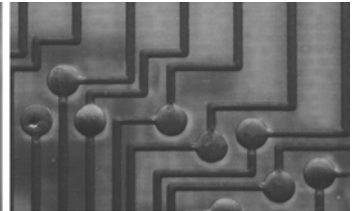
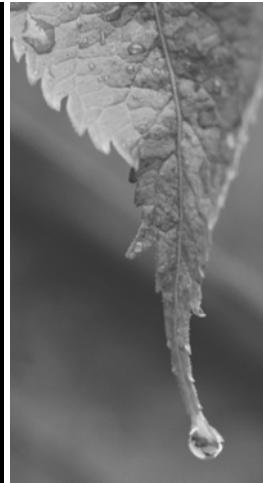




Supply Manual



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Prepared by:

**Acquisition Policy and Process Directorate
Public Works and Government Services Canada**

Supply Manual

Chapter 2

Defining the Requirement and Requisition Receipt

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Chapter 2 - Defining the Requirement and Requisition Receipt

2.1 Requirements Definition

(2010-01-11)

- (a) Defining the requirements of a procurement is the cornerstone of a successful procurement process. The contracting officer must understand completely what he/she is about to procure. There are many aspects to consider.
- (b) When defining the requirement, client departments must keep in mind not only the goods and services needed, but also the legal framework regulating the goods and services being procured (see [1.15](#).) Client departments can save significant time and money if there is a clear and well-prepared description of what is required. Early involvement of Public Works and Government Services Canada (PWGSC) contracting officers in the process can help achieve this.
- (c) The greatest contribution to achieving the best good or service and price can in fact be made at the earliest stages of requirements definition. Identifying the needs and carefully developing the requirements can minimize the need for changes later.
- (d) Requirements are best defined in a manner that allows competition and ensures best value. Contracting officers may be able to suggest wording, which defines requirements in terms of operational requirements rather than using brand names or proprietary technical specifications.
- (e) PWGSC can help client departments identify special requirements related to green procurement, security, progress reports, special packaging, transportation, bonding, etc. that suppliers may need to address in their bids.
- (f) The contracting officer and the client department must work together to ensure that all concerns are addressed from the beginning of the process to receipt of the final deliverable.
- (g) Writing clear and concise contractual documents, using the right words and plain language, is the best method to adopt, to obtain satisfaction and avoid disputes.

2.5 Project Approvals

(2010-01-11)

Government departments and agencies are guided in the management of projects by Treasury Board (TB) [Policies and Guidelines](#) addressing [Project Approvals](#) and [Project Management](#). For projects that require TB approval, consideration should be given to requesting advance authority to enter into contract, along with the applicable project approval submissions. Working closely with the client at the program development stage, advance approvals may be possible, saving time and effort.

2.10 Special Procurements

(2010-01-11)

A number of special procurements require a different approach when handling the requirement. On receipt of a requisition relating to any of the following programs, the contracting officer should review [Chapter 9](#) before proceeding further.

- (a) Real Property Contracting;
- (b) purchases from CORCAN;
- (c) United States Foreign Military Sales;
- (d) Co-operative Logistics (COLOG) and Blanket Order Cases with the United States Department of Defence;

- (e) use of the Defence Production Revolving Fund and Loan Account;
- (f) Canadian Commercial Corporation;
- (g) Major Crown Projects;
- (h) Procurement Strategy for Aboriginal Business; and
- (i) Comprehensive Land Claims Agreements.

2.15 Agreement with Other Governments Departments or Agencies

(2010-01-11)

It is the mandate of Public Works and Government Services Canada (PWGSC) to provide services to departments, boards and agencies of the Government of Canada or to Crown corporation. [Section 16](#) of the PWGSC Act further allows PWGSC to make its services available with the approval of the Governor in Council to any government, body or person in Canada, or elsewhere, if so requested by them. This means that the Act permits PWGSC to obtain an order in council to allow it to provide services, such as the procurement of goods and services, to entities that are not part of the Government of Canada. Contracting officers must consult Legal Services when they receive such a request. An agreement must be established between the entity, PWGSC and Legal Services to help with the preparation of the required order in council.

2.20 Green Procurement and Defining the Requirement

(2010-01-11)

- (a) The Government of Canada is committed to implementing the [Policy on Green Procurement](#). This is to ensure that the government cost effectively procures, operates and disposes of its assets in a manner that protects the environment and supports sustainable development objectives. This policy is all encompassing and it applies across all four stages of the procurement process, from planning and acquisition through use and disposal.
- (b) The contracting officer, in assisting a client with the needs definition process, should analyze with the client what opportunities may exist to support their obligations as well as their departmental targets related to green procurement. A key consideration is whether it is actually necessary to make the new purchase. Ultimately, avoiding a purchase will be the most environmentally preferable and economical option.
- (c) Some key considerations in defining the requirement are to:
 - (i) evaluate the need, utilization and scale of the purchase, and reduce the need if possible;
 - (ii) determine that the quantity requested is appropriate and definitely will be used (the feasibility of short term leasing, renting or sharing of the good should be investigated);
 - (iii) inquire as to whether or not the requirement could be satisfied internally, through a different division or section of the organization or through government surplus supplies;
 - (iv) combine the requirement, if appropriate, with one or several other departments to take advantage of economies of scale, to reduce packaging and to save other resources.
- (d) See [Annex 2.2](#) for factors and indicators that will aid the client in managing the resource, from planning to disposal.
- (e) More information can be found in the [Environmental Awareness Tool Kit](#) under the Green Procurement Considerations in the Planning Phase, and in section 2, [Planning and Identifying Requirements](#) of the Guideline for Integration of Environmental Performance Considerations in Federal Government Procurement.

- (e) [Section 2](#) will provide help in terms of planning and identifying environmental requirements to reduce or eliminate impacts on the environment.
- (f) The [Green Procurement Tools](#) includes valuable information such as the completed Green Procurement Plans and the related templates, a list of green standing offers, supply arrangements and contracts and a repertoire of existing contracting language related to green procurement.
- (g) For commodities under the Commodity Management Framework, contracting officers must develop a [Green Procurement Plan](#), and procurements must be conducted in accordance with this plan.

2.25 Comprehensive Land Claim Agreements

(2010-01-11)

Any contracting officer that receives a requisition with deliveries to a location that is subject to a Comprehensive Land Claim Agreement (CLCA) must refer to [9.35](#) for information on the CLCA obligations that have to be addressed during the procurement process.

2.30 Requisition Receipt

2.30.1 Funding

(2010-01-11)

- (a) Clients are responsible for submitting accurate requisitions and are accountable for the estimate on the requisition. The requisition approval must be in accordance with the client department's internal delegation of authority. Requisitions must be funded in Canadian currency, including Goods and Services Tax/Harmonized Sales Tax (GST/HST), and provide the information required on the [PWGSC-TPSGC 9200](#) (**NOTE: Only government employees have access to this form**) form. This includes procurements to be made by PWGSC organizations located outside Canada.
- (b) The authorized requisitioning authority must sign the mandatory signature blocks on the requisition. One of those signature blocks signifies that the funding is provided in accordance with [Section 32](#) of the *Financial Administration Act*. A procurement cannot be completed until proper funding has been provided through the requisition approval process.

2.30.5 Requisition Allocation within PWGSC

(2010-01-11)

- (a) Client departments may direct their requisitions and price and availability (P&A) enquiries directly to the Public Works and Government Services Canada (PWGSC) office of their choice (Canada only).
- (b) When the client stipulates the PWGSC office of choice on the requisition, it will normally be allocated to that office. The major exceptions are:
 - (i) Restricted commodities:

Restricted commodities include: advertising, public opinion research, production of audio visual, bulk buys for fuel and vehicles and United States Foreign Military Sales (U.S. FMS). Requisitions will be allocated as follows:

 - (A) when a requisition is for a restricted commodity, the requisition will be allocated to the [headquarters \(HQ\) division/section responsible](#) for that NATO Stock

Number/Goods and Services Identification Number (NSN/GSIN) Code;

- (B) when there is more than one line item of a restricted commodity, the requisition will be allocated to the HQ division/section responsible for the restricted commodity line item with the highest value;
- (C) when the monetary value of the line items cannot be determined, the requisition will be allocated to the HQ division/section responsible for the GSIN Code of the first line item, which represents a restricted commodity; and
- (D) when a requirement will be sole-sourced to the U.S. FMS Program, see [Chapter 9](#).

(ii) Commodity Managers

Where a requisition relates to a specific commodity (i.e. monitors or printers) or to a specific geographical client (i.e. Northwest Territories), PWGSC will customarily inform the client that the requisition is being forwarded to the specific commodity management office that is able to satisfy their request.

(iii) Major Projects

If the requisition is part of a major project, it will be allocated to the office responsible for that project.

(c) When a client does not specify a preference, the following rules apply:

- (i) when there is only one consignee point, the requisition will be allocated to the PWGSC office closest to the consignee within the same regional sector. If the closest PWGSC office is HQ, it will be allocated in accordance with PWGSC HQ procedures;
- (ii) when a requisition originates in a region with more than one consignee in the same regional sector, the requisition will be allocated to an office designated by the regional director general;
- (iii) when there are multiple consignee points within the same regional sector, and the consignee points are not close to one PWGSC office, then the requisition will be allocated to an office designated by the Regional Director, Acquisitions. When the multiple consignee points are all close to the same PWGSC office, then the requisition will be allocated to that office;
- (iv) when consignees in two or more regional sectors appear on a single requisition, it will be allocated to the PWGSC office closest to the originator of the requisition;
- (v) when there are multiple consignees where the closest PWGSC offices are in two or more regional sectors, then the requisition will be allocated to the PWGSC office closest to the originator of the requisition, based on the requisition order office code. If the closest PWGSC office is HQ, then it will be allocated in accordance with PWGSC HQ procedures;
- (vi) requisitions sent to HQ will be allocated to the section responsible for the greatest value of line items based on the line item NSN/GSIN codes;
- (vii) if the value of the line items are equal, or otherwise cannot be determined, then the requisition will be allocated to the office or division/section responsible for the GSIN code for the first line item on the requisition (clients should be encouraged to enter NSN/GSIN

codes by line item on their requisitions); and

- (viii) all requisitions and requisition amendments must be sent to an allocation unit, where they are entered into the Automated Buyer Environment (ABE) and routed to the appropriate office.

2.35 Extract Files

(2010-01-11)

- (a) At times it is necessary to separate a client's requirement as it will be procured by two different procurement groups. In this instance, the main contracting officer will create an extract file.
- (b) The main file holder (the original contracting officer) must:
 - (i) procure items not extracted;
 - (ii) control requisition funds;
 - (iii) act as the coordinator for client enquiries;
 - (iv) ensure all procurement actions under extracted files are completed;
 - (v) record commitments on extracted items;
 - (vi) request additional funds, from the client, if required;
 - (vii) process all invoices for payment by the client, and
 - (ix) close the file once the procurement is complete.
- (c) The extract file holder (the contracting officer that received the extract file) must:
 - (i) procure the assigned items;
 - (ii) request funds from the main file holder after the total funding requirement has been identified;
 - (iii) ensure funds have been allotted before contract award;
 - (iv) obtain the contract number from the main file holder before contract award, if the procurement is done outside of ABE, and
 - (v) forward to the main file holder copies of all contracts and amendments issued against an extract file, if the procurement is done outside of ABE.

2.35.1 Part Files

(2010-01-11)

When there is a need to prepare and issue more than one solicitation on a requisition main file or on an extract file, then part files may be created for each solicitation required. When part files are created under an extract file, the extract file will be treated, for the purposes of records, as though it were a main file.

2.40 Price and Availability Enquiries

(2010-01-11)

- (a) A requisition for a price and availability (P&A) enquiry is generally received from the client and handled in the same manner as any requisition. A P&A enquiry is prepared and sent to suppliers to obtain information concerning approximate prices and availability of specific goods or services. A P&A is used when such information is needed by PWGSC or by a client for program planning or budgetary purposes. A P&A enquiry could be made directly to selected bidders or it may be publicly posted on the Government Electronic Tendering Service (GETS).

- (b) P&A enquiries sent to suppliers, or posted on the Government Electronic Tendering Service, must clearly indicate that the request is not a bid solicitation and that there are no commitments with respect to future purchases or contracts.

2.45 Requests for Information and Letters of Interest

(2010-01-11)

Clients may request or the contracting officer may propose that a Request for Information (RFI) or a Letter of Interest (LOI) be issued to obtain feedback from industry, before finalizing the requirements definition or procurement strategy. Additional information on the RFI/LOI process may be found in [4.5.5](#).

2.50 Industrial Security Requirements

2.50.1 Security and Requisitions

(2010-01-11)

- (a) All requisitions and requisition amendments for contracts, standing offers or supply arrangements that contain a security requirement must include a [Security Requirements Check List](#) (SRCL) (form TBS/SCT 350-103.)
- (b) The security block of all requisitions received by PWGSC on form [PWGSC-TPSGC 9200](#) (**NOTE:** Only federal employees can access this site.) must be completed by the client to indicate whether or not security provisions are included in the requirement.
- (c) Note that the financial systems of some departments are not yet equipped to print this block. In such a case, contracting officers can accept the previous version of the requisition form [PWGSC-TPSGC 9200](#) from clients as long as certification against the wording of the new security block is provided, either by replicating the new security wording (see below) in the "Special Instructions" block of the requisition, or either by providing it as a separate document.

"Requisition No. _____

Security:

Does this requisition include security provisions? (___) No (___) Yes

If yes, is a Security Requirement Check List (SRCL) required? (___) No (___) Yes

If an SRCL is required, attach the properly completed and signed SRCL to this requisition. If an SRCL is not required, but the requisition does include security provisions, explain why in the requisition.

The Undersigned certifies that this requisition, including any attached SRCL, accurately details the security provisions of this requirement.

Signature (mandatory)

Date

The contracting officer must ensure that the completed security certification is included on each procurement file when the requisition lacks a properly completed security block.

2.50.5 Security Requirements Checklist

(2010-01-11)

- (a) The client department may complete the SRCL, either electronically via the online [SRCL service](#) (referred to as E-SRCL), or in hard copy using the form [TBS/SCT 350-103](#).
- (b) The SRCL service provided by the Canadian Industrial Security Directorate (CISD) allows client departments to complete the SRCL form via the Internet in a secure environment using a Smart form, which eliminates errors. With the online service, CISD can provide the security clauses to be included in the solicitation documents before receiving the signed hard copy of the SRCL, thereby expediting the process. Once CISD receives the E-SRCL, its turnaround time to provide the security clauses is two working days for an E-SRCL, as opposed to 15 working days for the hard copy. The electronic process results in the reduction or elimination of errors, in this way, it enables the production of clauses in a more timely manner.
- (c) For further information, see [1.65](#), [3.55](#) and [4.30.10](#) or contact [CISD](#), being the organization responsible for security screenings and clearances for PWGSC procurements.
- (d) CISD will provide the appropriate security clauses to be used in the solicitation to the contracting officer. In all cases, where clarification is required, CISD will contact the contracting officer and the departmental security officer as required. Security clauses provided for a similar solicitation should never be used without the prior authorization of CISD.

2.55 Employer-employee Relationships

(2010-01-11)

- (a) When contracting for the services of individuals, including temporary help, contracting officers should carefully review the circumstances in order to avoid establishing an employer-employee relationship which would be contrary to or in conflict with the *Public Service Employment Act* and common law principles dealing with master-servant relationships.
- (b) The Treasury Board Contracting Policy, as per sections [4.1.9\(e\)](#) and [16.3](#), requires contracting officers to ensure that an employer-employee relationship will not result when contracting for the services of individuals.
- (c) Criteria for assessing an employer-employee relationship have been established by the Canada Revenue Agency (CRA) and pertinent court rulings. For guidance, seek legal advice or consult the CRA publication [RC 4110, Employee or Self-Employed?](#) If there is any uncertainty, the contract should be signed at a level higher than the individual who would normally approve the initial entry into the contract.
- (d) Legal advice should be sought where it is not feasible for contracting officers to determine whether a contract is a contract for services or a contract of employment (i.e. employment status is not easily identifiable). It is ultimately the responsibility of the contracting officer to ensure that contracts do not create employer-employee relationships.

2.60 Requisition Checklist

(2010-01-11)

- (a) All requisitions must be reviewed for acceptability and completeness so that procurement action can proceed. The review should address as a minimum, the points identified in [Annex 2.1](#).
- (b) Issues must be resolved through consultation between the client and the contracting officer. Example issues are as follows:

- (i) if a requirement is not clearly defined, then the client must be encouraged and helped to define the objectives and the performance criteria to be met. The client must be encouraged to use generic or performance specifications;
- (ii) any unreasonable delivery requirements or unrealistic delivery dates should be discussed;
- (iii) if the sole source justification provided by the client is inadequate, then seek further justification. If the request cannot be substantiated to the satisfaction of the contracting officer, then the contracting officer must advise the client that the procurement will be competed, and
- (iv) for justified sole source requirements, the contracting officer should work with the client to develop responses to [Annex 3.1](#). For more information on this process, see [3.15](#).

2.65 Procurement Process Initiated by Client

(2010-01-11)

Public Works and Government Services (PWGSC) is sometimes asked to process requirements when the procurement process was initiated by client departments (e.g. sourcing, bidding, evaluation, selection). The client department remains responsible for all of their actions, which may or may not be in compliance with TB or PWGSC policies or applicable legislation. PWGSC will attempt to mitigate risks associated with such a requirement; however, the client department will remain responsible even if PWGSC agrees to continue or restart the procurement process. To reduce the risk of complaints and challenges associated with these procurements, the following procedures must be followed:

- (a) Upon receipt of a requisition for a contract or contract amendment, where the client has already taken certain steps in the procurement process, the contracting officer must alert the manager to the situation.
- (b) The contracting officer will review the procurement process already initiated by the client, to identify any deviations from standard practice or policy. The contracting officer must develop a clear understanding of all procurement-related activities that have been completed, including whether a contract has been awarded or the supplier has been given the go-ahead to commence work. Where a contract has been awarded, or the supplier authorized to proceed with the work, [2.75](#) will apply.
- (c) In the event that some of the actions of the procurement process initiated by client departments do not adhere to the established supply policy guidelines, PWGSC may have to restart the procurement process. Whenever a contracting officer must act in a way not clearly set out in this Manual, integrity and its supporting principles provide necessary guidance (see [1.10.5](#).)

2.70 Ratification by Treasury Board

(2010-01-11)

As stated in the Treasury Board (TB) Contracting Policy, [subsection 4.1.11](#):

“If a contracting authority enters into a contract without Treasury Board approval when such approval should have been obtained, ratification by the Treasury Board must be sought as soon as possible.”

In a case where contract approval is being sought for work already commenced, the contracting officer must include with the request for TB's approval the client's certification to the effect that the client department concerned had agreed to the commencement of work before the receipt of TB approval.

2.75 Confirming Orders and Contracts Involving Pre-contractual Work

(2010-01-11)

- (a) PWGSC does not normally place contracts to confirm the actions of departments or agencies. The practice of providing such service to client departments should be discouraged to the maximum extent practical. However, it may be necessary for PWGSC to become involved because of its exclusive goods procurement authority. PWGSC may have some value to add in processing confirming orders when the work is complete, or contracts when the work has started.
- (b) Requests for confirming orders and contracts for pre-contractual work must be evaluated and processed on the basis of the circumstances surrounding each instance. Where the request is the result of attempts to circumvent normal procurement procedures, return of the request to the client department should be a prime consideration.
- (c) When the work has been completed, Legal Services will prepare a confirming order that will contain only the information necessary to document the transaction, which includes the parties, the work performed, the dates, the amount, a release and, if required, a transfer of intellectual property rights. The appropriate director or higher authority, as determined by the contract value and non-competitive contract approval authority limits, must approve the confirming orders processed by PWGSC. These limits are reduced by 50 percent below the assistant deputy minister (ADM) level, as per [Annex 6.4.2](#).
- (d) Where the work has commenced, the contracting officer will prepare a contract. This contract should only include work that was not subject to a proper contract authorization. Even though the work started before a required contract authorization, the contract must not be backdated. The date in the Period of the Contract or Period of Performance clause must be the award date of the written contract. The contract cannot be back dated or retroactive under no circumstances. To ensure that the work done before the contract date will be covered by the contract, the pre-contractual work clause [C0210C](#) of the Standard Acquisition Clauses and Conditions Manual, indicating the date the work has started, must be included in the contract to pay the contractor for any work performed before the award of the written contract. The appropriate director or higher authority, as determined by the contract value and non-competitive contract approval authority limits, must approve the contracts processed by PWGSC. These limits are reduced by 50 percent below the ADM level, as per [Annex 6.4.2](#).
- (e) The client department will remain liable for any complaints resulting from their actions.

Annex 2.1: Requisition Checklist

(2010-01-11)

1. Has the requisition been properly directed or allocated to the appropriate office?
2. Has the current version of the requisition form been used? (If the previous version is used, then the proper security certification must be included.)
3. Is the requisition authorized properly, and does it contain the mandatory signatures in all signature blocks on the requisition? The client must certify that:
 - (a) pursuant to [subsection 32\(1\)](#) of the Financial Administration Act, funds are available;
 - (b) the requisition is approved, the necessary approvals have been obtained, and the client requests Public Works and Government Services Canada (PWGSC) to acquire and provide the goods and/or services, including construction, described; and
 - (c) the requisition, including any attached SRCL, accurately details the security provisions of the requirement.

NOTE: Requisitions received via [e-Purchasing](#) or via the Universal ABE Interface (UABEI) electronic interfaces are deemed to have been properly authorized with all signatures pursuant to the Financial Administration Act.

4. Does the estimated funding seem adequate?
5. Are the destination/consignee codes specified?
6. Have environmental performance considerations been addressed?
7. Is this requirement subject to the provisions of a Comprehensive Land Claims Agreement (see [9.35.](#))?
8. Are invoicing instructions provided?
9. Are the financial codes identified?
10. Has the client indicated whether the requisition includes security provisions and whether a [Security Requirements Check List](#) (SRCL) is required? If no SRCL is required but security provisions are included, this must be explained.
11. Is there support for a sole source or no-substitute request? Has the client provided responses to [Annex 3.1](#)?
12. Are delivery lead times and schedules realistic, or will special action be required to meet delivery objectives?
13. What could be the consequences resulting from a late delivery, and is there a need for liquidated damages provisions or other performance incentives?
14. Is the good or service adequately defined in the requisition, attached technical documentation or statement of work?
15. Have appropriate standards, specifications or purchase descriptions been included? If not, can an existing one be used; or

- (a) is there a need for the development of a new standard, specification or purchase description?
 - (b) is the [NATO Stock Number](#) or the [Goods and Services Identification Number](#) (NSN/GSIN) number of the products shown?
16. Is a design change/deviation procedure specified?
 17. Is the extent of required product quality management and assurance specified?
 18. Is the inspection or quality assurance authority specified?
 19. Does the requisition or attachments contain any clauses or conditions that conflict with any PWGSC or government contracting policies and procedures (i.e. Standard Acquisition Clauses and Conditions Manual and Supply Manual)?
 20. Does the nature of the work include work to Canadian specifications?
 21. Does the requisition contain any form of predefined types of pricing basis?
 22. Are evaluation criteria specified and are the mandatory requirements clear?
 23. Is special production tooling or special test equipment required?
 24. Is government-furnished equipment or government-supplied materiel specified?
 25. Are there unrestricted rights to the use of technical data or are royalty payments involved?
 26. Is a trade-in specified?
 27. If radio-transmitting equipment must be acquired, has the client obtained radio frequency equipment clearance from Industry Canada? Are there other special considerations of a similar nature?
 28. If there are multiple items on the requisition, should any of these items be grouped together, or put in a part or extract file?
 29. Could repetitive items be bought on an annual basis through standing offers, supply arrangements, phased delivery, task authorization, contracts with a call-up feature, or be included as contract options for additional quantities?
 30. Are items required available on a standing offer or a supply arrangement (or a mandatory standing offer)?
 31. Has the client department included instructions concerning the treatment of any intellectual property that may result from the procurement?
 32. Has the client department claimed and substantiated exemption from taxes or duties, by referring to a certificate of exemption, or remission or drawback order in council?
 33. Are controlled goods identified?
 34. Has the client department identified the requirement as a "defence contract" as defined in the Defence Production Act?

- 35. Is the GSIN number shown and accurate?
- 36. Is the block "Current Funding" completed? Does it include the Goods and Services Tax or the Harmonized Sales Tax?
- 37. Does the requirement involve contractor's access to personal records?
- 38. Has the procurement been set aside under the Procurement Strategy for Aboriginal Business?
- 39. Are option/extension period(s) specified/needed?
- 40. Is the sole source directed to a former public servant?
- 41. Is this procurement a renewal of an existing contractual arrangement for the same services, or have the services been procured before? If yes:
 - (i) Who is the incumbent contractor?
 - (ii) What is the previous contract number?
 - (iii) When does it expire?
 - (iv) Was it procured by PWGSC or the client?
 - (v) Did the previous contract have special pricing or terms and conditions?

Annex 2.2: Green Procurement: Environmental Factors and Evaluation Indicators
(2010-01-11)

Client departments, with the assistance of Public Works and Government Services Canada (PWGSC), are responsible for all four stages of the procurement process, from planning and acquisition through use and disposal. The following lists are an example of aspects to be considered:

1. Environmental Factors and Related Cost Elements

Examples of environmental factors that should be taken into consideration in assessing value for money are provided below. These are expressed in terms of cost elements that client departments may take into consideration in the evaluation of bids. These include but are not limited to:

- (a) operation costs, such as energy or water consumed by the good over its life;
- (b) indirect costs (e.g. less energy efficient information technology equipment will produce more heat causing the building's air conditioning system to work harder, and increase electricity costs);
- (c) administrative costs, such as complying to the Workplace Hazardous Materials Information System (WHMIS);
- (d) investing up front to save costs later, such as specifying higher levels of insulation where the extra expenditure can be recovered from lower energy costs;
- (e) use of refurbished parts or products, where possible;
- (f) Recyclability: This is thought to be the key since purchasers can create markets for their own waste, such as paper, toner cartridges, etc., through the transformation and sale of products containing recycled materials;
- (g) cost of disposal arrangements;
- (h) establishing minimum environmental performance standards for commodities where there is a sufficient supplier base to support competition;
- (i) where the supplier base is limited, include incentives for meeting extra environmental performance criteria; and
- (j) use of contractual terms, to define environmental obligations, such as packaging take-back, use of certified recyclers for e-waste.

2. Environmental Evaluation Indicators

Examples of indicators that should be examined to develop evaluation criteria are as follows:

- (a) Environmental Certification
 - (i) Has the good/service been certified through an independent program, such as the Environmental Choice Program or Energy Star?
 - (ii) Have studies of the environmental attributes of the good been completed?
- (b) Energy and Resource Efficiency
 - (i) Do you purchase used, remanufactured, rebuilt or refurbished goods and/or materials?
 - (ii) Does this good make efficient use of resources and energy throughout its life cycle?

- (iii) Does this good reduce waste?
 - (iv) Suppliers should be instructed to indicate if the good has any energy, water or fuel saving features, such as Power Down Mode.
 - (v) Are there measures to extend the useful life of the good; for example, re-use, refill, recharge, recondition?
- (c) Recycled Content
- (i) Does the good include post-consumer recycled content?
 - (ii) What type and what percentage are recycled materials?
- (d) Hazardous Replacement
- (i) Does the supplier offer a non-hazardous replacement or alternative for this good?
 - (ii) Does the good require Material Safety Data Sheets (MSDS)?
- (e) Performance Testing
- (i) Is it possible to test the good/service, prior to purchase?
 - (ii) Does the good meet the performance specifications?
 - (iii) Is there any documented past performance? (For example, annual reports, environmental performance reports).
- (f) Packaging
- (i) Is packaging reduced to the bare minimum required to ensure that the good is delivered in perfect working condition?
 - (ii) Can the good be acquired in bulk or concentrated form?
 - (iii) Will the supplier remove the packaging from the site following installation?
 - (iv) Is the packaging reusable, contain reusable parts or is it recyclable?
 - (v) Does the packaging material contain post-consumer recycled materials?
- (g) On Site Waste Management
- (i) During the project, will all waste be source separated on site and recycled?
 - (ii) Request information and reward environmentally sound stewardship and use of certified haulers/sites.
 - (iii) Is the good or service designed to minimize waste (for example, catering service using dishes that are made of china rather than Styrofoam)?
- (h) Return for Disassembly and Recycling
- (i) Does the good include a return for recycling policy?
 - (ii) Can the good be recycled in your area?
 - (iii) Will consumables (such as toner cartridges) be accepted for recycling?
 - (iv) Is the good easily disassembled?
- (i) Warranties
- (i) What is the expected useful life span of the good?
 - (ii) How long is the warranty, and should you purchase an extended warranty?
- (j) Maintenance
- (i) Is the good designed for easy maintenance and repair?
 - (ii) Are maintenance and replacement parts readily available and reasonably priced?

- (iii) Is the good easy and cost effective to upgrade?
- (k) Environmental Attributes of the Supplier
 - (i) Does the supplier have a certification or registration (for example, ISO 14001 registration)?
 - (ii) Has the supplier received any regulatory environmental violations within the past five years?