

	PURCHASE POLICY PP-001	DEPARTMENT:		INQUIRIES TO:	TOPIC:
		All		Finance	Procurement Policy
		ISSUED:		REVIEW DATE:	APPROVED BY:
		May 2026		May 2029	 Board of Directors Resolution #YEC 2026-016

1. Purpose

- 1.1. To ensure that the operational activities related to procurement are consistent with, and supportive of, the corporation's strategic directions.
- 1.2. To ensure that all procurement is authorized by appropriate individuals, is undertaken in a manner that provides the best value to the corporation, is supportive of the corporation's mission and values, is based on recognized procurement principles and complies with applicable legislation and regulations.
- 1.3. To set forth the corporation's approved procurement framework and to identify the applicable procedures that are to be followed when goods and services are procured.

2. Principles

- 2.1. To promote ethical business practices, guided by the principles of non-discrimination, fair procurement processes, and transparency of policy and procedures to all stakeholders.
- 2.2. To achieve best value for the corporation, which considers total acquisition and life cycle costs. Total acquisition cost includes freight, installation, taxes, currency exchange, customs, duties etc. Life cycle costs include operating, maintenance, inventory and disposal.

Achieving best value will consider "Fair Criteria":

- Cost competitiveness to project cost estimates;
 - Quality;
 - Ability to meet the technical specifications, qualifications and experience relating to the required services;
 - Ability to supply and deliver the required services;
 - Timely delivery or completion of the required services, as appropriate;
 - Safety, health and environmental certifications and record; and
 - Such other factors and criteria as the corporation may determine, acting reasonably.
- 2.3. To promote sustainability when procuring products and services, with an emphasis on environmental attributes as well as other social and ethical criteria as relevant.

2.4. To advance favourable vendor and department relationships with the goal of long-term partnerships that achieve mutual long-term value for all corporate stakeholders.

2.4.1. The corporation recognizes the importance of strategic partnerships with First Nations with respect to existing operations and planned infrastructure development. To support these relationships, the corporation will endeavor to provide specific procurement opportunities to Yukon First Nation partners on corporate projects and activities within their traditional territory.

2.5. To promote competitive bidding practices, when possible, while ensuring that vendors are provided an equal opportunity to offer their goods and services. Other established procurement strategies may be used if appropriate to the circumstances of the procurement.

2.6. To encourage standardization where possible, to enable cost effectiveness through volume amalgamation, and reduced support and maintenance costs.

3. Policy

3.1. The corporation will request pricing, product and market information through various RFx documents and other approved corporate procurement tools.

3.2. The corporation will make purchases using a variety of methods including Contracts, Purchase Orders, Corporate Purchasing Cards, Standing Agreements, and so forth.

3.3. The Corporation will only honour purchases issued by the Procurement Department or properly authorized delegated purchasing authorities.

3.4. Subject to 3.6, the corporation will solicit competitive bids and the Procurement Department and/or authorized personnel will make the final award for purchases. All requestors will be consulted, as required, before any awards are made.

3.5. The corporation will make best efforts to purchase and/or contract for goods and services in the community in which they are consumed, to the extent that doing so reasonably conforms to the purpose and principles, and to the extent that their needs can be met by community-based businesses.

3.6. The corporation will use competitive bidding guidelines to assist in ensuring fair value.

3.6.1. Competitive bidding thresholds are to be applied as follows:

<i>Purchase Value Threshold</i>	<i>Competitive Bid Process</i>
Up to \$100,000	Competitive bids are not required but may be solicited.
\$100,000 to \$200,000	Competitive bids are required – A minimum of three (3) written vendor quotations will be solicited.

More than \$200,000	Competitive bids are required – The Procurement Department will release a public bid where any number of vendors can compete. Where justified by project-specific considerations, invitational bids may be solicited instead, subject to applicable legislation as identified in Part 3.8.
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3.6.2. While a competitive bidding process is the default, where justified by project-specific considerations, a non-competitive procurement process may be permitted. These non-competitive procurement requests will be reviewed by the Procurement department, which will provide a recommendation prior to approval.

3.6.2.1. For all non-competitive requests, approval must be obtained as follows:

<i>Purchase Value Threshold</i>	<i>Non-Competitive Bid Process</i>
Up to \$100,000	Competitive bids are not required but may be solicited.
\$100,000 to \$200,000	Non-competitive bids must be approved by a Vice President.
More than \$200,000	Non-competitive bids must be approved by the President & CEO.

3.7. The President & CEO may waive any provision of this policy when it would be in the best interest of Yukon Energy to do so. Exceptions shall be reported to the Board.

3.8. Procurements above the legislated Canadian Free Trade Agreement (CFTA) and Canada-EU Comprehensive Economic and Trade Agreement (CETA) thresholds established for Crown Corporations must be tendered publicly unless a CFTA or CETA exemption applies.

Current thresholds for Crown Corporations are:

- **CFTA – Goods & Services: C\$694,700**
- **CFTA – Construction: C\$6,943,900**
- **CETA – Goods & Services: C\$627,200**
- **CETA – Construction: C\$8,800,000**

These limits are updated periodically by the respective trade agreement authorities.

3.9. This policy determines who can *decide* on supplier selection, while FA-004 restricts who can *commit* the corporation. For expenditures exceeding an employee's signing authority under FA-004, approval from an individual with sufficient signing authority must be obtained prior to solicitation or award, notwithstanding the competitive bidding thresholds in this policy.

4. Roles & Responsibilities

4.1. All parties involved in selection, negotiation, approval, performance, or administration of corporate procurement and contracts are bound to act in good faith. Any person employed by the corporation who purchases goods and services or is involved in the procurement process for the corporation shall be held to the highest degree of trust and shall be bound by the corporation's Code of Conduct policy. All information, documents and files held by an individual

during their involvement in procurement activities are to be treated as confidential information and cannot be disclosed to or discussed with any vendor or any other person, including employees who are not authorized to have access to that information.

- 4.2. It is incumbent on all employees to ensure obligations in applicable Project agreements with First Nations are met.

4.3. **Procurement Department:**

The Procurement Department has the responsibility for the overall administration and performance of purchasing, bidding, tendering and contract awards and ensures adherence to Yukon Energy's purchasing policies and guidelines:

- Oversees the procurement of goods and services;
- Develops and prepares purchasing documents such as: bids, tenders, addendums, evaluations, awards, contracts, amendments, etc.;
- Coordinates the evaluation of the bids in accordance with pre-established evaluation criteria;
- Performs due diligence (i.e., legal, safety and risk management);
- Awards, issues, receives, and manages all Purchase Orders for non-stock items;
- Maintains and monitors the procurement card system;
- Develops, maintains, and monitors vendor relationships;
- Coaches and guides employees and client departments;
- Liaisons with the vendor community providing information and responding to their inquiries and requests for information; and
- Is responsible for records management of all procurement documentation.

4.4. **Requestor:**

- Ensures that the proper approval for expenditure has been obtained prior to the work being bid;
- Provides detailed scope for work to be bid;
- Provides any technical drawings or specifications that will need to be adhered to in the performance of the work;
- Provides timetable for start and completion of the work;
- Reviews Yukon Government First Nation business registry for companies capable of performing the work in the Traditional Territory or Territories of work location.
- Reviews the Registry of Agreements. If work triggers "Required Services" notification will be sent to Yukon Energy Community Relations Manager.
- Provides evaluation criteria for selection of vendor (if required); and
- Participates in the evaluation, vendor interviews or any other evaluative methodology used in determining the successful vendor.

4.5. The Procurement Department & Requestor will work in partnership to:

4.5.1. Decide the type of purchase agreement that is required. Determining factors to include:

- Amount of risk
- Dollar value for material, goods or services
- Type of service or purchase agreement being requested

4.5.2. Decide the appropriate RFX document (Request for Bid; Request for Quote; Request for Proposal; Request for Information; Request for Expression of Interest, and so forth).

4.5.3. Determine whether the bid should be competitive or non-competitive. See Competitive Bid Guideline and/or Non-Competitive Purchases Guideline.

4.5.4. Determine evaluation criteria. See Evaluation Criteria Guideline.

4.5.5. Evaluate the responses received.

4.5.6. Negotiate contract(s).

5. Policy and Guideline Index

PP-001	Procurement Policy
PG-001	Goods & Services Definitions
PG-002	Purchasing Agreements Guideline
PG-003	Competitive Bid Guideline
PG-004	Contracts for Service Guideline
PG-005	Evaluation Criteria Guideline
PG-006	Bid Security Guideline
PG-007	Non-Competitive Purchases Guideline
PG-008	Purchase Order Guideline
PG-009	Standing Agreements Guideline
PG-010	Corporate Purchasing Card Guideline
PG-011	Invoice Approval Guideline
PG-012	Incoming Shipping Negotiation Guideline
PG-013	Shipping Invoice Approval & Payment Guideline
PG-014	Sustainability in Procurement Guideline