

University of Alberta Supply Management Services

Justification for Competitive Bid Exceptions

The University of Alberta is committed to an open and non-discriminatory acquisition process for all goods and services required by University units in support of their operations. The competitive bid process ensures that the University complies with appropriate regulations and trade agreements, applies best practices, and receives the best overall value for the purchase of goods and services.

However, situations may arise where the procurement is not covered by a trade agreement (see “Non-Applicable” below) or where the opportunity to solicit competitive bids may not exist. In these instances a Competitive Bid Exception (CBE) may be appropriate.

A CBE is not intended to avoid competition between Suppliers or to discriminate against Suppliers. The reasons for sole source acquisitions must comply with the applicable trade agreements. The agreements allow for sole source purchasing if the goods or services can only be supplied by a particular supplier and no reasonable alternative, or substitute goods or services, exist for any of the following reasons:

- To ensure compatibility with existing products, to recognize exclusive rights, exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- Where there is an absence of competition for technical reasons;
- For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly;
- For the purchases of goods on a commodity market;
- For work to be performed on or about a leased building or portions thereof that may be performed only by the Lessor;
- For work to be performed on property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or original work;
- For a contract to be awarded to the winner of a design contest;
- For the procurement of a prototype of a first good or service to be developed in the course of, and for a, particular contract for research, experiment, study or original development but not for any subsequent purchases;
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- For the procurement of an original work of art;
- For the procurement of subscriptions to newspapers, magazines or other periodicals;
- For additional deliveries by the original supplier of goods and services that were not included in the initial procurement if a change of supplier for such additional goods or services:
 - 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**
 - would cause significant inconvenience or substantial duplication of costs for the purchaser.
- If strictly necessary, and for reasons of urgency brought about by events unforeseen by the purchaser, the goods or services could not be obtained in time using open tendering.

- If goods or consulting services regarding matters of a confidential or privileged nature are to be purchased, and the disclosure of those matters through an open tendering process could reasonably be expected to compromise confidentiality, result in the waiver of privilege, cause economic disruption or otherwise be contrary to the public interest.

Non-Application

Trade agreements do not cover the following circumstances and competitive bids are not required.

- For the procurement of real property, rental of land, existing buildings or other immovable property.
- For financial services regarding the management of financial assets and liabilities (i.e. treasury operations) including ancillary advisory and information services, whether or not delivered by a financial institution;
- For health services or social services.
- For services that may, under applicable law, only be provided by licensed lawyers or notaries.
- For the procurement of goods or services on behalf of an entity not covered by trade agreement requirements.
- For goods or services procured 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.
- For goods and services procured from philanthropic institutions, non-profit organizations, prison labour or persons with disabilities.

For more information, see the *Competitive Bid and Competitive Bid Exception Procedure* in UAPPOL.