

CANADIAN MUSEUM FOR HUMAN RIGHTS

Contracting Policy

This Policy is in effect as at September 16, 2009

CONTRACTING POLICY

1. PREAMBLE

The Canadian Museum for Human Rights became a Crown corporation on August 10, 2008, by proclamation of amendments to the Museums Act. Under the *Financial Administration Act*, the Board of Trustees is responsible to Parliament, through the Minister of Canadian Heritage, for all contracting activities of the Museum. With the exception of contracts where the annual expenditure exceeds \$250,000, the Board of Trustees has delegated responsibility for those activities to the Director/CEO of the Museum.

Subsection 41(2) of the *Financial Administration Act* states that the Government Contracts Regulations do not apply to federal Crown corporations. Nonetheless, the Museum complies with the spirit of those Regulations.

2. PURPOSE

The purpose of the Contracting Policy is to:

- Delineate the responsibilities of the Board and Museum Management as they relate to contracting activities;
- Establish the general principles that will guide the Museum's contracting activities; and
- Describe the specific principles that will govern the Museum's contracting activities.

3. APPLICATION

This Policy applies to all contracts between the Canadian Museum for Human Rights and individuals and/or firms that perform work, supply goods and/or render services to the Museum including for work that may be conducted at the Museum's temporary office space during the period of time prior to the opening of the Museum's permanent facility.

Notwithstanding the foregoing, this Policy does not apply to the awarding of contracts to the design architect, the architect of record, the construction manager and the exhibit designer for the proposed museum facility in Winnipeg.

4. POLICY OBJECTIVE

The objective of the Contracting Policy of the Canadian Museum for Human Rights is to acquire goods and services in a manner that is fair, open and transparent and that supports the effective, efficient and economic fulfilment of the Museum’s mandate as set out in the *Museums Act*.

5. GENERAL PRINCIPLES

The Museum will acquire goods and services in a manner that results in best value or optimal benefits to the Crown, while also considering objectives such as Aboriginal procurement and “green” procurement.

All Museum contracting activities will be carried out in a fair and open manner that will stand the test of public scrutiny in matters of prudence and probity, encourage competition and reflect fairness in the spending of public funds.

All Museum contracting activities will comply with the federal Government’s obligations under domestic and international trade agreements as applicable.

6. CONTRACTING AUTHORITIES AND LIMITS

The Museum will respect the contracting authorities as defined in the Delegation of Financial Signing Authorities.

The Museum will seek the Board of Trustees’ approval for all contracts where the annual expenditure exceeds \$250,000:

- Contract proposals valued as stated above require approval in principle by the Board before the bidding process commences;
- The Audit Committee will review all contracts and contract proposals as stated above and make the appropriate recommendation to the Board.

To ensure appropriate oversight by the Board of Trustees, the Museum will report quarterly to the Audit Committee on all contracts issued with an annual or total value over \$100,000. The report would include:

- The supplier’s name
- The amount
- The terms of the contract
- The purpose.

The Museum will also report quarterly on anticipated future contracts of a value over \$100,000.

The Museum will not split contracts or contract amendments in order to avoid obtaining the appropriate level of approval.

7. PROCEDURES

The Museum will acquire goods and services through the most appropriate method available amongst the following alternatives: competitive tenders, requests for proposals, negotiation, call-up against standing offers, and sole source purchases.

Sole source purchases of goods and services will be undertaken only when fully justified in writing on the basis of one or more of:

- The estimated expenditure does not exceed \$30,000 before taxes;
- Unforeseen operational deadlines preclude a competitive process;
- The need is one of pressing emergency in which delay would be injurious to the public interest; or
- Only one person or firm is capable of performing the contract because of patent or copyright requirements, technical compatibility, knowledge or technical expertise.

The Museum will solicit bids, quotations or proposals, giving equitable opportunities to qualified suppliers seeking CMHR business whenever practical.

The Museum will establish and maintain source lists of competent and qualified suppliers for the purpose of inviting quotations or calling tenders.

The normal practice will be to seek three quotations on goods and services between \$10,000 and \$30,000 before taxes and to choose the least expensive supplier that meets the Museum's requirements.

The normal practice will be to seek competitive tenders/bids on Requests for Proposals for all goods or services over \$30,000 before taxes. The Museum will ensure that adequate management controls are in place to protect the integrity of the bidding process. Tenders/bids will be fairly evaluated against clear requirements and selection assessment and award criteria that will be part of any solicitation document.

8. CONTRACT ADMINISTRATION

The Museum will manage and administer contracts in a manner that ensures that they are successfully executed in accordance with the agreed terms of time, cost and performance. Where appropriate (i.e., in the case of revenue sharing contracts), the Museum will include a right-to-audit clause in the contract to provide for verification that the amount paid is correct;

Internal auditors will periodically audit the Museum's contracting processes and procedures.

9. EFFECTIVE DATE

This Policy is in effect as of September 3, 2008.