ONTARIO POWER GENERATION

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Ontario Power Generation

TITLE
PROCUREMENT ACTIVITIES

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PURPOSE
This procedure outlines the processes used to procure *items* and services by Ontario Power Generation (OPG), except as otherwise set out in this procedure.

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EXCEPTIONS

(a) This procedure does not apply to the following:

(1) Alternate procurement methods and web-based ordering are performed in accordance with OPG-PROC-0060, Requisitioning Items and Services.

(2) Procurement of *items* and services through the Purchasing card (P-Card) which is performed in accordance with OPG-PROC-0064, Purchasing Card.

(3) Procurement of non-Nuclear Fuels for the production of electricity, which is performed in accordance with COE-PROC-0005, Fuel Procurement Activities.

(4) Retention of outside legal services which is performed in accordance with LAW-PROC-0001, Acquiring Outside Legal Services.

(5) The acquisition or rental of land, existing buildings, or other immovable property or the rights thereon in accordance with OPG-POL-0024, Delegation and Exercise of Authority.

(6) Procurement that is, for governmental purposes, of *items* or services procured with a view to commercial sale or resale, or for use in the production or supply of an *item* or service for commercial sale or resale

(b) For nuclear, procurement from other licensed Canadian nuclear utilities will follow the process described in N-INS-08173-10050, Procurement from Licensed Canadian Nuclear Utilities.

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1.0 DIRECTION

1.1 General Information

1.1.1 The use of the term 'will' in this procedure indicates a mandatory action to which strict compliance is required. For purposes of this procedure, 'will' means 'shall' as defined in OPG-STD-0001, Requirements for Administrative Governance Documents.

1.1.2 Unless otherwise stated, all activities herein will be performed by Supply Chain *Purchasing Agents*.

1.1.3 Execution of all activities herein will be performed in accordance with OPG-STD-0017, Organizational Authority Register (OAR).

1.1.4 At all times, processes and procurement activities shall be managed to protect the integrity of OPG, ensure compliance with the Code of Business Conduct, and ensure that all *suppliers* are treated fairly, ethically and responsibly.

1.1.5 It is important to realize that OPG, as a Provincial government entity is subject to the Freedom of Information and Protection of Privacy Act (FIPPA), which is governed by the following principals:

(a) The public has a right of access to information in OPG's custody or control.

(b) Exemptions that provide for the withholding of information under FIPPA are limited and specific.

(c) The review of decisions on the disclosure of information are independent of and external to OPG.

(d) Personal information must be protected, and its management is to be regulated.

(e) Individuals have a right of access to and correction of their own personal information.

1.2 Procurement Governance

1.2.1 OPG procurement is governed by the following documents:

(a) This Procedure.

(b) OPG-PROC-0211, Strategic Sourcing, Category Management and Strategic Contract Management.

(c) OPG-PROC-0060, Requisitioning Items and Services.

1.2.2 Procurement governance was developed to incorporate the requirements of the following sources, with which OPG compliance is mandatory.

(a) The Ontario Government Management Board of Cabinet's Ontario Public Service (OPS) Procurement Directive (December 2014), as amended from time to time, pursuant to which OPG is an "Other Included Entity".

(b) A number of free trade agreements including: The Canadian Free Trade Agreement (CFTA), the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and the Ontario-Quebec Trade and Cooperation Agreement (OQTCA).

(c) The Fairness in Procurement Act, 2018, and any regulations thereunder.

(d) A Memorandum of Agreement between Her Majesty the Queen in right of Ontario, as represented by the Minister of Energy and OPG.

(e) Applicable internal OPG policies.

1.3 Core Principles for Procurement Activities

1.3.1 Procurement of *items* and services, unless otherwise stated, will be open to *capable suppliers* to secure the best value for OPG.

1.3.2 OPG will conduct its procurement activities in accordance with the following principles:

(a) Vendor Access, Transparency, and Fairness. Access for *capable suppliers* to compete for OPG's business, and the procurement process will be conducted in a fair, open and transparent manner. Conflict of interest, both real and perceived, will be avoided during the procurement process and the ensuing *contract*.

(b) Value for Money. *Items* and services will be procured only after consideration of OPG's business requirements, alternatives, timing, supply strategy, and procurement method.

(c) Responsible Management. The procurement of *items* and services will be responsibly and effectively managed through appropriate organization structures, systems, policies, processes, and procedures.

(d) Geographic Neutrality and Reciprocal Non-Discrimination. To the extent OPG is subject to any trade agreements with other jurisdictions, OPG will also ensure that access for *suppliers* to compete for OPG's business is geographically neutral with respect to other jurisdictions that practice reciprocal non-discrimination with Ontario.

(e) Environmental Stewardship. OPG will purchase *items* and/or services in an environmentally conscious manner.

1.3.3 The following practices are considered inconsistent with the procurement principles of this procedure and are not permitted:

(a) According a preference for local *items*, services, or *suppliers*.

Note: This does not apply to procurement with respect to Aboriginal peoples.

(b) Scheduling events in a procurement process in order to prevent *suppliers* from submitting responsive submissions.

(c) Specifying quantities of, or delivery schedules for, the *items* or services to be supplied in order to prevent *suppliers* from meeting the requirements of the procurement.

(d) Using price discounts or preferential margins in order to favour particular *suppliers*.

(e) Limiting participation in a procurement only to *suppliers* that have previously been awarded one or more *contract*s by OPG.

(f) Requiring prior experience if not essential to meet the requirements of the procurement.

(g) Providing information to one *supplier* in order to give that *supplier* an advantage over other *suppliers*.

(h) Adopting or applying any registration system or qualification process with the purpose or the effect of creating unnecessary obstacles to the participation of *suppliers* other than Ontario *suppliers* in its procurement.

(i) When determining procurement value, it is not acceptable to take any action in order to avoid any procurement methodology, approval level requirements or any other obligations under this procedure.

1.4 Conflicts of Interest

1.4.1 Conflicts of interest will be managed by OPG in accordance with applicable law, the provisions of this procedure, OPG-STD-0141, Supplier Code of Conduct, OPG-POL-0013, Code of Business Conduct Policy, and other relevant OPG policies.

1.4.2 It is the responsibility of individuals involved in a procurement process to disclose any actual, perceived or potential conflict of interest in accordance with OPG-POL-0013. Conflicts of interest that cannot be managed or mitigated may result in the removal of an individual from any further involvement in the applicable procurement process.

1.4.3 All procurement documents issued by OPG will require that *suppliers* disclose all actual, perceived or potential conflicts of interest as part of their submission. In addition, all procurement documents and *contract* documents make it an ongoing obligation of *suppliers* to disclose actual, perceived or potential conflicts of interest that may arise over the course of a procurement or term of a *contract*.

1.4.4 Determining Procurement Value

(a) During the planning phase, the Requisitioner, in consultation with Supply Chain, will estimate the *procurement value* to determine the appropriate procurement approval authority and procurement method.

(b) To determine the *procurement value*, OPG will consider all costs and benefits associated with the proposed acquisition. Costs and benefits may include, but are not limited to:

- Price/cost of the *item*(s) and/or service(s).
- One-time costs such as site preparation, delivery, installation and documentation.
- Ongoing operating costs including training, accommodation, support and maintenance.
- Sales taxes and applicable duties.
- Disposition costs.
- Premiums, fees, commissions and interest.
- Options to renew.

- Direct payments by OPG to the successful *supplier*(s).
- Indirect payments by third parties to the successful *supplier*(s).
- Any conferred value by OPG to the successful *supplier*(s).

(c) For approval purposes only, *procurement value* does not include sales taxes.

(d) Where a *project* involves multiple related procurements, the *project*'s *procurement value* would be determined by the cumulative value of all related procurements.

(e) When determining *procurement value*, it is not acceptable to take any action in order to avoid any procurement methodology, approval level requirements or any other obligations of OPG under this procedure.

(1) Such actions could include subdividing *projects*, procurements or *contracts*, splitting costs between budgets or departments or awarding multiple consecutive *contracts* to the same *supplier*.

(2) The award of multiple consecutive *contracts* to the same *supplier* may only be made where each assignment is unique, or where approval of a *follow-on agreement* has been received in accordance with this procedure.

(f) In the case of procurement by lease, rental or purchase of an *item* or a service, or procurement for which a total price is not specified, the basis for valuation for fixed term *contracts* will be the total estimated maximum value for its duration will be as follows:

(1) In the case of a fixed-term *contract*:

(i) If the term of the *contract* is 12 months or less, the total estimated maximum value for its duration, or

(ii) If the term of the *contract* exceeds 12 months, the total estimated maximum value, including any estimated residual value, of any renewal or extension terms.

(2) If the *contract* is for an indefinite period, the estimated total monthly instalment multiplied by 48; and

(3) If it is not certain whether the *contract* is a fixed-term *contract*, bullet (2) above will be used.

(g) If the procurement is for construction, OPG will include in its valuation the value of all *items* and services to be supplied by the *supplier*.

(h) If a procurement for *items* will include the installation, operation, maintenance, or manufacture of such *items*, OPG will include in its valuation those associated costs.

1.5 Procurement Strategy

The procurement strategy is the "overall" strategy (i.e., procurement method used, potential stakeholder involvement, etc.) used to procure *items* and services, which is followed to ensure successful completion of the procurement process.

1.5.1 Supply Chain, will determine the procurement strategy to be used to procure *items* and/or services.

(a) For high-risk and/or high dollar (i.e., $10M or greater) value engagements, Supply Chain will formally document the procurement strategy.

(b) For nuclear fuel, refer to N-INS-08173-10051, Nuclear Fuels – Procurement Planning, for requirements including details on creating a procurement plan.

1.6 Transmitting Information

1.6.1 Prior to undertaking any procurement of *items* and/or services that may result in the release of personal or sensitive information, the Purchasing Agent shall comply with OPG-STD-0030, Protecting OPG Information and Intellectual Property.

1.6.2 Where the procurement package contains confidential information, the Purchasing Agent shall ensure that such information is protected through either confidentiality provisions in the procurement package, or an executed non-disclosure agreement prior to transmitting confidential information.

(a) Any such non-disclosure agreement shall be in the form of non-disclosure agreement approved by OPG Law Division, and should be approved by a Supply Chain Band G or higher manager prior to execution.

(b) The approved non-disclosure agreement shall be saved in the contract file as part of the *Ariba Contract* Workspace.

1.6.3 For nuclear, prior to sending information to a supplier outside of Canada, consideration is given to the Nuclear Non-Proliferation Import and Export Control Regulation Act, SOR-2000-210.

1.6.4 When transmitting design information (e.g., drawings, specifications, calculation, reports, procedures,) between OPG and *suppliers* (e.g., external manufacturers, design agencies, *suppliers*, etc.) the *Purchasing Agent* should use a cover letter, or attachments in an electronic quotation system (Ariba) along with any necessary descriptions accompanying the electronically issued RFQ, that clearly identifies:

(a) What design information and/or documents including revision numbers, if appropriate, are being transmitted.

(b) The status of the information.

(c) Any evaluations, reviews, approvals or other actions required including under export/import restrictions and regulations.

(d) Prior to sending information to a *supplier* outside of Canada, Supply Chain will confirm with the requisitioner whether or not an export license issued by the Canadian Nuclear Safety Commission (CNSC) is required. Refer to N-PROC-RA-0130, Renewal and Amendment of CNSC Issued Licenses, for guidance on when a license is required and how to complete the application. Nuclear Regulatory Affairs shall provide guidance as requested.

1.7 Market Sounding

1.7.1 OPG may decide to engage in a *supplier* consultation process, such as issuing a Request for Information (RFI), prior to initiating a competitive procurement process for the purpose of gathering information or to market test a proposed procurement scope, approach and process.

1.7.2 An RFI should clearly indicate that it is being issued for information purposes and that a *contract* will not be awarded as a result of the RFI process. In addition, an RFI may not be used to pre-qualify or short list a *supplier* for future competitive procurement.

1.7.3 *Suppliers* may be pre-qualified as part of a competitive procurement process or in establishing a *Vendor of Record (VOR) Arrangement*.

1.8 Internal Stakeholders

1.8.1 The Purchasing Agent should consult with internal stakeholders throughout the procurement process as required. Refer to Appendix ‘A’, Internal Stakeholders, for guidance.

1.8.2 Supply Chain should determine when a Cross Functional Sourcing Team (CFST), comprised of internal stakeholders, is required to support the procurement process.

1.9 Monitor Requisitions

The Purchasing Agent should monitor open requisitions to ensure that they are processed according to priority based on urgency and due date.

1.10 Follow-On Agreements

1.10.1 Where *contracts* for *items* and/or services have been established in accordance with this procedure, they may only be expanded or extended, or a new *contract* may only be entered into with the same *supplier*, through *contract* extension, renewal or separate purchase for the same *items* and/or services, if <u>all</u> of the following conditions are met:

(a) Appropriate approval has been obtained based on the total value of the scope of the original *contract* plus any *follow-on agreement*s;

(b) The terms of the original *contract* were fulfilled and *supplier* performance was satisfactory;

(c) An appropriate procurement method was used for the procurement of the original *contract*; and

(d) The procurement documents for the original scope of *items* and/or services disclosed the total potential scope of *items* and/or services to be delivered, including the scope proposed for the *follow-on agreement*.

1.11 Procurement Method

1.11.1 Acceptable Procurement Methods

OPG will use an appropriate procurement methodology depending on the nature of the *items* and/or services, the *procurement value*, timelines and any other business requirements. The following are acceptable procurement methods:

(a) Second stage selection process under a *VOR Arrangement*.

(b) Work Allocation for Vendors under Extended Services (ES) Master Service Agreement (MSA).

(c) *Invitational Competitive* Process.

(d) *Open Competitive* Process.

(e) *Non-Competitive Procurement*.

1.11.2 Vendor of Record Arrangements

(a) A *VOR Arrangement* involves the establishment of a *VOR list*, which is a list of *suppliers* that OPG has determined satisfy the conditions for participation on that list and that OPG may intend to use more than once. *VOR Arrangements* will typically be used for repetitive purchases of similar *items* and/or services.

(b) *VOR list*s for the acquisition of specific *items* and/or services will be established through an *open competitive* process.

Note: There will be opportunities for prospective *suppliers* to be added to the *VOR list* in accordance with the terms and conditions of the *open competitive* process that establishes the *VOR list*.

(c) The acquisition of *items* and/or services from *suppliers* on the *VOR list* requires the use of a second stage selection process to ensure that OPG obtains the best value for money.

Note: For clarity, this requirement does not prohibit OPG from establishing a *VOR Arrangement* and completing a second stage selection process for the procurement of *items* and/or services under that *VOR Arrangement* as part of the same competitive procurement process.

(1) The second stage process applicable to each *VOR list* will be described in the terms and conditions of the *open competitive* process that establishes the *VOR list*.

(2) The thresholds set out in Table 3: VOR Second Stage Requests, identify the minimum number of *suppliers* to be invited to participate in a second stage process.

Note: The minimum number of *suppliers* to be invited to participate is dependent on the *procurement value* for each second stage process. Where there are fewer *suppliers* on a *VOR list* than the required number set out in Appendix A, OPG will invite all *suppliers* on the applicable *VOR list*.

(d) The second stage process will also set out the terms and conditions upon which OPG will enter into *contracts* with *suppliers* listed on the *VOR list*.

(e) OPG may establish a *ceiling price* with respect to second stage requests from a particular *VOR list*. The *ceiling price* will limit the value of individual purchases of *items* and/or services from the *VOR list* and applies on a *project*-by-*project* (and not aggregate) basis.

(f) OPG may execute *master agreement*s with *suppliers* on the *VOR list*.

(g) On a case-by-case basis, OPG may choose to participate in an existing *VOR Arrangements* established by the Ministry of Government Services in accordance with the OPS Procurement Directive, where it is determined to be beneficial to OPG.

1.11.3 ES MSA Work Allocation

(a) ES MSA Work allocation is performed as per the Terms of Reference for the Contracting Strategy Oversight Committee.

(b) ES MSA work is work presented to and approved by either the Contracting Strategy Screening Committee (CSSC) or the Contracting Strategy Oversight Committee (CSOC). ES MSA work is work that requires integration with Nuclear station operations and maintenance, repetitive construction and areas of specialized expertise of ES MSA Vendors, and can be performed Engineer, Procure and Construct (EPC) or a derivatives.

(c) Allocation of work to ES MSA vendors ensures work is:

- Within an ES MSA vendor's capacity.
- Matches the capability of the ES MSA vendors.
- Executed under an ES MSA contracting strategy reflecting the optimal risk profile to OPG.

(d) Work Allocation approval is documented on an ES MSA Work Allocation Form, which can be found on the Nuclear Projects – ES MSA Resources website.

(e) For award of work using the work allocation process, Purchasing Agents will identify the work allocation clause in Asset Suite 7 (AS7).

1.11.4 Invitational Competitive Process and Open Competitive Process

(a) OPG will use the appropriate procurement methodology depending on the type and *procurement value*, as set out in Table 1: Competitive Procurement Process Approvals.

Table 1: Competitive Procurement Process Approvals

Need	Procurement Method	*Procurement Value*	Procurement Process Approval Authority	Exception Required? (Y/N)
Consulting Services	*Invitational Competitive* Process	$0 to < $100,000	Supply Chain Band 'G' Manager	Yes
		$100,000 < $1,000,000	OPG Board of Directors and Minister of Finance	Yes
		$1,000,000 and greater	OPG Board of Directors, Ministry of Finance, and Treasury Board/Management Board of Cabinet	Yes
	Open Competitive Process	Any value	Purchasing Agent	No
Items and *Non-Consulting Services*	*Invitational Competitive* Process	$0 < $500,000	Purchasing Agent	No
		$500,000 and greater	Supply Chain Band 'G' Manager	Yes
	Open Competitive Process	Any value	Purchasing Agent	No

Note: Table 1 sets out the threshold amounts and approval authority required to proceed with using methodologies for an *open competitive* process or an *invitational competitive* process. This is NOT OAR purchasing approval.

(b) Where OPG uses an *open competitive* process, procurement documents will be issued using a system that is open to any *capable supplier*.

(c) Where an *invitational competitive* process is used, OPG will request a minimum of three *capable suppliers* submit a written submission in response to OPG's requirements.

(d) If OPG wishes to use an *invitational competitive* process for procurements of *consulting services* of any value or for the procurement of *items* and/or *non-consulting services* with a *procurement value* that equals or exceeds $500,000, then OPG will:

(1) Identify an allowable exception set out in Appendix 'B': Allowable Exceptions.

(2) Complete OPG-FORM-0003, Allowable Exceptions to Open Procurement; and

(3) Seek the appropriate approvals set out in Table 1 above.

Note: Where there is an increase in the total dollar value of the PO from the dollar value identified in OPG-FORM-0003, Purchasing Agents are not required to complete and submit a new OPG-FORM-0003 unless there is a change in scope or approval authority (as identified in Table 1) from the originally approved form.

1.11.5 Non-Competitive Procurement (i.e., Single Source/Sole Source)

(a) If OPG does not use a competitive procurement process for procurement of *consulting services* of any value or for procurement of *items* and/or *non-consulting services* with a *procurement value* that equals or exceeds $500,000, then OPG will:

(1) Identify an allowable exception set out in Appendix 'B'.

(2) Complete OPG-FORM-0003.

(3) Seek the appropriate approvals set out in Table 2: Non-Competitive Procurement Process Approvals, below:

Table 2: Non-Competitive Procurement Process Approvals

Need	*Procurement Value*	Procurement Process Approval Authority
Consulting Services	$0 to < $100,000	Supply Chain Band 'G' Manager
	$100,000 < $1,000,000	OPG Board of Directors and Minister of Finance
	$1,000,000 and greater	OPG Board of Directors, Ministry of Finance, and Treasury Board/Management Board of Cabinet
Items and *Non-Consulting Services*	$0 < $500,000	Purchasing Agent
	$500,000 and greater	Supply Chain Band 'G' Manager

Note: Table 2 sets out the threshold amounts and approval authority required to proceed with using *non-competitive procurement*. This is NOT OAR purchasing approval.

Note: Where there is an increase in the total dollar value of the PO from the dollar value identified in OPG-FORM-0003, Purchasing Agents are not required to complete and submit a new OPG-FORM-0003 unless there is a change in scope or approval authority (as identified in Table 2) from the originally approved form.

(b) For *non-competitive procurement* of any *items* and/or services, Purchasing Agents will identify the *single source*/*sole source* clause in AS7.

1.11.6 Second Stage Process for VORs

(a) Where the scope of an engagement is within the scope of a VOR Arrangement, VOR suppliers will be used as appropriate.

(b) The acquisition of *items* and/or services from *suppliers* on the *VOR list* should adhere to the following requirements:

(1) The second stage process applicable to each *VOR list* will be described in the terms and conditions of the *open competitive* process that establishes the *VOR list*.

(2) Thresholds identifying the minimum number of *suppliers* to be invited to participate in a second stage process are set out in Table 3: VOR Second Stage Requests.

Table 3: VOR Second Stage Requests		
Need	***Procurement Value* for each Second Stage Process**	**Minimum Number of *Suppliers***
Consulting Services	≤$100,000	OPG will invite a minimum of three (3) *suppliers* from the *VOR list* **Note:** Where there are fewer *suppliers* on a *VOR list* than those required, then OPG should invite all *suppliers* on the applicable *VOR list*.
	≥ $100,000	OPG will invite all *suppliers* on the *VOR list or* complete OPG-FORM-0003 as per Table 2.
Items and Non-Consulting Services	< $500,000	OPG will select a single supplier on the VOR list to award work to, or OPG will use a competitive second stage selection process, inviting a minimum of two *suppliers* from the *VOR list*
	> $500,000 (or up to *ceiling price* if established)	OPG will invite all *suppliers* on the *VOR list* or complete OPG-FORM-0003 per Table 2
	Above *ceiling price* (if established)	OPG will use an *open competitive* process or seek an exemption in accordance with this procedure

(c) The second stage process will also set out any additional terms and conditions upon which OPG will enter into *contracts* with *suppliers* listed on the *VOR list*.

(d) OPG may establish a *ceiling price* with respect to second stage requests from a particular *VOR list*. The *ceiling price* will limit the value of individual purchases of *items* and/or services from the *VOR list* and applies on a *project*-by-*project* (and not aggregate) basis.

(e) OPG may execute master agreements with suppliers on the VOR list.

1.12 OPG Supplier Databases

1.12.1 For Nuclear, a *Pre-Award Survey* (*PAS*) should be performed for potential new EPC Services Providers. *PAS's* provide an accurate assessment of a prospective supplier's capability as they relate to specific OPG Nuclear procurements.

1.12.2 OPG *suppliers* are listed on the following databases as applicable.

- *Vendor List* (*VL*),
- *Approved Suppliers List* (*ASL*).

1.12.3 Refer to OPG-INS-08173-0007, Supplier Management, for details on adding a *supplier*, updating *supplier* information, or changing *supplier* status to the *VL*.

1.12.4 *Suppliers* qualified to provide nuclear *items* and/or services with quality requirements are listed on the *ASL*. Refer to N-PROC-MM-0010, Establishing and Maintaining Ontario Power Generation Approved Suppliers List, for details on adding a *supplier* to the *ASL*.

1.13 Procurement Activities

1.13.1 Procurement Package

(a) In collaboration with the Requisitioner and internal stakeholders as required, the Purchasing Agent will develop the procurement package. The procurement package is created based on requisition information and will identify, as a minimum, the following requirements to potential *suppliers*, as applicable:

- Scope of work including the requirement that *suppliers* identify spare/replacement parts is applicable.
- Technical requirements for *items* and services.
- Environmental requirements for *items* and services.
- Applicable codes, standards, and specifications.
- Quality Assurance (QA) program requirements and that *supplier* incorporate appropriate QA requirements in sub-tier procurement documents to their sub-*suppliers*. This is to include performance of on-going *supplier* oversight on their respective sub-*suppliers*.
- Jurisdictional requirements.
- Management system requirements.
- Inspection, test, and acceptance requirements, including any special instructions.
- Delivery requirements.
- Documentation required to be submitted for information, review or approval.
- Timing of submissions.
- Requirements for reporting and approving the disposition of nonconformances.
- The right of access to *supplier* and sub-*supplier* facilities and records for surveillance, inspection and audit.
- Provisions for extending applicable requirements to sub-*suppliers*.
- Provisions for controlled distribution, retention, maintenance, and disposition of records.
- Other requirements as appropriate.

Note: For Nuclear, refer to N-PROC-MM-0037, Repair, Refurbishment and Warranty Process, for additional requirements for external repair.

(b) The *Purchasing Agent* will not change any technical or quality requirements for *items* or services without documented approval from the Requisitioner and/or the appropriate engineering/technical resource.

(c) The Purchasing Agents should not enter a quantity requested that is greater than the quantity required. If an exception is required to adjust the Quantity Requested above the Quantity Required, the First Line manager (FLM) or Manager should approve the new award quantity.

(d) Rules for the evaluation of *suppliers* including evaluation methodology, criteria and weightings will be established by Supply Chain and the Requisitioner and be fully disclosed to *suppliers*.

1.13.2 Electronic Bidding

OPG should use *electronic bidding* for competitive procurement processes as established in step 1.11.4.

1.13.3 Procurement Notices

(a) Subject to step 1.13.5 (b) below, for each *open competitive* process, or at the pre-qualification stage preceding a competitive process, OPG will publish a procurement notice on its designated website that will contain the following information as appropriate:

(1) An indication that OPG is the entity that is procuring the *items* and/or services.

(2) OPG's address and any other information necessary to contact OPG and obtain all relevant documents relating to the procurement, and their cost and terms of payment (if any).

(3) A description of the procurement, including the nature and quantity of the *items* or services to be procured or, if the quantity is not known, the estimated quantity.

(4) For recurring *contracts*, an estimate, if possible, of the timing of subsequent procurement notices.

(5) If applicable, the date, time, and place for any public opening of bids.

(6) A description of any options.

(7) The time-frame for delivery of *items* or services or the duration of the *contract*.

(8) The procurement method that will be used and whether it will involve negotiation or electronic auction.

(9) If applicable, the address and any final date for submission of requests for participation in the procurement.

(10) The address and final date for submissions.

(11) The language or languages in which submissions may be submitted.

(12) A list and brief description of any conditions for participation of *suppliers*, including any requirements for specific documents or certifications to be provided by *suppliers* in connection therewith, unless such requirements are included in procurement documents that are made available to all interested *suppliers* at the same time as the procurement notice.

(13) If OPG intends to select a limited number of *capable suppliers* to be invited to bid:

(i) The criteria that will be used to select them; and

(ii) If applicable, any limitation on the number of *suppliers* that will be permitted to bid;

(14) A statement that the procurement is covered by Chapter 5 of the CFTA, Chapter 9 of the OQTCA and/or Chapter 19 of Comprehensive Economic and Trade Agreement, as applicable.

(b) For *VOR Arrangements*:

(1) OPG will publish a procurement notice on the designated website as follows:

(i) Where the validity of the list is for 3 years or less, the procurement notice will be published once when establishing the *VOR list*.

(ii) Where the validity of the *VOR list* is greater than 3 years, the procurement notice will be published annually, inviting *suppliers* to apply for inclusion on the *VOR list*.

(2) All published procurement notices will contain, as appropriate:

(i) A description of the *items* and/or services, or categories thereof, for which the *VOR list* may be used.

(ii) The conditions for participation to be satisfied by *suppliers* for inclusion on the list and the methods OPG will use to verify that a *supplier* satisfies the conditions.

(iii) OPG's address and any other information necessary to contact OPG and obtain all relevant documents relating to the list.

(iv) The period of validity of the list.

(v) Where the validity of the list is for 3 years or less, a statement that further requests for *suppliers* to apply for inclusion on the *VOR list* will not be published.

(vi) An indication that the list may be used for procurement covered by Chapter 5 of the CFTA, Chapter 9 of the OQTCA and/or Chapter 19 of Comprehensive Economic and Trade Agreement, as applicable.

(vii) As much of the information required under Section 1.11.5 (a) as is available, and

(viii) A statement that only the *suppliers* who are on the *VOR list* will receive further notices covered by the *VOR list*.

(3) For *suppliers* that have expressed interest in a given procurement under the *VOR Arrangement*, OPG shall promptly provide such *suppliers* with sufficient information to permit them to assess their interest in the procurement, including all remaining information required under Section 1.11.5 (a), to the extent that such information is available.

1.13.4 Summary Notice

(a) For each procurement notice, OPG will publish a summary notice that is readily accessible, at the same time as the publication of the procurement notice, in English or in French. The summary notice shall contain the following information at a minimum:

(1) The subject matter of the procurement;

(2) The final date for the submission of bids or, if applicable, any final date for the submission of requests for participation in the procurement or for inclusion on a list of *capable suppliers*; and

(3) The address from which documents relating to the procurement may be requested.

(b) Following award by *invitational competitive* process or *non-competitive procurement*, OPG will publish a notice of award on its designated website.

1.13.5 Response Times

(a) *Suppliers* will be given sufficient time to prepare and submit proposals in view of all relevant factors including the nature and complexity of the procurement, the extent of subcontracting anticipated and the time necessary for transmitting documentation by non-electronic means (if applicable).

(b) The final date for the submission of requests for participation in a pre-qualification process will not, in principle, be less than 25 days from the date of publication of the procurement notice. If a state of urgency duly substantiated by OPG renders this time period impractical, the time-period may be reduced to not less than 10 days.

(c) Except as identified in steps (d) through (g) below, the final date for submissions in a procurement process shall not be less than 40 days from the date on which the procurement notice is published.

(d) For each of the following circumstances below that are met, OPG may reduce the time-period established in accordance with step (c) above by five days:

(1) The procurement notice is published by electronic means;

(2) All procurement documents are made available by electronic means from the date of the publication of the procurement notice;

and

(3) OPG accepts submissions electronically.

(e) For purchase of any commercial (off the shelf) *item* or service, or common *items* or services (i.e., readily available in the market), OPG may reduce the time-period established above to not less than 13 days, provided that OPG publishes by electronic means, at the same time, both the procurement notice and the procurement documents. In addition, if OPG accepts submissions for commercial *items* or services by electronic means, OPG may reduce the time-period established in accordance with step (c) above to not less than 10 days.

(f) If OPG has selected all or a limited number of *capable suppliers*, the time period for submissions may be fixed by mutual agreement between OPG and the selected *suppliers*. In the absence of agreement, the period shall not be less than 10 days.

(g) If a state of urgency duly substantiated by OPG renders the time period impractical, the time period may be reduced to not less than 10 days.

1.14 Evaluate Quotations or Proposals

1.14.1 In collaboration with Requisitioner and other stakeholders as appropriate, perform technical and commercial evaluation of proposals.

(a) Vendor submissions will only be evaluated using disclosed evaluation criteria and weightings.

(b) When a vendor submission is disqualified because of non-compliance with a pass/fail requirement, or failure to meet a minimum rated requirement score as identified in the evaluation criteria, no further evaluation of that vendor's submission will take place.

(c) In responding to procurement documents, *suppliers* may sometimes propose alternative strategies or solutions to OPG's business needs or apply conditions to their responses.

(1) Unless expressly requested or permitted in the procurement documents, alternative strategies, or solutions proposed by a *supplier* will not be evaluated.

(2) Where alternative strategies or solutions have been permitted, OPG will review and evaluate alternative proposals based on the same evaluation criteria and weightings as the main proposals.

1.14.2 The evaluation process, including the scores and any explanations/rationales for each score, will be documented by the evaluation team.

(a) The final results of the evaluation by the evaluation team cannot be changed to adjust any scores or other information included therein.

(b) The final documented evaluation will be signed-off either via electronic or hardcopy signature by Supply Chain and the Requisitioner.

1.14.3 If the evaluation criteria, methodology or weightings disclosed in the procurement package are found to be incomplete or otherwise to not meet OPG's needs, Supply Chain with the Requisitioner should cancel the procurement.

(a) Cancellation of the procurement will be signed off by Supply Chain in accordance with Supply Chain OAR elements 7.2 and 7.2 – DAM, provided that cancellation of any strategic or high risk/high dollar procurement, irrespective of value, will be signed off by the Chief Supply Officer with concurrence of:

(1) The Chief Administrative Officer; and

(2) The Chief Ethics Officer and/or Vice President, Law and General Counsel.

(b) If the subject matter of such procurement package is not re-competed, any awards issued in respect to the subject matter procurement package will be documented using OPG-FORM-0003 as per the applicable requirements of this procedure.

1.15 Technical Exceptions

1.15.1 If a *supplier* identifies a technical exception to OPG specifications:

(a) For nuclear *items*:

(1) Forward N-FORM-10115, Vendor Parts/Material Substitution Control, to the *supplier* to document specific details and rationale for the changes.

(2) Ensure that the *supplier* technical representative completes and signs N-FORM-10115, and returns it to the *Purchasing Agent* along with supporting documentation that substantiates the exceptions and any corresponding requested changes to OPG specifications.

(3) Upon receipt of the completed and signed form, the *Purchasing Agent* will forward N-FORM-10115 and supporting information to the appropriate disposition authority, either Supply Chain for Procurement Engineering Exclusion List (PEEL) *items* (see N-LIST-08135.4-10000, Procurement Engineering Exclusion List) or in accordance with N-PROC-MP-0098, Procurement Engineering Activities, for non-PEEL *items*.

Note: For details on use of N-FORM-10115 for select *items* procured via web-based ordering, refer to OPG-PROC-0060.

(b) For services and all other (non-nuclear) *items*, ensure the technical exceptions and any corresponding requested changes to OPG specifications have been identified, analyzed and accepted by the requesting engineering/technical resource.

1.16 Negotiation and Finalization of Contracts

1.16.1 Negotiation and finalization of *contract* terms are performed by the *Purchasing Agent* with assistance from the Requisitioner as appropriate. The *Purchasing Agent* should solicit the assistance of internal stakeholders as necessary.

1.16.2 Ensure any internal stakeholder requirements and concerns have been dispositioned before the *contract* is finalized. When unable to resolve issues, the Requisitioner should escalate for timely resolution.

1.16.3 Agreements will be executed with appropriate OAR sign off.

1.17 Set-Up Ariba Contract Terms

Service contracts that will be administered in *Ariba* shall have *Ariba contract terms* document set up in the *Ariba Contract* Workspace, where applicable, and as part of the contract strategy.

1.18 Letter of Intent/Memorandum of Understanding/Limited Notice to Proceed

1.18.1 This is the least preferred method of awarding a *contract* as it may affect negotiations.

1.18.2 The use of any of these documents should be reviewed by Supply Chain with Law and other stakeholders as appropriate.

1.18.3 Supply Chain will obtain approval from the appropriate OAR Purchasing Authority, based on the total estimated dollar value for the requirement.

1.19 Determination of Source Surveillance and Review and Approval of Inspection and Test Plans for Nuclear

1.19.1 With input from the Requisitioner, determine the need for assigning *contract items* for source surveillance in accordance with N-PROC-MM-0021, Supply Inspection.

1.19.2 Submission of the Inspection and Test Plan (ITP) for review and acceptance by OPG is only required when specified in the *contract*. When an ITP review and acceptance is specified, the ITP will be reviewed and accepted by the requesting engineering/technical resource.

1.20 Pre-Award Verification of Nuclear Contracts

1.20.1 Review of the Purchase Order

Prior to issuing the Purchase Order (PO), the Purchasing Agent will ensure that the PO contains sufficient information regarding applicable technical requirements, jurisdictional requirements, inspection, test and acceptance requirements including any special instructions and where applicable the following requirements:

(a) Purchasing clauses are consistent and aligned with the requisition for technical, code, quality and commercial requirements.

(b) For Pressure Boundary (PB) *items* and services, ensure additional review is addressed in accordance with section 1.20.2 below.

1.20.2 Independent Verification of Pressure Boundary Purchase Order

The Purchasing Agent will complete N-FORM-10669, Verification of Contract Information, and deliver draft *Contract File* to either a peer Purchasing Agent or FLM qualified to perform independent review, for the verification of:

(a) *Contracts* for PB *items*,

(b) *Contracts* for PB services,

(c) All *contract* revisions where technical requirements and/or specifications have been altered,

(d) Any *Blanket Purchase Order* (*BPO*) revision prepared to add new line *items*, or where technical and/or quality requirements for existing line *items* are changed.

Note: A PB Catalogue Identification (CAT ID) will not be released using a *BPO* unless the CAT ID has been added to the *BPO* template and the *BPO* has been approved.

1.21 Award Contracts

1.21.1 A *contract* will only be issued upon Supply Chain receiving a requisition approved by the appropriate OAR Authority.

1.21.2 In order to be awarded a *contract*, *suppliers* will be listed in the appropriate *supplier* database (*VL*, *ASL*) and qualified for the particular scope of work subject to any restrictions.

(a) The *Purchasing Agent* will ensure all *supplier* information is correct and complete.

(b) Refer to section 1.10 for guidance on adding a *supplier* to, or updating *supplier* information in the *supplier* databases.

1.21.3 Purchasing Approval will be based on the total cumulative value of the *contract*:

(a) Obtain approval to award the *contract* in accordance with the OAR. Supporting documentation will be included for review as appropriate.

(b) Where a PO is awarded electronically, electronic issuance constitutes OAR purchasing approval.

1.21.4 The Purchasing Agent shall ensure that the award quantity matches the quantity required on the approved or system generated requisition.

1.21.5 Supply Chain will transmit the *contract* to the *supplier*.

1.21.6 Upon *supplier* receipt of the *contract* or *contract* revision, Supply Chain will ensure the *supplier* has acknowledged their understanding of its requirements and accepts the *contract*.

1.21.7 While exercising procurement authority under element 7.2-DAM of the OAR, the Chief Administration Officer, may decide to provide notification or seek secondary approval from the Chief Executive Officer / Chief Financial Officer for *contracts* that carry unusual risk.

1.21.8 For procurements valued at $500,000 or more, OPG will post, in the same manner as the procurement documents were posted, *contract* award notification. The notification will be posted no later than 72 days after the *contract* between the successful *supplier* and OPG is executed. *Contract* award notification will list:

(a) A description of the *items* or services procured,

(b) OPG's address,

(c) The name and address of the successful *supplier*,

(d) The value of the successful submission,

(e) The date of the *contract* award, and

(f) If an exception from Appendix B was used, the conditions and circumstances that justified its use.

Note: The requirement to post *contract* award information does not apply to the second-stage selection process when using a VOR.

1.22 Supplier Debriefing

1.22.1 For all procurements with a *procurement value* of $500,000 or more, OPG will promptly inform participating *suppliers* of OPG's *contract* award decision.

Note: At the request of a participating *supplier*, this will be provided in writing.

1.22.2 On request, OPG will provide an unsuccessful *supplier* with an explanation (or debriefing) of the reasons why OPG did not select its submission and the relative advantages of the successful *supplier*'s submission. *Suppliers* have a right to a debriefing only after the legal agreement between the successful *supplier*(s) and OPG is signed.

1.23 Contract Maintenance

1.23.1 All revisions will be documented in the *contract*.

1.23.2 Any potential disruptions to the supply of *items* and/or services that may adversely impact OPG should be addressed in a consistent and expedient manner.

(a) For nuclear and/or OPG wide *suppliers*:

(1) When OPG becomes aware of a potential *supplier* interruption a Station Condition Record (SCR) titled "Possible Supplier Interruption: [vendor name]" should be initiated.

(2) A significance level of D4 is recommended if a known corrective action is underway, or C3 No Further Evaluation (NFE) significance level where the apparent cause is *supplier* interruption and the anticipated corrective actions are known.

(b) For non-nuclear *suppliers* only, Supply Chain should engage internal stakeholders as necessary and find an alternate source of supply.

1.23.3 *Procurement value* increases may be required over the term of a *contract*.

(a) In order to determine the appropriate level of approval authority, OPG will determine whether the increase causes the total *procurement value* to exceed the original procurement approval threshold. If so, approval for the total value of the *contract* (original plus increase) will be sought from the appropriate approval authority in accordance with the OAR.

(b) When the total *procurement value* exceeds the procurement process approval authority (refer to Table 1), approval will be sought from the new appropriate approval authority.

1.23.4 Where additional line *items* are added, or where technical or QA requirements and/or specifications have been altered, refer to section 1.21 for required *contract* verification.

1.24 Supplier Initiated Change After PO Award

1.24.1 Nuclear, technical non-conformances identified after PO award that impact on OPG specified requirements will be reported by the *supplier* using N-FORM-10393, Concession Application by Supplier, complete with proposed disposition and/or N-FORM-10115, Vendor Parts/Material Substitution Control as dictated by instructions on the forms.

1.24.2 If jurisdictional involvement is required, the Purchasing Agent will ensure that the *supplier* obtains Authorized Inspection Agency concurrence as applicable before the *supplier* submits the concession application to OPG.

1.25 Supplier Management

1.25.1 Once a *supplier* is awarded the *contract*, Supply Chain should provide the Requisitioner or their delegate a copy of the *contract* documents and identify important terms and dates that should be met.

1.25.2 The Requisitioner should:

(a) Monitor the *contract* to ensure the *supplier* meets all contractual obligations.

(b) Record any observations regarding the *supplier*'s unsatisfactory execution of their obligations and communicate to Supply Chain for appropriate action.

1.25.3 The performance of the *supplier* will be assessed by the *Contract* Administrator and Supply Chain and consideration given to performance when selecting *suppliers* on future work. Supply Chain will manage data on the performance of *suppliers* through *supplier* scorecards. Refer to OPG-INS-08173-0001, Supplier Performance Monitoring and Management, for details on the scorecard process.

1.26 Contract Close-Out

1.26.1 Supply Chain is responsible for monitoring the status of *contracts* and once *contract* obligations are met and final payment has been made, ensure that the *contract* has been closed.

1.26.2 The requisitioner should notify Supply Chain to close-out the contract upon contract completion.

Where the ERP system does not facilitate auto-closure, Supply Chain should close out the PO.

2.0 ROLES AND ACCOUNTABILITIES

2.1 Chief Supply Officer

Ensures that the acquisition of *items* and services are performed in a fair, open, and transparent manner to meet OPG needs.

2.2 Vice President, Supply Chain – Materials; Vice President, Supply Chain – Services

2.2.1 Ensure that Supply Chain staff (including temporary employees, *augmented or contracted staff*) comply with the requirements of this procedure.

2.2.2 Ensure the integrity of OPG is managed to ensure the Code of Business Conduct is upheld and all *suppliers* are treated in a fair, open and transparent manner.

2.3 Director, Supply Chain (Supply Services – Nuclear); Director Supply Chain (Supply Services – Services Procurement)

2.3.1 Ensure that Supply Chain staff (including temporary employees, *augmented or contracted staff*) comply with the requirements of this procedure.

2.3.2 Ensure the integrity of OPG is managed to ensure the Code of Business Conduct is upheld and all *suppliers* are treated in a fair, open and transparent manner.

2.4 Senior Manager(s), Supply Chain

2.4.1 Ensure that Supply Chain staff (including temporary employees, *augmented or contracted staff*) comply with the requirements of this procedure.

2.4.2 Ensure the integrity of OPG is managed to ensure the Code of Business Conduct is upheld and all *suppliers* are treated in a fair, open and transparent manner.

2.5 Director, Corporate Health and Safety

Administers the health and safety pre-qualification of OPG *suppliers*.

3.0 DEFINITIONS AND ACRONYMS

3.1 Definitions

The ***Approved Supplier List* (*ASL*)** is a subset of the OPG *VL*. The *ASL* contains those *suppliers* qualified and approved by Supply Chain Quality Services to supply *items* and services requiring a quality program, or OPG Nuclear specified QA requirements.

Ariba 'Contract' – An electronic document type in Ariba that contains the Ariba 'Contract Workspace' with or without the Ariba 'Contract Terms'.

*Ariba Contract*s have 5 parameters which determine the *Ariba Contract* type and sub-types. Depending upon the parameters selected, an *Ariba Contract* can be as simple as an administrative tool to track spend, or it can be the written legal Terms and Conditions i.e. Agreements e.g. MSA, OPG Contract Standards (e.g. A-19,A-30), Modified OPG Contract Standards (e.g. Modified A-19 for a supplier.), or it can be a conformed legal Contract that can be executed and invoiced against, or it can be a legal contract that require Purchase Order to executed and invoice against.

Ariba 'Contract Terms' - Part of an Ariba 'Contract' that contain pricing terms, and other terms and conditions necessary to executed a legal contract. Contract Terms are part of the *Ariba Contract* Compliance Module which facilitates monitoring of Supplier Compliance to Contracts, and the defined Contract terms.

Augmented or Contracted Staff refers to external staff engaged through a third party agency, whether employed by that firm or engaged as an independent contractor through that agency.

A ***Blanket Purchase Order*** (***BPO***) is a list of *items* or services to be procured in AS7, from which PO Releases are issued to a given *supplier* under pre-agreed commercial terms and conditions. *BPO*'s always have predefined limits:

- A maximum *BPO* dollar value approved in accordance with OAR.
- An effective date range that is reflective of the commercial agreement term.

Business Records are all records that are non-QA.

Capable Supplier is a *supplier* that:

(a) Is qualified to deliver the *items* and services described in the procurement documents, in accordance with the requirements set out in the procurement documents; and

(b) Is on the *ASL* or *VL*, as applicable, or is capable of being added to the *ASL* or *VL*, as applicable, prior to *contract* award.

Ceiling Price means the maximum amount of any individual purchases of *items* and/or services set out in the *VOR Arrangement* established by OPG in the applicable *open competitive* process.

Consulting Services refers to the provision of expertise or strategic advice that is presented for consideration and decision-making such as:

(a) Management consulting (i.e., helping OPG to improve performance, primarily through the analysis of existing problems and development of plans for improvement including Organizational Change Management assistance and strategy development).

(b) Information technology consulting (i.e., Advisory services that help clients assess different technology strategies, including aligning their technology strategy with their business, or process strategy).

(c) Technical consulting (i.e., activities related to actuarial science, appraisal, community planning, employment/placement, engineering, health sciences, interior design, realty, social sciences).

(d) Research and development (i.e., investigative study for the purpose of increasing the available store of knowledge and information on a particular subject).

(e) Policy consulting (i.e., the provision of advisory services to provide policy options, analysis, and evaluation).

(f) Communication consulting (i.e., the provision of strategy and advice in conveying information through various channels and media).

Consulting Services do not include services in which the physical components of an activity would predominate, for example, services for the operation and maintenance of a facility or plant, water-testing services, exploratory drilling services, surveying, temporary help services, training/education instructions, auditing services, and aerial photography.

Consulting Services do not include any licensed professional services provided by medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, chartered accountants, lawyers, and notaries in their regulated capacities.

A ***Contract*** is an agreement between two or more competent parties to provide *items* and/or services. A PO, including a *contract* standard or negotiated terms and conditions, technical specifications, scope of work, etc. becomes a *contract* when accepted by a *supplier*. Acceptance may be in writing or by performance, unless the PO requires acceptance in writing. An agreement based on a template agreement becomes a *contract* when agreed to and executed by a *supplier* and OPG.

The ***Contract File*** is a collection of records, also referred to as the PO File, related to the procurement of an *item* and/or service. Refer to Section 4.0 for additional details on the contents of a *Contract File*.

Electronic Bidding means a computer-based system that provides vendors with access to information in an *open competitive* process, such as Ariba.

Follow-on Agreements means an agreement that follows and is related to an already completed agreement.

Invitational Competitive Procurement refers to a method of competitive procurement where OPG invites *suppliers* to respond to a request for supply of *items* and/or services.

Item is an all-inclusive term used in place of the following:

(a) Components.
(b) Material.
(c) Parts and piping subassemblies.
(d) Component and piping supports.

A ***Master Agreement*** is a *contract* in which parties agree on terms and conditions that will govern future transactions for a defined period of time. A *Master Agreement* can be used to procure:

- *Items* and/or services readily available in the marketplace where opportunities exist to leverage the buying power of OPG; or

- Specific *project* work.

AS7 *BPO*'s and SAP Outline Agreements are considered automation tools and do not, by themselves, constitute *Master Agreement*s.

Non-Competitive Procurement means a procurement process that is not a competitive process, including *single source* and *sole source* procurements.

Non-Consulting Services means services other than *consulting services* provided to OPG.

Open Competitive Procurement refers to a method of competitive procurement where OPG's request for supply of *items* and/or services is open or available for any *supplier* to respond to.

A ***Pre-Award Survey (PAS)*** is a thorough on-site assessment of the prospective EPC contractor's capability, qualifications, Nuclear Power Plant experience (background) and performance history. The survey entails using available (e.g., operating experience, customer feedback) and/or internal OPG surveillance information (i.e., production, quality, packaging, etc.).

Procurement Value means all costs and conferred value associated with a contractual relationship with a third party.

A ***Project*** is a nuclear or Renewable Generation (RG) construction *project* and includes related engineering. This includes work related to RG generating facilities, nuclear facilities including nuclear waste, Darlington refurbishment, and real estate *projects* such as new building construction.

Purchasing Agents refers to OPG personnel with OAR purchasing authority and includes: Analyst/Buyer, Senior Procurement Specialist, Procurement Specialist, Senior Specialist Strategic Planning, and Materials Specialist.

QA Record is a record that provides evidence of licensing, design, construction, operation, maintenance, testing, and modification of nuclear facilities.

(a) ***Permanent QA Record*** is a record which is maintained for the life of an *item* or the facility and meets one or more of the following criteria:

- Significant value in demonstrating capability to operate safely.
- Significant value in maintaining, reworking, repairing, replacing, or modifying an *item*.
- Significant value in determining the cause of an accident or malfunction of an *item*.
- Required to provide baseline data for periodic inspections.
- Significant value during a plant's decommissioning phase.

(b) ***Temporary (Non-Permanent) QA Record*** is a record, which provides evidence that an activity has been performed in accordance with specified requirements, but does not meet the criteria for a *permanent QA record*.

Safety Related (***SR***) *items*, for Nuclear, are equipment or components that are Quality List *items* and are considered as *SR* for purposes of procurement only. *SR items* are generally procured at Quality Level (QL)-1 unless N-PROC-MP-0098 dictates use of QL-2.

Single Source refers to the use of a *non-competitive procurement* process to acquire *items* or services from a specific *supplier* even though there may be more than one *supplier* capable of delivering the same *items* and/or services.

Sole Source refers to the use of a *non-competitive procurement* process to acquire *items* and/or services from a specific *supplier* because there are no other *suppliers* available or able to provide the required *items* and/or service.

A ***Supplier*** is any individual or Organization that provides *items* or services. A *supplier* may be an *augmented or contracted staff*, consultant, manufacturer, distributor, or agent.

The ***Vendor List*** (***VL***) is an AS7 list of individuals or organizations with which OPG has placed a PO, and is tied into SAP for payments.

Vendor of Record (VOR) Arrangement means a procurement arrangement that authorizes one or more *capable suppliers* to provide *items* or services for a defined time period on terms and conditions, including pricing, as set out in a particular *VOR Arrangement contract*.

VOR List means a list of *suppliers* that OPG has determined satisfy the conditions for participation on that list and that OPG may intend to use more than once.

3.2 Abbreviations and Acronyms

AS7	Asset Suite 7
ASL	Approved Suppliers List
BPO	Blanket Purchase Order
BU	Business Unit
CAT ID	Catalogue Identification
CETA	Canadian-European Union Comprehensive Free Trade Agreement
CFST	Cross Functional Sourcing Team
CFTA	Canadian Free Trade Agreement
CNSC	Canadian Nuclear Safety Commission
CSA	Canadian Standards Association
CSOC	Contracting Strategy Oversight Committee
CSSC	Contracting Strategy Screening Committee
EPC	Engineer, Procure and Construct
ES	Extended Service

FIPPA	Freedom of Information and Protection of Privacy Act
FLM	First Line Manager
GST	Goods and Services Tax
HST	Harmonized Sales Tax
ITP	Inspection and Test Plan
MSA	Master Service Agreement
NFE	No Further Evaluation
OAR	Organizational Authority Register
OPG	Ontario Power Generation
OPS	Ontario Public Service
OQTCA	Ontario-Quebec Trade and Cooperation Agreement
PAS	Pre-Award Survey
PB	Pressure Boundary
P-Card	Purchasing Card
PEEL	Procurement Engineering Exclusion List
PO	Purchase Order
QA	Quality Assurance
QL	Quality Level
RFI	Request for Information
RG	Renewable Generation
SCR	Station Condition Record
VL	Vendor List
VOR	Vendor of Record

4.0 BASES, RECORDS AND REFERENCES

4.1 Bases

None

4.2 Records

4.2.1 The *Contract File* will be assigned a unique number by Ariba as a contract workspace and will be managed in accordance with the requirements of OPG-PROC-0019, Records and Document Management.

4.2.2 The *Contract File* is classified as ‘OPG Confidential’ in accordance with OPG-STD-0030.

(a) Supply Chain will control the distribution and disclosure of information contained in the *Contract File* because OPG has obligations to the *supplier* to manage disclosure of information.

(b) A higher security classification may be assigned to the *Contract File* if necessary however it will follow the corresponding requirements as defined in OPG-STD-0030.

4.2.3 The official PO is managed electronically as a panel or series of panels in AS7.

4.2.4 Management of the *Contract File* will be performed by the *Purchasing Agent* as follows:

(a) *Contracts* Files for *contracts* supporting the Nuclear Business Unit (BU) for PB and/or *SR items* and/or services (this includes Nuclear BU *contracts* and OPG Wide *Contracts* for a Nuclear BU *item* or service, as well as BPOs) will be managed in three parts:

- *QA Records*,
- *Business Records* (stored in *Ariba Contract* workspace),
- Legal Documents (if applicable).

(1) A *Contract File* for the original *BPO* template will be created and maintained.

(2) A *Contract File* for any revisions to the *BPO* template including any instances where line *items* have been added to the *contract*, will be created and maintained by the *Purchasing Agent* revising the *BPO*.

(3) Where *QA records* have been generated or received from the *supplier* as a result of a release of Nuclear BU PB/*SR item*, a *Contract File* will be created for the release.

(b) *Contract File*s for all other *contracts* (Nuclear BU/OPG Wide BU issued *contracts* not for a Nuclear BU PB/*SR item* or service, and all Indirect BU, and RG BU *contracts*) will be managed in two parts:

- *Business Records*,
- Legal Documents (if applicable).

Note: No *QA records* will be generated or received for these *contracts*. All records associated with these purchases are classified as *Business Records*.

4.2.5 Nuclear BU *contracts* for a PB/*SR item* or service:

(a) The following records will be processed through Smart Form and retained as *permanent QA records*:

Record Created	Associated Form or Template Number	*QA Record*? Y/N	Filing Information/Retention (AIMS Type/Sub-Type)
ITP – OPG accepted prior to manufacturing	NA	Y	Indexed in AS7 Records Management via Smart Form Retention: Life of Facility (LOF) Record Retention Code (RRC): SUP-0005
Contract and Revisions including: • PO and supporting information/references. • PE clauses. • Modified *contract* standards. • Uncontrolled statements of work (not already in AS7). • Signed agreements.	-	Y	Indexed in AS7 Records Management via Smart Form Retention: LOF RRC: SUP-0005
Original *BPO* Template. Refer to 4.2.4 (b).	-	Y	Indexed in AS7 Records Management via Smart Form Retention: LOF RRC: SUP-0005
Revised *BPO* Template. Refer to 4.2.4 (b).	-	Y	Indexed in AS7 Records Management via Smart Form Retention: LOF RRC: SUP-0005
Scope of Work (for PB/*SR* Services).		Y	Indexed in AS7 Records Management via Smart Form Retention: LOF RRC: SUP-0005
Source Surveillance Release / Report or Surveillance/ Inspection Report Refer to N-PROC-MM-0021 for details.	NA	Y	Indexed in AS7 Records Management via Smart Form Retention: LOF RRC: SUP-0005
Approved Concession Application by Supplier	N-FORM-10393	Y	Indexed in AS7 Records Management via Smart Form Retention: LOF RRC: SUP-0005
Verification of Contract Information	N-FORM-10669	Y	Indexed in AS7 Records Management via Smart Form Retention: LOF RRC: SUP-0005

(b) All other records should be retained as *Business Record* (i.e., non-*QA records*) in theAS7 PO or within the *Ariba Contract* or Ariba PO which will be stored in AS7, and may include but are not limited to the following, as appropriate:

Record Created	Associated Form or Template Number	*QA Record*? Y/N	Filing Information/Retention (AIMS Type/Sub-Type)
Signed *contract* addendums and amendments	NA	N	Indexed in Ariba RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Vendor Parts/Material Substitution Control	N-FORM-10115	N	Indexed in AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Secondary Approvals and other stakeholder sign-offs (i.e., e-mail sign-offs)	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Procurement Package	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Supplier quotations and proposals submitted in paper, or a page that includes the url link provided to Supply Chain by CFPS, for proposals submitted electronically by e-mail	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Quotations/Proposals Evaluation Records	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Relevant Correspondence between OPG and *supplier* including any e-mail communications related to procurement	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Allowable Exceptions for Open Procurement	OPG-FORM-0003	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Approved Value For Money Executive Summary	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Letter of Intent/Memorandum of Understanding, etc.	NA	N	Indexed in Ariba RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Insurance Certificates	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Nonconformance and Corrective Action Request	N-FORM-10394	N	Indexed in AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement

4.2.6 For all other *contracts* (Nuclear BU not for a PB/*SR item* or service, Indirect BU, RG BU), records should be retained as *Business Records* in Ariba or AS7, and may include but are not limited to the following, as appropriate:

Record Created	Associated Form or Template Number	*QA Record*? Y/N	Filing Information/Retention (AIMS Type/Sub-Type)
ITP – OPG accepted prior to manufacturing	NA	N	Indexed in AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Contract and Revisions including: • PO and supporting information/references. • PE clauses. • Modified *contract* standards. • Uncontrolled statements of work (not already in AS7). • Signed agreements.	-	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Scope of Work (for services)	-	N	Indexed in Ariba RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Source Surveillance Inspection Report (includes OPG-FORM-0054, Source Surveillance Request).	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Approved Concession Application by Supplier	N-FORM-10393	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Nonconformance and Corrective Action Request	N-FORM-10394	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Original *BPO* Template. Refer to 4.2.4 (b).	-	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Revised *BPO* Template. Refer to 4.2.4 (b).	-	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Signed *contract* addendums and amendments	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Vendor Parts/Material Substitution Control	N-FORM-10115	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement

Secondary Approvals and other stakeholder sign-offs (i.e., e-mail sign-offs)	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Procurement package	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Supplier quotations and proposals submitted in paper, or a page that includes the url link provided to Supply Chain by CFPS, for proposals submitted electronically by e-mail	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Quotations/Proposals Evaluation Records	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Relevant Correspondence between OPG and *supplier* including any e-mail communications related to procurement	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Allowable Exceptions for Open Procurement	OPG-FORM-0003	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Approved Value For Money Executive Summary	NA	N	Indexed in Sharepoint RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Letter of Intent/Memorandum of Understanding, etc.	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Acceptance of Late Proposals	OPG-FORM-0055	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement
Insurance Certificates	NA	N	Indexed in Ariba or AS7 RRC: SUP-0002 Retention Requirements: T-06 after completion/settlement

4.2.7 The following documents, upon being received (either electronically or in hard copy format) by Supply Chain will be forwarded to the Executed Documents Processing Centre, in accordance with OPG-MAN-08133-0001 SHT: 01-06-01, Sending Or Retrieving Legal Documents To/from Executed Documents Centre, for retention:

Record Created	Associated Form or Template Number	*QA Record*? Y/N	Filing Information/Retention (AIMS Type/Sub-Type)
Original security documents (parental guarantees, letters of indemnity, letters of credit, performance bonds, or any other form of security agreed to in the *contract* with the *supplier*).	NA	N	Retention: Permanent RRC: LAW-0016

4.2.8 Access to *Contract Files* is restricted to authorized personnel and information is safeguarded to ensure it is protected from unauthorized use.

4.2.9 There are occasions when a *contract* administrator, *project* manager or Requisitioner may need access to parts of the *Contract File*, for the purposes of administering the *contract*. Request for *Contract File* information should be made through the respective Supply Chain organization.

4.3 References

4.3.1 Performance References

- COE-PROC-0005, Fuel Procurement Activities
- LAW-PROC-0001, Acquiring Outside Legal Services
- N-FORM-10115, Vendor Parts/Material Substitution Control
- N-FORM-10393, Concession Application by Supplier
- N-FORM-10669, Verification of Contract Information
- N-INS-08173-10050, Procurement from Licensed Canadian Nuclear Utilities
- N-INS-08173-10051, Nuclear Fuels – Procurement Planning
- N-LIST-08135.4-10000, Procurement Engineering Exclusion List
- N-PROC-MM-0010, Establishing and Maintaining Ontario Power Generation Approved Suppliers List
- N-PROC-MM-0021, Supply Inspection
- N-PROC-MM-0037, Repair, Refurbishment and Warranty Process
- N-PROC-MP-0098, Procurement Engineering Activities
- N-PROC-RA-0130, Renewal and Amendment of CNSC Issued Licenses

- OPG-FORM-0003, Allowable Exceptions to Open Procurement
- OPG-INS-08173-0001, Supplier Performance Monitoring and Management
- OPG-INS-08173-0007, Supplier Management
- OPG-MAN-08133-0001 SHT: 01-06-01, Sending Or Retrieving Legal Documents To/from Executed Documents Centre
- OPG-POL-0013, Code of Business Conduct Policy
- OPG-POL-0024, Delegation and Exercise of Authority
- OPG-PROC-0019, Records and Document Management
- OPG-PROC-0060, Requisitioning Items and Services
- OPG-PROC-0064, Purchasing Card
- OPG-STD-0001, Requirements for Administrative Governance Documents
- OPG-STD-0017, Organizational Authority Register
- OPG-STD-0030, Protecting OPG Information and Intellectual Property
- OPG-STD-0141, Supplier Code of Conduct

4.3.2 Developmental References

- A Memorandum of Agreement between Her Majesty the Queen in right of Ontario, as represented by the Minister of Energy and OPG
- Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
- Canadian Free Trade Agreement (CFTA)
- Canadian Standards Association (CSA) N286, Management System Requirements for Nuclear Facilities
- Fairness in Procurement Act, 2018
- Ontario Government Management Board of Cabinet's Ontario Public Service Procurement Directive (December 2014)
- N-MAN-01913.11-10000, Pressure Boundary Program Manual
- Ontario-Quebec Trade and Cooperation Agreement (OQTCA)
- OPG-PROG-0009, Items and Services Management
- OPG-STD-0154, Procurement Standard

5.0 REVISION SUMMARY

This is an **intent** revision.

- General – Cover page authorities updated.
- General – Minor changes throughout for clarity.
- General – Department and job titles updated throughout as appropriate.
- General – Document references updated throughout as appropriate.
- General – Replaced all references of 'Tender/Tendering' to 'Bid/Bidding' throughout.
- General – The following DCRs have been dispositioned by this revision: 143561, 144176, 144192, 145060, 145747, 146430, 147144, 148339, 148542, 149526, 152405, 153154, 153796, 153984.
- Section 1.1 – New Header 'General Information'. Following sections and steps renumbered as appropriate.
- Step 1.1.5 – New requirements described for adhering to the Freedom of Information and Protection of Privacy Act (FIPPA).
- Section 1.2 – Revised to identify developmental references and supporting procurement documents.
- Step 1.3.3 – New bullet (i) added.
- Step 1.6.2 – Direction on use and approval of non-disclosure agreements revised.
- Step 1.6.4 – Added requirements for Ariba.
- Section 1.9 – New section added. Document renumbered accordingly.
- Step 1.11.1 – Work Allocation added to list of acceptable procurement methods.
- Step 1.11.3 – New content providing direction on the use of Work Allocation.
- Step 1.11.4 (d) and 1.11.5 (a) – Note added providing clarity on the use of OPG-FORM-0003.
- Step 1.11.6 (a) – New bullet added providing clarity on use of VORs.
- Step 1.11.6 (b) – Revised to simplify for clarity.
- Step 1.11.6 Table 3 – Table updated to align with $ thresholds and minimum requirements for VORs at each threshold.
- Step 1.13.1 (c) – New bullet added.

- Section 1.17 – New section added. Document renumbered as appropriate.
- Step 1.21.4 – New bullet added.
- Step 1.21.6 – Revised to include contract revision.
- Section 1.24 – Title changed from ‘Supplier Initiated Concession Application’ to ‘Supplier Initiated Change After PO Award’.
- Step 1.24.1 – Use of N-FORM-10115 added.
- Step 1.26.2 – New bullet added.
- Section 3.1 – Definitions added for ‘Ariba Contract’ and ‘Ariba Contract Terms’.
- Section 4.2 – Revised to clarity how and where the Contract File is managed.
- Appendix ‘B’ – Minor rewording to align with body of the document and tables 1 and 3.

Appendix A: Internal Stakeholders

During the procurement process, Supply Chain should request internal stakeholder assistance as appropriate. Internal stakeholders should provide guidance on areas related to their respective areas of expertise as follows:

(a) Requisitioner / *Contract* Owner as required.

(b) Law Division should be consulted for *contract* matters as required.

(c) Risk Services – Credit Risk should be consulted for *supplier* financial security requirements and credit worthiness, as required.

(d) Commodity Tax department should be consulted for duties, importer of record, and Canadian Goods and Services Tax (GST)/Harmonized Sales Tax (HST) matters, as required.

(e) Income Tax department should be consulted for withholding tax and income tax matters as required.

(f) Treasury – Risk Management and Insurance should be consulted for appropriate insurance coverage and indemnities, performance bonds and sureties as required.

(g) Treasury approval is required for all *contracts* with non-standard payment terms (e.g., payment on other than the 25th of month).

(h) Investment Planning for capital *projects* (e.g., Nuclear Refurbishment).

(i) Environment should be consulted for environmental compliance obligations, risks, and/or opportunities, as required.

(j) Cyber Risk should be consulted for *supplier* Cyber Security, as required.

(k) Other internal stakeholders should be consulted as required.

Appendix B: Allowable Exceptions

B.1.0 ALLOWABLE EXCEPTIONS FOR USING A NON-COMPETITIVE PROCUREMENT OR INVITATIONAL COMPETITIVE PROCUREMENT PROCESS FOR CONSULTING SERVICES

The following are allowable exceptions for using a *non-competitive* or *invitational competitive* procurement process for *consulting services*, subject to the appropriate approvals set out in Tables 1 and 2:

(a) If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the *items* or services could not be obtained in time using open bidding.

(b) Where the *consulting services* regarding matters of confidential or privileged nature are to be purchased, and the disclosure of those matters through a Competitive Procurement Process could reasonably be expected to compromise confidentiality, cause economic disruption or otherwise be contrary to the public interest for *consulting services* with a *procurement value* in excess of $100,000 but less than $680,000.

(c) Where a Competitive Procurement Process could interfere with OPG's ability to maintain security or order or to protect human, animal or plant life or health.

(d) Where no responses were submitted or no *suppliers* requested participation in a competitive procurement process, provided that OPG does not substantially modify the requirements of the procurement documentation.

(e) Where no submissions that conform to the essential requirements of the procurement documentation were submitted, provided that OPG does not substantially modify the requirements of the procurement documentation.

(f) Where no *suppliers* satisfied the conditions for participation, provided that OPG does not substantially modify the requirements of the procurement documentation.

(g) Where the submitted responses were collusive, provided that OPG does not substantially modify the requirements of the procurement documentation.

(h) Where the procurement is in support of Aboriginal peoples.

(i) Where the procurement is with a public body, and

(j) Where only one *supplier* is able to meet the requirements of a procurement in the following circumstances:

(1) To ensure compatibility with existing products. Compatibility with existing products may not be allowable if the reason for compatibility is the result of one or more previous *non-competitive procurement*s.

Appendix B (Continued)

(2) To recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that will be maintained by the manufacturer or its representatives, and

(3) For the procurement of *consulting services* the supply of which is controlled by a *supplier* that has a statutory monopoly.

B.2.0 ALLOWABLE EXCEPTIONS FOR USING A NON-COMPETITIVE OR INVITATIONAL COMPETITIVE PROCUREMENT PROCESS FOR ITEMS AND/OR NON-CONSULTING SERVICES (INCLUDING CONSTRUCTION) WITH A PROCUREMENT VALUE IN EXCESS OF $500,000

The following are allowable exceptions for the *non-competitive procurement* of, or *invitational competitive procurement* for *items*, and *non-consulting services* (including construction) with a *procurement value* in excess of $500,000, subject to the appropriate approvals set out in Tables 1 and 2:

(a) Where no responses were submitted or no *suppliers* requested participation in a competitive procurement process, provided that OPG does not substantially modify the requirements of the procurement documentation.

(b) Where no submissions that conform to the essential requirements of the procurement documentation were submitted, provided that OPG does not substantially modify the requirements of the procurement documentation.

(c) Where a Competitive Procurement Process could interfere with OPG's ability to maintain security or order or to protect human, animal or plant life or health.

(d) Where no *suppliers* satisfied the conditions for participation, provided that OPG does not substantially modify the requirements of the procurement documentation.

(e) Where the submitted responses were collusive, provided that OPG does not substantially modify the requirements of the procurement documentation.

(f) Where the *items* and services can be supplied only by a particular *supplier* and no reasonable alternative or substitute *items* or services exist for any of the following reasons:

(1) The requirement is for a work of art.

(2) The protection of patents, copyrights, or other exclusive rights.

(3) Due to an absence of competition for technical reasons, including in the following circumstances:

(i) The supply of *items* or services is controlled by a *supplier* that is a statutory monopoly.

Appendix B (Continued)

(ii) To ensure compatibility with existing *items*, or to maintain specialized *items* that may be maintained by the manufacturer of those *items* or its representative.

(iii) For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect to the property or original work, or

(iv) For work to be performed on or about a leased building or related property or portions thereof that may be performed only by the lessor.

(g) For additional deliveries by the original *supplier* of *items* or services that were not included in the initial procurement, if a change of *supplier* for such additional *items* or services:

(1) Cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement, and

(2) Would cause significant inconvenience or substantial duplication of costs for OPG.

(h) If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the *items* or services could not be obtained in time using open bidding.

(i) For the purchase of *items* on a commodity market.

(j) Where OPG procures a prototype or a first *item* or service that is developed in the course of, and for, a particular *contract* for research, experiment, study, or original development. Original development of a first *item* or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the *item* or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs.

(k) For purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular *suppliers*.

(l) For a *contract* to be awarded to the winner of a design contest, provided that:

(1) The contest is consistent with the principles of this policy, in particular relating to the publication of a procurement notice, and

(2) The participants are judged by an independent jury with a view to a design *contract* being awarded to a winner.

Appendix B (Continued)

(m) Where *items* or services regarding matters of confidential or privileged nature are to be purchased and the disclosure of those matters through a competitive procurement process could reasonably be expected to compromise OPG confidentiality, result in the waiver of privilege, cause economic disruption or otherwise be contrary to the public interest for *items* or services with a *procurement value* less than $680,000.

(n) Where *items* or services, or any combination thereof, are procured with a view to commercial sale or resale, or for use in the production or supply of an *item* or service for commercial sale or resale.

(o) Where a *contract* is awarded under a co-operation agreement that is financed, in whole or in part, by an international organization only to the extent that the agreement includes different rules for awarding *contracts*.

(p) For the acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon.

(q) For the procurement or acquisition of services related to the sale, redemption, and distribution of public debt, including loans and government bonds, notes, and other securities.

(r) For the procurement of:

(1) Financial services respecting the management of government financial assets and liabilities (i.e. treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution.

(2) Health services or social services, or

(3) Services of expert witnesses or factual witnesses used in court or legal proceedings.

(s) For the procurement of *items* and services:

(1) By a procuring entity on behalf of an entity not covered by this policy or the applicable trade agreements.

(2) Between enterprises that are controlled by or affiliated with the same enterprise, or between one government body or enterprise and another government body or enterprise.

(3) From philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities;

Appendix B (Continued)

(4) Conducted for the specific purpose of providing international assistance, including development aid, provided that the procuring entity does not discriminate on the basis of origin or location within Canada of *items*, services, or *suppliers*; and

(5) Where the procurement is with respect to Aboriginal.