



# **Contracting Policy Notice: 2012-2 – Contracting with Former Public Servants**

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# Contracting with Former Public Servants

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## Contracting Policy Notice: 2012-2

**Date:** October 31, 2012

**To:** Functional Heads, Finance and Administration of all Organizations

**Subject:** Contracting with former public servants in receipt of a pension under the Public Service Superannuation Act (a PSSA pension).

## Summary

The purpose of this Contracting Policy Notice is to inform departments of new reporting requirements regarding service contracts with former public servants in receipt of a PSSA pension.

**Deputy heads are to undertake four new reporting measures** to provide additional oversight and visibility on such contracts:

- **Contract identification:** Ensure that all such contracts are identified and tagged as such in your respective financial or contracting systems;
- **Quarterly reports:** Report quarterly to ministers on all such contracts;
- **Proactive Disclosure:** Identify all such contracts and contract amendments awarded over \$10,000 in the department's published quarterly proactive disclosure reports; and
- **Annual overview:** Provide ministers, at the outset of each fiscal year, with an overview of the types of such contracts that may be issued for the year.

# Existing rules

*The Contracting Policy* currently sets out a number of policy requirements governing contracts with former public servants about public interest and Treasury Board oversight. These requirements are referred to throughout the *Contracting Policy*, including in the following sections: 4.1.9; 4.2.20; 5.1.6; 10.7.13.b; 11.2.8 (b, c, and d); and Part I of Appendix C.

Departments should also be aware of the requirements articulated in the *Directive on Conflict of Interest*.

## New Reporting Measures

While the Treasury Board *Contracting Policy* defines former public servants in broad terms, the new measures described below apply only to service contracts formed with former public servants in receipt of a pension under the *Public Service Superannuation Act* (a PSSA pension). This includes an individual or an individual who has incorporated or formed a sole proprietorship. It also includes partnerships made of former public servants in receipt of PSSA pensions or entities where the affected individual has a controlling or major interest in the entity. The measures do not apply to former members of the Canadian Forces and of the RCMP (unless they are also in receipt of a PSSA pension), or to former public servants who are not in receipt of a pension.

**Contract identification: Effective immediately**, departments are to identify, in their financial management systems, each contract issued to a former public servant in receipt of a PSSA pension. Departments currently lacking the ability to do so are to use manual tracking until that capability is in place. This identification is required in order to both ensure the application of existing policy requirements, as well as facilitate the implementation of the new reporting.

**Quarterly reports: As soon as administratively able, but no later than the fourth quarter of fiscal year 2012/13**, Deputy heads are to provide their respective ministers with quarterly reports on all service contracts awarded to former public

servants in receipt of a PSSA pension. These reports should include, at a minimum, the following information: contract number, name of the contractor, dollar value of the contract, the nature of the requirement, the procurement strategy (e.g. sole source or competitive) and the rationale for its award. **In the immediate term,** Deputy heads are to provide their ministers with a timeline as to when they will be able to fulfill this new requirement.

**Proactive Disclosure:** The *Guidelines on the Proactive Disclosure of Contracts*, which support the *Contracting Policy* requirement to proactively disclose all contracts and amendments over \$10,000, have been amended in Section 4.2.1.g.ii to have service contracts with former public servants in receipt of a PSSA pension identified as such. You should begin including this information **in the fourth quarter report of fiscal year 2012-13, for contracts awarded after January 1, 2013.**

TBS has made changes to its government Personal Information Banks (PIBs), which are the vehicles through which government institutions inform the public and public service employees about the personal information they collect and how that information will be handled. Specifically TBS has updated the Professional Services Contracts standard bank, to include the disclosure of information related to contracts with former public servants in receipt of a PSSA pension. Departments using the TBS bank are in a position to proactively disclose the requested additional information immediately. Institutions which have developed their own specific bank to cover this activity will have two choices: 1) they may eliminate their institution-specific bank and opt to use the TBS standard; or 2) they may opt to amend their bank accordingly so as to permit this disclosure. Additional information on the PIB changes has been directly conveyed to Access to Information and Privacy officials in departments and agencies.

Officials are also advised effective immediately, to ensure that bid and contract documents include clauses asking former public servants in receipt of a pension to self identify, and to inform suppliers that this information will be disclosed in published proactive disclosure reports.

**Annual overview: Starting in 2013/14,** Deputy heads are to provide their ministers at the onset of each fiscal year, with an overview of the anticipated types of contracts that may be issued in the upcoming year to former public servants in receipt of a PSSA pension.

## Enquiries

For questions on this policy notice, please contact [TBS Public Enquiries](#).

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