

# Procurement Policy



**CIRCULAR**  
M A T E R I A L S

**Approved by: Board of Directors**

**Approved on: February 15, 2022**

## 1.0 Context

The Purpose of Circular Materials is:

“To design, procure, deliver and oversee the services producers require to discharge their obligations under producer responsibility regulations and make materials available for use in the circular economy.”

As such, Circular Materials (CM) operates as a purchasing agent of supply chain and administrative services for the collection and management of materials designated under Ontario Regulation 391/21 Blue Box, New Brunswick Part 5.3 Packaging and Paper of the Designated Materials Regulation Clean Environment Act and other producer responsibility regulations.

How CM conducts procurement and administration of procured services will have a direct effect on how competitive markets for collection, processing and downstream recycling are sustained and encouraged and how effectively CM will be able to derive value from those markets in terms of quality, reliability, innovation and price.

## 2.0 Procurement principles

CM adheres to the following procurement principles:

- Access for qualified vendors to compete for business will be open. The procurement process will be conducted in a fair and transparent manner, providing equal treatment to vendors. Access will be geographically neutral in Canada.
- The procurement of goods and services will be responsibly and effectively managed through appropriate organizational structures, systems, policies and procedures.
- Conflict of interest, real, potential and apparent, will be avoided during the procurement process and ensuing contract. Any real, potential and apparent conflict of interest will be declared to the Board of Directors prior to engaging in any procurement activity.
- Relationships that create a perpetual reliance on a particular vendor for any type of work will be reviewed on an annual basis.

## 3.0 Promoting competition and ensuring market fairness

Promoting openly competitive, collaborative, and fair markets involves:

- Establishing procurement, payment and related administrative practices that do not unduly restrict competitive markets for the collection and management services; and

- Treating the marketplace in a non discriminatory and fair manner by applying transparent and accessible policies, rules and procedures to all market participants as engaged by CM through its procurement and administrative practices.

#### **4.0 Procurement, payment and related administrative practices**

To ensure these competitive markets are preserved CM will:

- Utilize procurement practices to obtain services from service providers in a manner that complies with the *Competition Act* Canada and other established practices and procedures designed to ensure competitive procurement<sup>1</sup>. Such practices and procedures include but are not limited to:
  - Designing procurement processes (i.e. issuing, updating, clarifying, evaluating and awarding) using best practices,
  - Maximizing the participation of bidders by making procurement documents widely available and providing reasonable submission timelines,
  - Establishing qualification standards necessary to deliver, but not arbitrarily exceed, the objectives set forth in producer responsibility regulations and meet producers' commercial needs,
  - Defining requirements and performance standards clearly,
  - Reducing opportunities for communication amongst competing bidders, and
  - Carefully choosing criteria for evaluating and awarding contracts.
- Ensure that, where municipalities are acting as collection contract managers, CM's pro forma requirements for ensuring competitive procurement for collection services are utilized as the procurement process.
- Ensure that the aggregation of geographies for the purpose of procuring collection services balances the interests of scale efficiencies with the need to preserve competitive markets.
- Ensure that the procurement of post collection services balances the need for creating a long term stable investment environment for service providers to invest in recycling infrastructure with the need to keep markets for recycling dynamic and open.

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For example [Competition and Procurement – Key Findings](#). Organization of Economic Cooperation and Development (OECD) 2011 and [Guidelines for Fighting Bid Rigging in Public Procurement](#) Directorate for Financial and Enterprise Affairs Competition Committee OECD 2009.

- Ensure that, where CM or its agents use incentive based remuneration, the incentives are available to any qualified service provider within the sector or sectors that provide the service<sup>2</sup>.
- Ensure that successful vendors committed to complying with CM's Supplier Code of Conduct which forms part of procurement documents and vendor contracts.

### **5.0 Practices policies, rules and procedures**

CM will establish non discriminatory administrative rules, procedures and practices (e.g. qualifying service providers, registering parties, requiring reporting, making payments etc.) so that administrative barriers to competition are minimized<sup>3</sup>.

Specifically, CM will:

- Ensure there is no provision of exclusive rights for a supplier to provide goods or services outside of those procured through competitive procurement.
- Maintain the ability of collection and post collection service providers to compete by:
  - Creating the conditions for service providers to set prices for goods or services through competitive procurement,
  - Not limiting the freedom of service providers to advertise or market their goods or services that are unrelated to the services provided to CM,
  - Not setting performance standards that are discriminatory and which significantly raise costs to some service providers relative to others (especially by treating incumbents differently from new entrants),
  - Minimizing contract extensions for municipal service providers where these contracts are assigned to CM taking into consideration avoidance of service disruptions<sup>4</sup>, and
  - Not reducing the incentive for service providers to compete by requiring or encouraging information on proponent prices, sales or costs to be public.

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<sup>2</sup> For example, where municipalities provide services that are not provided by the private sector unless under contract to municipalities.

<sup>3</sup> As adapted from the [OECD Assessment Toolkit](#).

<sup>4</sup> For example, if delivery time for collection trucks is past the natural expiry date of the collection contract.