

Supply Chain Policy

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Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

History of Changes

Release Number	Date	Description of Changes	Author(s)
1	2009-10-21	Replaces obsolete Procurement Policy Manual, expanded to include all of Supply Chain Management	B. Morrey T. Schenkeveld
2	2010-06-03	Added policy for changes in account holder, addressed findings of TIA-10-04	B. Morrey T. Schenkeveld
3	2011-01-26	<ul style="list-style-type: none"> Expanded definitions for technical advisors and vendor metrics. Modify multiple responsibilities to Sole. 	B. Morrey T. Schenkeveld
4	2012-11-05	<ul style="list-style-type: none"> Added laser permit for all lasers purchased for site use Changed dollar guidelines for Purchase Orders requiring quotes 	B. Morrey K. Chu
5	2018-01-15	<ul style="list-style-type: none"> Reinstated Ted Schenkeveld as an author that was removed in version 4. Changed PMAC to SCMA section 1.1, 4.2.1 and 4.3.4 Added hyperlink 2.2.1 and 5.3.3 Updated 3.3.3 - Radioactive Material and added Controlled Goods Changed MIS to Agresso – 3.1, and 4.15.4 Added CFI limit in 4.3.4 Added ITT in 4.6.4 	K. Chu T. Schenkeveld
6	2022-02-07	<ul style="list-style-type: none"> Removed the Signature Authority policy section (section 3.1) Removed the Membership in Trade and Business Organizations section Removed the Surplus Equipment section Added Purchasing Requirements Added Supplier Management, Evaluation and Qualifications Added the Procure-to-Pay requirements Title updated from Supply Chain Policy Manual to Supply Chain Policy 	K. Tholl

Keywords: supply chain, procurement, logistics, supplier management, supplier qualification, supplier evaluation, supplier relationship, verification, purchasing requirements

Distribution List: Extended Leadership Team, Site Wide Announcement, Training Manager

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

1 INTENT

This policy aims to ensure that TRIUMF procures and manages the flow of goods and services in a manner that is transparent, competitive, cost-effective, and efficient while ensuring compliance to applicable regulations, strategies, policies, and procedures of TRIUMF.

2 RELATED AND REFERENCED DOCUMENTS

CSA N286-12 Management System Requirements for Nuclear Facilities (2012)

Center for Internet Security (CIS®) Controls, Version 8

Financial Signatory Policy – [Document 192420](#)

HR Policy 28 – Conflict of Interest – [Document-10495](#)

ISO/IEC 27032:2012 Information technology — Security techniques — Guidelines for cybersecurity

National Institute of Standards and Technology (NIST) Cybersecurity Framework V1.1.

TRIUMF Controlled Goods Program [Document-112907](#)

TSOP-05 Supply Chain Procedures – [Document 605](#)

TSOP-10 Access to TRIUMF - [Document-1733](#)

3 DEFINITIONS

“Appointee” means an Employee, Affiliate, Emeritus/a, or Resident Graduate Student.

“Account Holder” means a TRIUMF Employee who has Signing Authority over an account and who is the most responsible for reviewing and approving expenditures from said account. **“Program Manager,” “Project Manager,” “Grant Manager,”** and **“Cost Centre Manager”** all have equivalent meanings to Account Holder.

“Buyer” means an authorized Employee within the Procurement function responsible for purchasing goods and services for TRIUMF.

“Employee” means an individual with whom TRIUMF has an employment agreement.

“Logistics” means Employees within the logistics department.

“Procurement” means Employees within the procurement department.

“Single Source” means the one (1) supplier that can meet the specific end-user requirements at the time of procurement when other suppliers who provide the same product or service are unable to do so.

“Sole Source” means one (1) supplier that has no competitors in the market for meeting an end-user requirement at the time of procurement.

“Stores” means the central warehouse at TRIUMF.

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

“Supplier” means an individual or a business entity that provides good or services to TRIUMF.

“User” means, for the purpose of this policy, an individual who uses Supply Chain services, including Procurement and Logistics services, who is an Employee, Appointee, Visitor, or student.

“Visitor” means an individual who does not have a TRIUMF appointment and whose primary affiliation is elsewhere. Visitors include contractors and guests.

4 SCOPE

This policy applies to all TRIUMF Users including Employees.

5 PROCUREMENT

5.1 THE PROCUREMENT FUNCTION

Procurement has the overall responsibility of managing the end-to-end procurement process with relevant inputs from logistics, project, technical, quality, and finance teams. Users shall engage the Procurement team when requirements begin to be anticipated, including renewals and extensions of existing contracts. The Procurement function shall determine the best method to acquire the requested goods or services and holds sole authority to enter purchase commitments on behalf of TRIUMF.

5.2 PURCHASING REQUIREMENTS

In accordance with the N286-12 Management System Requirements for Nuclear Facilities, requirements for purchases must be identified and communicated to potential suppliers with the following defined, if applicable:

- a) Scope of work
- b) Technical performance requirements
- c) Applicable codes, standards, and specifications
- d) Jurisdictional requirements
- e) Management system standard and applicable requirements
- f) Inspection, test, and acceptance requirements
- g) Delivery requirements
- h) Documentation requirements and timing of submission
- i) Requirements for reporting and disposition of problems
- j) The need for right of access to work facilities and records
- k) Provisions for extending applicable requirements to sub-suppliers
- l) Provisions for controlled distribution retention, maintenance, and disposition of records.

Potential suppliers through the tender process and existing suppliers shall confirm in writing that they understand the communicated, applicable requirements.

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

5.3 PURCHASE ORDER GUIDELINES

A Purchase Order (PO) is a formal offer from TRIUMF to purchase goods or services from a supplier. It is an official document that summarizes details of a purchase with TRIUMF's standard terms and conditions, and it serves as the financial record.

- a) A PO is required for all purchases regardless of payment method. For example, credit card payments do not exempt Users from the PO requirement.
- b) A PO is exempt if the purchase type falls under one of the PO Exemption categories listed in the [TSOP-05 Supply Chain Procedures – Document 605](#).
- c) Work cannot commence between a Supplier and TRIUMF without a PO or a purchase contract approved by the Chief Financial Officer (CFO) or delegate.

5.4 MAKE OR BUY PLANNING

The Supply Chain office which consists of the Procurement and Logistics groups, may participate in the Make or Buy planning process for certain goods and services. Users, in consultation with relevant TRIUMF Employees, shall determine what goods and services should be provided by TRIUMF in accordance with the core competencies and skill requirements of TRIUMF. The Make or Buy decisions shall be approved in writing, by the CFO, Associate Lab Director (ALD), Deputy Director (DD), Director/Chief Executive Officer (CEO), or their delegates, and submitted to Procurement.

5.5 SOLE-SOURCE AND SINGLE-SOURCE PROCUREMENT

The Procurement function sets out the requirements for sole or single source procurement decisions. Sole source and single source decisions shall be justified and recorded. The Buyer determines the validity of a sole or single source requisition. In case of dispute, the CFO or their delegate makes the final decision, in consultation with the associated DD or ALD.

5.6 TEMPORARY CONTRACT WORKERS

In the event the nature of work cannot be specified sufficiently to solicit competitive bids or supplier quotes, TRIUMF may engage firms that supply temporary contractors to provide services at an hourly rate. Relevant trade positions may include journeymen, labourers, and apprentices.

5.7 BEST VALUE

- a) All procurement decisions must demonstrate sustainable best value to TRIUMF. Best value is not measured by price alone but total cost of ownership of a product or service. Factors may include, quality, maintenance, value-adds, in-kind services, and perceived risks. The Supply Chain Director will regularly review procurement decisions to ensure best value.
- b) Procurement shall seek opportunities to realize economies of scope and scale for as many Users as possible using contractual agreements with suppliers.
- c) Procurement shall publish and maintain an Approved Supplier List (ASL), which is formulated as a result of the Supplier Qualification process, as described in Section 8.2 of this document. Users are encouraged to use suppliers on the ASL as much as possible.
- d) Procurement decisions shall minimize the environmental and social impact throughout a product's life cycle. TRIUMF shall proactively source goods and services that have reduced negative impact on human health, society, and the environment, when compared with competing products or services that serve the same purpose.

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

5.8 PROCURE TO PAY (P2P)

- a) TRIUMF operates a P2P process that covers activities from requisitioning, purchasing, receiving, paying, and accounting for goods and services.
- b) POs will only be issued in accordance with approvals set out in the [Financial Signatory Policy – Document 192420](#); purchase requisitions must be approved by the corresponding Account Holder. In limited cases, supervisory approval is also required.
- c) A purchase agreement is a legally binding contract signed between TRIUMF and its Supplier that outlines a set of terms and conditions related to a sale. It is typically a freestanding agreement outside of a PO. A purchase agreement is preferred over a PO and should be used whenever possible to limit risks to TRIUMF.
- d) The P2P process ensures segregation of duty and purchase authorizations are in place. A lab-wide Enterprise Resource Planning (ERP) system is used to govern the P2P process with appropriate business processes. Therefore, all purchases must be completed through the ERP system.

5.9 BUY CANADIAN

TRIUMF will purchase, whenever possible, goods and services from Canadian suppliers, provided the quality, price, delivery and suitability of the goods and services are comparable to those obtained from non-Canadian suppliers.

5.10 PROCUREMENT OF INFORMATION TECHNOLOGY

All software and hardware shall comply with cyber security industry standards such as those published by the Center for Information Security (CIS), the National Institute for Standards & Technology (NIST) or ISO/IEC 27032:2012.

6 LOGISTICS

6.1 THE LOGISTICS FUNCTION

Logistics has the overall responsibility of planning, replenishing, and controlling the efficient flow of goods for the Stores. It also has the responsibility of controlling site access, ensuring Visitors to TRIUMF are authorized in accordance with the TRIUMF safety requirements.

6.2 SITE ACCESS

The Logistics Group Leader is responsible for the implementation of [TSOP10 Access to TRIUMF – Document 1733](#).

The Logistics team must:

- a) Ensure Visitors to the TRIUMF campus have the required authority or are accompanied by TRIUMF Employee(s) during the visit.
- b) Issue a Direct Reading Dosimeter (DRDs) to each Visitor and retrieve the DRD upon departure of the Visitor.

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

6.3 SHIPPING AND RECEIVING

- a) The Stores building shall be the central receiving location for all tangible goods acquired by TRIUMF. Delivery methods and locations outside of the Stores require Procurement approval.
- b) Logistics is responsible for materials management for TRIUMF. Activities ensuring effective materials movement and control in and out of TRIUMF must be performed in accordance with relevant regulatory requirements.
- c) Goods that fall under the category of Controlled Goods shall be handled in accordance to the Policies and Guidelines described in [TRIUMF Controlled Goods Program - Document 112907](#).
- d) If the goods are marked as dangerous goods, in addition to following the procedures for receiving, the receiver must be trained or directly supervised by someone who is trained in conformance with the International Air Transportation Association (IATA) Dangerous Goods regulations.
- e) If the goods appear to be of a hazardous nature, such as chemicals, the shipper will follow the IATA Dangerous Goods regulations for instructions on how to ship the dangerous goods.

6.4 STORES MANAGEMENT

Logistics has the overall responsibility of managing TRIUMF's central warehouse, referred to as Stores. Stores aims to eliminate and reduce stock-keeping unit (SKU) duplication by standardizing commonly used products, leveraging economies of scale, consolidating freight, and handling to reduce administrative costs. Stores utilizes the site-wide ERP system for its inventory management.

6.5 FLEET MANAGEMENT

Logistics manages TRIUMF fleet of vehicles to support TRIUMF's business in an efficient, cost-effective, and safe manner, and is compliant with provincial and federal laws for vehicles. All passenger vehicles are shared as rental vehicles by registered TRIUMF Users on a temporary, as needed basis. No passenger vehicle of the fleet shall be assigned to the exclusive use of any one (1) person.

The CFO or their delegate determines the fleet size and replacement timeframe for the vehicles based on TRIUMF business needs.

7 VERIFICATION OF GOODS AND SERVICES

- a) Users who receive goods must verify that purchased goods are received in proper conditions, of the correct quantities per the PO, and are in accordance with the purchasing requirements and applicable terms and conditions of the purchasing agreement. TRIUMF will not process payments until verification of goods is complete with a receipt. In the exceptional event that a payment must be made without verification, the Controller's approval is required to release payment.
- b) Users who order supplier services must verify that the performed services are satisfactory in accordance with the purchasing requirements and applicable terms and conditions of the purchasing agreement. TRIUMF will not process payments until verification of services is complete with a receipt or User confirmation.

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

8 SUPPLIER MANAGEMENT

8.1 SUPPLIER CATEGORIZATION

TRIUMF applies a graded approach to its supplier management practices. Suppliers are categorized into three (3) risk-based categories that commensurate levels of scrutiny, control, and oversight.

Category	Risk Level	Impact
1	High	The supplier is a Sole Source, or a winning proponent of a major tender that provides critical goods and services to TRIUMF. Inadequate controls of activities, malfunctions, or deficiencies could result in failure leading to unacceptable risk to the health and safety of TRIUMF personnel and/or the public, or significant financial losses to TRIUMF.
2	Moderate	The supplier is a Single Source, a winning proponent of a standard tender, or a strategic supply partner that provides goods and services to TRIUMF. Inadequate controls of activities, malfunctions or deficiencies could result in moderate risk to the health and safety of TRIUMF personnel and/or to the public, or moderate losses to TRIUMF.
3	Low	The supplier is a multi-source supplier, used on a transactional or as-needed basis. Inadequate controls of activities, malfunctions or deficiencies could result in minor to negligible risk to the health and safety of TRIUMF personnel and/or to the public, and minor financial losses to TRIUMF.

8.2 SUPPLIER QUALIFICATION

- a) TRIUMF qualifies its suppliers by evaluating their technical capabilities, supply history, experience, staff qualifications, financial strength, product value, quality, health and safety programs, and oversight of their supply chain.
- b) Suppliers are required to provide evidence of their qualifications, which may be validated by TRIUMF, external parties and/or third-party accreditations.
- c) Suppliers are required to inform TRIUMF any changes to the validity of their external accreditations and legal status.
- d) Suppliers are required to demonstrate Best Value of its goods and services as defined in Section 5.7 of the Supply Chain Policy.

8.3 SUPPLIER EVALUATION

The Procurement team evaluates suppliers in a cadence that corresponds to its graded risk level. A supplier scorecard is produced as a result of each evaluation process. The scorecard criteria may include management systems, quality, cost, service, delivery, performance, and other applicable Key Performance Indicators (KPIs). A required score must be maintained to stay on TRIUMF's Approved Supplier List. For certain risk levels, a minimum score must be achieved to become a TRIUMF supplier.

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

8.4 SUPPLIER RELATIONSHIPS AND ETHICS

8.4.1 Supplier Relationships

TRIUMF is committed to nourishing collaborative supplier relationships. Supplier relationship management is the responsibility of all Employees who interact with suppliers in any capacity. To ensure TRIUMF's reputation is held at its highest standard, it is critical that Users always treat supplier contacts with respect and professionalism.

Healthy supplier relationships provoke innovation, continuous improvement, loyalty, and ultimately better supply chain value for TRIUMF. An ideal culture to encourage within TRIUMF is to "Be a Great Customer."

8.4.2 CONFLICT OF INTEREST

All TRIUMF Users engaged in supply chain activities must comply with [HR Policy 28 – Conflict of Interest – Document 10495](#).

8.4.3 GIFTS AND GRATUITIES

TRIUMF Employees have a responsibility to act without bias and in the best interest of the lab. Those who exercise authority on behalf of TRIUMF shall not exploit, or be perceived to exploit, such authority in pursuit of personal gains.

In principle, TRIUMF Employees shall not accept gifts, personal loans, entertainment, or special considerations from an individual, group, or business entity that is doing business with TRIUMF. Occasionally, small tokens of appreciation, small promotional items and business meals may be accepted provided the frequency and value are not excessive. However, these gifts should not result in personal gain for the receiver, or favourable treatment for the giver.

8.4.4 CONFIDENTIALITY

- a) Proprietary information that is the property of TRIUMF or its suppliers shall be protected at all times. Confidentiality agreements in the form of non-disclosure agreements (NDAs) shall, where appropriate, be entered into with potential suppliers, agents, and contractors to protect TRIUMF's confidential information and interests.
- b) Transactions related to procurement and supply chain activities must be treated as confidential. TRIUMF Users are prohibited to share supplier quotes, pricing, or any confidential supplier information with other suppliers. Access to Supply Chain files is restricted to specific members of the Finance & Supply Chain team and Users on an as-needed basis.

8.5 CENTRAL REPOSITORY

A central repository stores a checklist of information related to each approved supplier. Required information may include tender documents, purchase contracts, evidence of accreditations, records of verification of purchasing requirements, and verification of goods and services acceptance. Each supplier category may have different documentation requirements.

9 POLICY REVIEW SCHEDULE

This policy will be reviewed on an as needed basis.

Supply Chain Policy		
Document-22980	Release No. 6	Release Date.: 2022-02-07

10 RESPONSIBILITIES

The Board of Governors is delegating responsibility for the application of this policy to the CFO.

The Supply Chain Director is responsible for reviewing and updating this policy.

The Supply Chain Director, Procurement and Logistics Group Leaders, and team members are responsible for implementation of this policy and associated procedures.