



NATIONAL  
GALLERY  
OF CANADA

MUSÉE  
DES BEAUX-ARTS  
DU CANADA

## **PROCUREMENT POLICY**

This Policy was approved by the Board of Trustees on March 6, 2023.

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## 1. Effective Date

The Procurement Policy has been approved by the National Gallery of Canada (NGC) Board of Trustees and is in effect from April 1, 2023, to March 31, 2028.

## 2. Application

2.1 This policy applies to NGC employees, management and members of the Board of Trustees.

2.2 This policy applies to contracts between the NGC and individuals and/or firms that perform work, supply goods and/or render services to the NGC.

2.3 This policy supersedes any former policies related to procurement. This policy and related procedures are informed by and must be applied in a manner consistent with other NGC policies.

2.4 This policy does not apply to the acquisition of objects for the Collection, for which procurement is governed under the terms of the NGC's Acquisitions Policy.

2.5 The following are excluded from the procurement methods outlined in section 7.10. They are still subject to the other articles in this policy, including the Principles outlined in section 6, and are subject to the NGC's Delegation of Financial Authorities.

- a) revenue-producing contracts (i.e., sales and concession contracts, publication distribution contracts, leases of Crown property);
- b) contracts to any design architect, architect of record;
- c) the transportation of exhibition materials, artifacts or specialty content;
- d) the procurement of goods or services that are considered unique;
- e) a contract or agreement with any other public body, not-for-profit, philanthropic group or a museum;
- f) a contract or agreement with the only contractor able to ensure the continuation licences, guarantees or warranties;
- g) the purchase of goods intended for resale to the public;
- h) the acquisition or rental of land, existing buildings or other immovable property;
- i) travel, hospitality, training and educational opportunities;
- j) insurance or financial services;
- k) advertising and public-relations services;
- l) goods, services, or construction performed outside of Canada.

## 3. Definitions

*Best value*: the optimal balance of resource expenditure and realization of outcomes, including socio-economic and environmental returns, throughout the asset or service life cycle. For procurement, the lowest price is not always representative of best value.

*Contracting authority*: a person or entity with the authority to award a contract to a contractor, and the responsibility to ensure that this policy has been adhered to.

*Standing offer*: an offer from a potential contractor to provide goods or services at pre-arranged prices under set terms and conditions, which is exercisable at the NGC's option and does not bind the NGC to a contractual obligation.

*Underrepresented*: refers to segments of Canada's population that are systemically and statistically underrepresented in the base of Public Service and Procurement Canada's suppliers.

#### **4. Context**

Effective July 1, 1990, by proclamation of the *Museums Act*, the NGC became a Crown corporation that is subject also to part X of the *Financial Administration Act (FAA)*. Under *FAA* section 109, the NGC's Board of Trustees is responsible for all procurement activities of the NGC. Subsection 41 (2) of the *FAA* states that the Government Contracts Regulations do not apply to federal Crown corporations. However, the NGC has adopted those Regulations to guide its procurement activities.

#### **5. Objectives and Expected Results**

The objective of procurement contracting is to acquire goods and services and to carry out contracting activities in a manner that facilitates access, encourages competition and results in best value or optimal benefits towards the NGC's Strategic Plan. The NGC recognizes that procurement decisions are a critical factor in achieving its mandate, purpose, mission and vision.

The objective of this policy is to provide clear guidance for the acquisition of goods and services in a manner that is fair, open and transparent. This policy seeks to provide a framework for decision-making that reflects and supports the NGC's commitment to decolonization, justice, equity, diversity, inclusion and accessibility, and to support in the achievement of the NGC's mandate, purpose, mission and vision.

#### **6. Principles**

- 6.1 Procurement activities will be outcomes-based that tie remuneration to a contractor's ability to meet, or exceed, defined program outcomes in a meaningful and measurable way to ensure best value.
- 6.2 Procurement activities will be carried out in a fair and open manner that will stand the test of public scrutiny.
- 6.3 Procurement activities will comply with the federal Government's obligations under applicable treaties, as well as domestic and international trade agreements.
- 6.4 Procurement activities will acquire goods and services in a manner that results in optimal progress towards the realization of the NGC's mandate, purpose, mission and visions.
- 6.5 Procurement activities will reflect the NGC's commitment to decolonization, justice, equity, diversity, inclusion and accessibility.

## 7. Roles and Responsibilities

7.1 Delegated authorities and the procurement process are as follows:

Anticipated Value	Procurement Process	Contracting Authority	Prerequisite	Exceptions Authorized By
Up to \$5,000	At the discretion of the Department Manager	Department Manager	Budget available	
\$5,001 to \$25,000	May be sole-sourced; Requires a Purchase Order	Procurement Manager	Budget available	Chief, Finance
\$25,001 to \$100,000	Minimum of three competitive quotes required	Chief, Finance	Budget available	Chief, Finance
\$100,001 to \$500,000	Formal procurement process as per 7.10a	CFO	Budget available; Approved by CFO	CFO
\$500,001 and up	Formal procurement process as per 7.10a	Board of Trustees	Budget Available; Authorized by Board of Trustees	Board of Trustees

### 7.2 Equitable procurement

- a) The NGC will conduct procurement activities to support equitable opportunities to contractors seeking NGC business.
- b) The NGC may choose to set aside procurement for Indigenous businesses in a manner consistent with the Government of Canada's Procurement Strategy for Indigenous Business.
- c) The NGC may choose to select a specific contractor that is deemed by the Board of Trustees, CEO or CFO to support the NGC's commitment to justice, equity, diversity, inclusion and accessibility.

### 7.3 Green procurement

- a) The NGC will conduct procurement activities considering environmental performance over the entire life cycle of goods and services purchased, along with other criteria such as price, availability, quality and performance.

### 7.4 Responsibilities for all persons covered by this policy

- a) Acting in a manner that is accountable to the public and compliant with public procurement law, treaties, trade agreements and the *NGC Code of Conduct*;
- b) Declaring any existing or potential conflict of interest arising from procurement activities. For formal processes, members of the evaluation team will sign a project-specific Conflict of Interest Form.

#### 7.5 Responsibilities for members of the Board of Trustees

- a) Delegating authority for procurement and contracting to management as per section 7.1;
- b) Approving anticipated tenders, future contracts, contract amendments and execution of contract option periods expected to exceed a value of \$500,000;
- c) Awarding contracts that exceed a value of \$500,000.

#### 7.6 Responsibilities for the Chief Financial Officer (CFO)

- a) Seeking Board of Trustees approval on anticipated tenders, future contracts, contract amendments and execution of contract options expected to exceed a value of \$500,000;
- b) Presenting the procurement process for contracts that exceed a value of \$500,000 to the Board of Trustees for approval;
- c) Reviewing the procurement process and awarding contracts within the delegated authorities outlined in section 7.1; and
- d) Authorizing exceptions to the Procurement Policy within the delegated authorities outlined in section 7.1.

#### 7.7 Responsibilities for the Chief, Finance

- a) Supporting the CFO in the coordination of documentation and reporting;
- b) Reporting quarterly to the Board's Audit and Finance Committee on all contracts issued with a contract value, excluding potential option years, of \$100,000 or more (including contractor's name, contract value, contract term and contract purpose);
- c) Reviewing the procurement process and awarding contracts within the delegated authorities outlined in section 7.1;
- d) Authorizing exceptions to the Procurement Policy within the delegated authorities outlined in section 7.1; and
- e) Monitoring and reporting compliance with this Procurement Policy.

#### 7.8 Responsibilities for the Procurement Manager

- a) Supporting the Chief of Finance with monitoring compliance with this Procurement Policy by ensuring requirements, related procedures, processes and forms are adhered to;
- b) Ensuring the requirements of the Procurement Policy are well understood and regularly communicated through training;
- c) Reviewing the procurement process and awarding contracts within the delegated authorities outlined in section 7.1;
- d) Documenting procurement exceptions and reporting same to the Chief of Finance; and
- e) Ensuring any contract amendments that increase the original contract amount are appropriately authorized.

#### 7.9 Responsibilities for the Department Manager

- a) Ensuring all procurement and contract policies and procedures are adhered to;
- b) Ensuring that budget is available before initiating a procurement; and
- c) Reviewing and approving contracts within the delegated authorities outlined in section 7.1.

#### 7.10 Procurement Methods

- a) At the advice of the Procurement Manager and the discretion of the contracting authority, the NGC will consider the following procurement methods to be a formal process: Request for Proposal (RFP), Invitation to Tender (ITT), Request for Quote (RFQ), Request for Standing Offer (RFSO), or call-up against existing standing offers.

- b) Tenders/bids will be fairly evaluated against clear requirements that are part of any solicitation document, and, when requested, the selection assessment and award criteria will be disclosed to the bidder. Selection criteria may include both financial and non-financial factors, including factors designed to increase participation from traditionally underrepresented groups.
- c) Any request to negotiate a standing offer must be sent to the Procurement Manager for a competitive bid process. Any call-up against an existing standing offer is subject to the delegated authorities in section 7.1 but does not require a new competitive process.
- d) The NGC may participate with other government agencies in co-operative purchasing. The NGC may draw upon standing offers that resulted from competitive processes completed by the Government of Canada.
- e) In the case of contracts with optional terms, only the base contract value will be used for the delegated authorities outlined in this policy. The execution of any optional terms will be treated as separate contracts for the purposes of delegated authority.
- f) The NGC will not split contracts nor the scope of work in order to circumvent the delegated authorities outlined in 7.1.

#### 7.11 Exceptions

Exceptions to any terms of this policy must be approved within the limits of the delegation of financial authority by either the Chief, Finance, CFO or Board of Trustees, and must have sufficient evidence to demonstrate the requirement for an exception.

Exceptions may include:

- a) An unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of open procurement procedures;
- b) Goods or consulting services regarding matters of a confidential or privileged nature are to be secured, where disclosure through open procurement may be injurious to the NGC or the Crown;
- c) Open procurement yielded no bids that conform to the essential requirements of the tender or RFP;
- d) The NGC needs to ensure compatibility with existing products, licences, copyrights, or where specialized products must be maintained by the manufacturer or its representative;
- e) The contract is related to an artwork or exhibition where the artist has discretion over required goods or services;
- f) Work is performed by a contractor according to a warranty or guarantee held in respect of the property or the original work; or
- g) The contract results from a competitive design competition.

#### **8. Monitoring and Review**

This policy will be reviewed during the 2027-28 fiscal year and presented to the Board of Trustees for renewal in March 2028.

#### **9. Consequences of Non-Compliance**

The NGC will take appropriate action in response to any non-compliance with this policy. Employee actions will be subject to review and may result in disciplinary action, which may include the temporary suspension or permanent removal of delegated authority. Nothing in this clause is to be interpreted as limiting the rights which the NGC may otherwise be entitled to.

## 10. Enquiries

All questions regarding the Procurement Policy should be directed to the Chief, Finance.

## 11. References

Accessible Canada Act – [Accessible Canada Act \(justice.gc.ca\)](http://justice.gc.ca)

Canada-United States-Mexico Agreement – <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/index.aspx?lang=eng>

Canadian Free Trade Agreement – <https://www.cfta-alec.ca/canadian-free-trade-agreement/>

Comprehensive Economic and Trade Agreement – <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/text-texte/toc-tdm.aspx?lang=eng>

Directive on the Management of Procurement – [Directive on the Management of Procurement-Canada.ca](http://Canada.ca)

Federal procurement helping to achieve social goals – <https://www.canada.ca/en/public-services-procurement/corporate/stories/social-goals.html>

Financial Administration Act – [Financial Administration Act \(justice.gc.ca\)](http://justice.gc.ca)

Green Procurement – [Green procurement - Canada.ca](http://Canada.ca)

Museums Act – [Museums Act \(justice.gc.ca\)](http://justice.gc.ca)

Policy on Social Procurement – [Policy on social procurement - Procurement publications and documents - Buying and selling - PSPC Services \(tpsgc-pwgsc.gc.ca\)](http://tpsgc-pwgsc.gc.ca)

Policy on the Planning and Management of Investments – [Policy on the Planning and Management of Investments- Canada.ca](http://Canada.ca)

Procurement Strategy for Indigenous Business – [Indigenous business and federal procurement \(sac-isc.gc.ca\)](http://sac-isc.gc.ca)