



Contracting Policy Notice 2017-3 – Canadian Free Trade Agreement

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File No: 7010-000-006

Date: June 1, 2017

To: Functional Heads, Administration and Finance of all Departments and Agencies

Background

The Canadian Free Trade Agreement (CFTA) will enter into force on July 1, 2017. The CFTA is a domestic trade agreement among the provinces, territories and federal government, which will replace the Agreement on Internal Trade (AIT). As with all free trade agreements (FTAs), the entire Government Procurement Chapter should be consulted to identify Canada's obligations and the exceptions which are available regarding potential contracts.

Until the CFTA enters into force, any procurement commencing before July 1, 2017 will be subject to the AIT Procurement Chapter. The procurement process begins once an entity has decided on its requirement.

Covered Entities

All government entities, including Crown corporations will be subject to the obligations of the Government Procurement Chapter, except for the following entities expressly excluded in Section A of Canada's Schedule to Annex 520.1 (Party-Specific Exceptions):

1. Canadian Security Intelligence Service;
2. Communications Security Establishment;
3. Financial Transactions and Reports Analysis Centre of Canada;
4. Bank of Canada;
5. Canada Pension Plan Investment Board and its subsidiaries;
6. Public Sector Pension Investment Board and its subsidiaries;
7. Senate;
8. House of Commons;
9. Library of Parliament;
10. Office of the Senate Ethics Officer;
11. Office of the Conflict of Interest and Ethics Commissioner; and
12. Parliamentary Protective Service.

In addition, Section B (Exceptions and Notes) of Canada's Schedule to Annex 520.1 (Party-Specific Exceptions) lists types of procurement that are not subject to the Government Procurement Chapter, including procurement by certain and described entities.

Goods, Services and Construction

All goods are covered. Most services and construction are also covered with some exceptions. To understand how the exceptions apply, the Government Procurement Chapter, Article 504 (Scope and Coverage), Canada's Schedule to Annex 520.1, Chapter 8 (General Exceptions) and Chapter 12 (Final Provisions) should be reviewed.

Thresholds

Thresholds: July 1, 2017 – December 31, 2017 (CDN \$)

	Departments and Agencies	Crown Corporations
Goods	\$25,000	\$500,000
Services, excluding construction	\$100,000	\$500,000
Construction	\$100,000	\$5,000,000

Note that the thresholds will be adjusted for inflation every two years commencing January 1, 2018.

Procedural obligations

Covered entities are strongly advised to familiarize themselves with the procedural obligations found in the text of the CFTA's Government Procurement Chapter. Procedural obligations cover, for example, the posting periods for Tender Notices, the information that must be included in notices, the content of tender documentation, the circumstances for the use of limited tendering and the publication of award information.

Reporting and information requirements

Covered entities are responsible for reporting annually the number and aggregate value of CFTA-covered, procurement-contract awards.

References

- [Canada Free Trade Agreement](#)
- [Canadian International Trade Tribunal Procurement Inquiry Regulations](#)
- Treasury Board [Contracting Policy](#)

Enquiries

For matters of content regarding the Government Procurement Chapter of the Canadian Free Trade Agreement, please contact the [Internal Trade Promotion Office](#) of Innovation, Science and Economic Development Canada.

For information on the Treasury Board's Contracting Policy, please visit [TBS Public Enquiries](#) or email Publicenquiries-demandederseignement@tbs-sct.gc.ca

Original signed by:

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