stipulated in the contract must be approved by the duly authorized person, as prescribed in the Héma-Québec signing officers' authorization grid. If the contract does not contain any renewal option, the extension shall be approved in the same manner, except when the value associated with the extension exceeds \$50,000, in which case the extension must be approved by the president and CEO.

5.2. SUPPLEMENT TO A CONTRACT

Héma-Québec may amend a contract to incorporate new scope to the extent that it can clearly demonstrate it is the most effective and economical method to meet the needs not covered under the original contract. Although the needs are new, they must be of the same type and related to the needs covered in the original contract.

A supplement to a contract must be approved by the original signatory of said contract. However, if the supplement to the contract causes the amount of the contract to exceed the threshold value of the signatory's authority, the resulting amendment must be approved by the duly authorized person, as prescribed in the Héma-Québec signing officers' authorization grid.

Any supplement to a contract whose value is 25 000\$ or more and which results in an increase exceeding 25% of the initial amount of the contract must be authorized by the president and CEO of Héma-Québec.

5.3. SUPPLIER PERFORMANCE EVALUATION

Héma-Québec may document an unsatisfactory performance of a supplier within sixty (60) days following the end or termination of a contract. A copy of the evaluation must be transmitted to the supplier.

The supplier is given thirty (30) days following receipt of the report to forward its comments, in writing, to Héma-Québec.

Within thirty (30) days following the receipt of the supplier's comments, the president and CEO of Héma-Québec shall decide whether or not to maintain the note of dissatisfaction in the supplier's file, and shall advise the supplier of his decision. If the decision is maintained, the negative evaluation will remain on the supplier's file for a period of three (3) years.

Héma-Québec may refuse to consider a bid from a supplier while a negative evaluation is still on file. It can also refuse to consider a bid from a supplier with which it is in litigation regarding the failure to meet a substantial contractual obligation.

6. ACCOUNTABILITY AND PUBLICATION

6.1. INFORMATION TO BIDDERS

In the fifteen (15) days following the signature of a contract resulting from a call for tenders, Héma-Québec shall inform each supplier of the outcome of said call for tenders.

6.2. DETAILS SUBMITTED TO BIDDERS

The following information is given to unsuccessful bidders in the case of a request for quotes:

6.2.1. confirmation that its quote was not accepted;

6.2.2. the successful bidder's name.

The following information is given to unsuccessful bidders in the case where a quality assessment has been applied:

6.2.3. confirmation that its bid was not accepted;

6.2.4. its score and adjusted price for quality and its adjusted prices, as applicable;

6.2.5. the name of the successful bidder as well as the related adjusted price.

In the case of a request for quotation resulting in standing offers involving several suppliers, Héma-Québec shall publish the name of the suppliers and their respective total price.

6.3. PUBLICATION OF CONTRACTS EXCEEDING \$25,000

For contracts exceeding 25 000\$, Héma-Québec shall publish, at least quarterly, the list of contracts concluded following a public tender, by mutual agreement or resulting from call for tenders by invitation, with the exception of contracts of a confidential or protected nature.

7. FINAL PROVISIONS

7.1. EXEMPTIONS

Exceptions may be made to the rules set out in this policy, with prior authorization from the president and CEO. These exceptions must be disclosed to the Board of Directors at least annually.

7.2. EFFECTIVE DATE

This policy comes into effect upon its approval by the Héma-Québec Board of Directors.

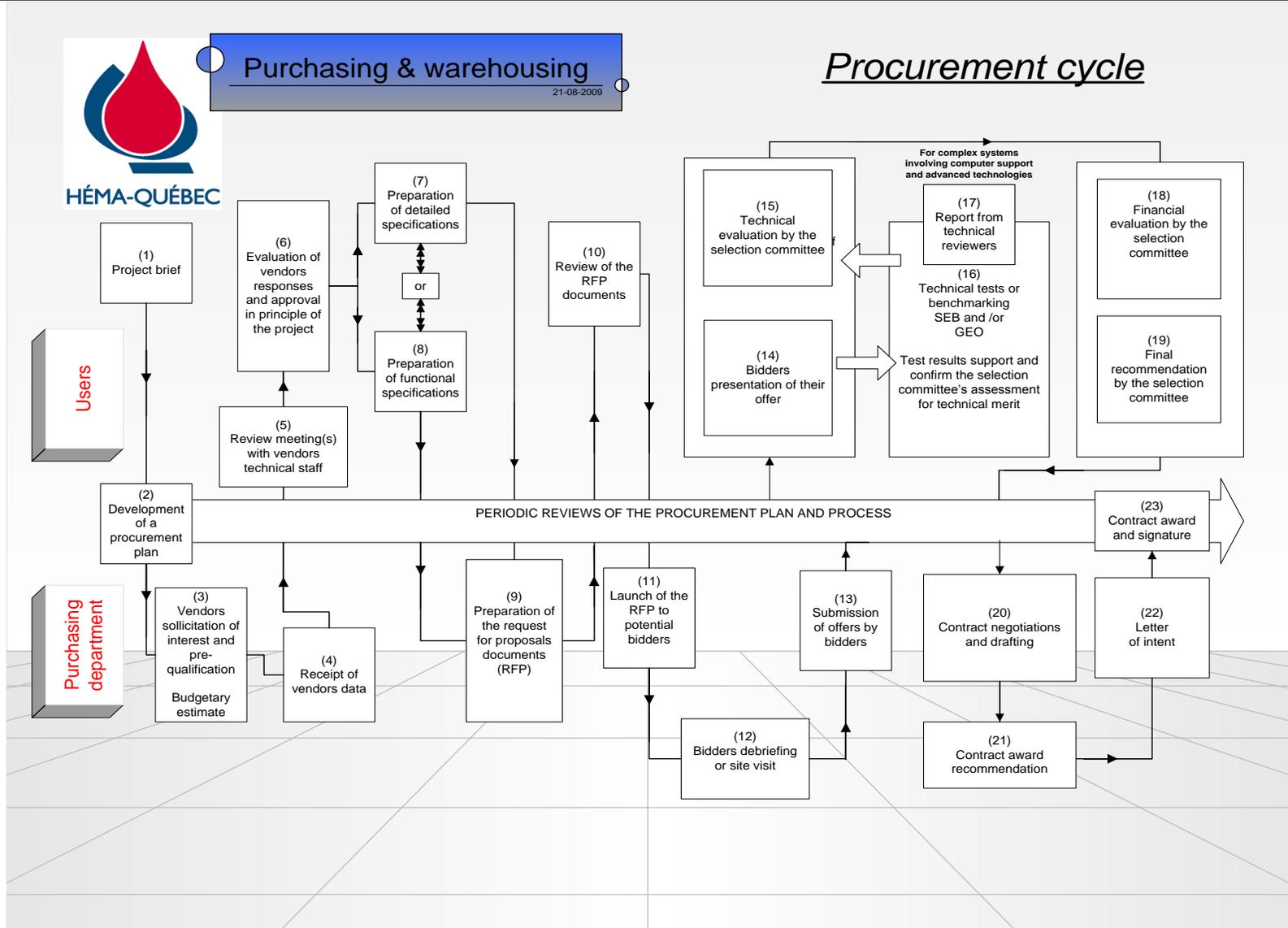
7.3. PUBLIC POLICY

This policy is public and is available on the Héma-Québec website.

7.4. INTERGOVERNMENTAL AGREEMENT

Any applicable intergovernmental agreement takes precedence over this policy.

APPENDIX « A » : PROCUREMENT CYCLE



APPENDIX « B » : MUTUAL AGREEMENT CONTRACTS

Contracts which can be concluded by mutual agreement

1. a contract for which, further to serious and documented research, there is only one supplier with the specific expertise or technology providing it with a significant advantage over the other potential suppliers, or that meets the specific requirements and possesses the necessary qualifications to fulfill the contract;
2. a contract for acquiring artwork or involving the integration of art into building architecture or environment;
3. a contract for research and development or related to teaching or training activities;
4. a service contract to retain the services of an investigator, mediator, conciliator, negotiator, arbitrator or a person acting as an expert witness;
5. a service contract with a health professional;
6. a contract for the acquisition of books or a subscription/membership;
7. a professional services contract awarded to the person who originally drafted the plans and specifications for monitoring the work or for retrofitting/modification work for which the original building plans and specifications are used;
8. a professional services contract awarded for the completion of a subsequent phase of a project for which the professional completed the first phase;
9. a contract related to a protocol event for hotel, restaurant or room rental services;
10. a contract involving the purchase of time and space in various media, or media placements;
11. a contract that is a lease for a commercial building, housing unit, parking lot or storage space;

In the cases stipulated in paragraphs 1, 8, and 9, a written justification for the exemption must be documented in the file.



Produits sanguins
Cellules souches
Tissus humains

APPENDIX « C » : SPECIFIC RULES FOR SERVICE CONTRACTS UNDER THE AWMC

1. PREAMBLE

The Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises (2014, c. 17) (hereinafter the “AWMC”) sets out the specific measures applicable to service contracts that a public body intends to enter into during periods under workforce control measures, among others by making this contracting subject to the authorization of the body’s chief executive officer.

The aim of the AWMC is to prevent a public body from entering into a service contract if the contract eludes the workforce-related control measures taken under this Act.

Organizations designated as public bodies by the Conseil du trésor, are entitled to develop their own specific directive for service contracts not subject to authorization by their chief executive officer.

By virtue of the nature of its operations, **Héma-Québec** has been designated, by a decision of the Conseil du trésor, as a public body that is entitled to adopt a directive for service contracts not subject to authorization by its chief executive officer.

Under section 17 of the AWMC, this directive must be made public not later than 30 days after its adoption. The directive must also be sent to the Chair of the Conseil du trésor who may, at any time, require **Héma-Québec** to amend it.

2. PURPOSE

The purpose of the present directive is to determine those situations in which the authorization of Héma-Québec’s chief executive officer is required in order to enter into a service contract during the period that the AWMC applies. The AWMC has set January 1, 2015 to March 31, 2016 as the first workforce control period to be implemented.

This directive arises out of section 16 of the AWMC, which stipulates, in a control period defined in section 11 of the AWMC, that **any service contract**

entered into by a public body must be authorized by its chief executive officer.

In its application:

- 2.1. All service contracts entered into with a physical person (operating a business or not) for a value of 10 000\$ or more must be authorized by the chief executive officer.

This power can be delegated by the chief executive officer in the case of a service contract entered into with a physical person (operating a business or not) and involving an expenditure of less than 10 000\$.

- 2.2. All contracts for services other than with a physical person for a value of 25 000\$ or more must be authorized by the chief executive officer.

This power can be delegated by the chief executive officer in the case of a service contract entered into with a physical person (operating a business or not) and involving an expenditure of less than \$25 000\$.

Authorization is not required, however, if the following conditions are met:

- 2.3. The public body, after being designated by the Conseil du trésor, has issued **directive** on service contracts not subject to the authorization of its chief executive officer;
- 2.4. The object of the service contract corresponds to one set out in this directive; and
- 2.5. The contract is entered into with a contractor other than a natural person.

3. SCOPE

This directive applies to service contracts described in subsection 3 of the first paragraph of section 3 of the Act respecting contracting by public bodies (CQLR c. C-65.1) and contracts deemed to be service contracts in accordance with the third paragraph of this section for each period determined by the Conseil du trésor under section 11 of the AWMC.

4. CONTRACTS NOT SUBJECT TO THE AUTHORIZATION OF THE CHIEF EXECUTIVE OFFICER OF A PUBLIC BODY

Prior to the AWMC, Héma-Québec's purchasing policy was to the effect that:

- 4.1. all service contracts over \$250,000 entered into with a natural person or corporate body operating a business must be authorized by the chief executive officer;

4.2. all service contracts over \$50,000 entered into with an individual not operating a business must be authorized by the chief executive officer.

Under this amendment to Héma-Québec's purchasing policy, the authorization of the chief executive officer is also required, as of January 1, 2015, in the following cases:

4.3. all service contracts valued at \$10,000 or more entered into with an individual (whether in business or not);

4.4. all service contracts valued at \$25,000 or more entered into with a company or a natural person or corporate body operating a business.

4.5. the approval of service contracts under the above financial thresholds can be delegated by the chief executive officer.

An exception is made for the following service contracts that are not subject to the authorization of Héma-Québec's chief executive officer as stipulated in section 16 of the AWMC:

Building and Infrastructure Services

1. *Housekeeping services*
2. *Maintenance or monitoring of sprinklers and fire alarm and smoke detector systems*
3. *Waste removal*
4. *Security guard*
5. *Equipment or facility rental*
6. *Lawn maintenance*
7. *Energy conservation*
8. *Snow removal*
9. *Elevator maintenance*
10. *Cleaning, decontamination and water treatment*
11. *Air conditioning and heating system maintenance*
12. *Services of architects, engineers and surveyors*
13. *Services of plumbers*
14. *Services of a master electrician*
15. *Maintenance of barriers and lift doors*
16. *Access system maintenance*
17. *Generator and UPS (uninterruptible power supply) maintenance*

Services related to the processing of blood products, tissues and stem cells, including research and development

1. *Maintenance of equipment used in the processing of blood products, tissues and stem cells*

2. *Support services required to help staff using equipment for the collection and processing of products derived from blood and human tissues*
3. *Regulatory standards compliance services*
4. *Maintenance of laboratory and research and development (R&D) equipment*

Information and Communication Technology Services

1. *Voice and data communication services*
2. *Operating systems, database management systems, software packages and software support services*
3. *Computer security, integrity and continuity services*
4. *Computer and networking equipment maintenance*

General Administration Services

1. *Advertising*
2. *Communication, printing and publication services*
3. *Legal services requiring specific expertise not available within the internal legal services (collective agreement, insurance, arbitration, licensing & trade mark, plea...)*
4. *Teaching and training*
5. *Financial and other related services*
6. *Postal services*

Transportation and Vehicle Services

1. *Vehicle rentals*
2. *Travel agency services*
3. *Brokerage and customs clearance services*
4. *Courier services*
5. *Vehicle maintenance*
6. *Transportation, moving, storage and courier services*
7. *Taxi services*

Notwithstanding the exclusions listed above, the authorization of the chief executive officer is still required according to the standards established under Héma-Québec's purchasing policy prior to the entry into force of the new provisions of the AWMC.