



Contracting Policy Notice 2019-02: Amendments to the Government Contracts Regulations

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Contracting Policy Notice 2019-02: Amendments to the Government Contracts Regulations

From Treasury Board of Canada Secretariat

Date: June 10, 2019

To: Functional heads, finance and administration of all departments

Subject: Amendments to the *Government Contracts Regulations*

Summary

The Governor in Council recently approved changes to the *Government Contracts Regulations*, which came into effect on June 10, 2019. These changes are in line with the government's commitment to adopt a more modern approach to comptrollership and procurement. The amendments and their explanations are detailed in the *Canada Gazette*.

As part of this set of amendments, the \$25,000 threshold for soliciting bids for services and construction contracts was increased to \$40,000. The objective of this increase is to update the threshold for inflation since 1996, when the threshold was last amended. From a supplier's perspective, this new threshold will likely reduce costs to some businesses by not requiring them to submit bids that may have

otherwise been required. The threshold for goods contracts was not increased as it is consistent with Canada's obligation to solicit bids under the Canadian Free Trade Agreement.

There are circumstances where competition for requirements below \$40,000 may be appropriate. Departments are expected to assess each situation to determine whether contracts should be competed below \$40,000.

The definitions of a goods contract and a services contract were amended to identify printing as a service instead of a good.

In addition, the following organizations were added to the list of contracting authorities who are exempted from the provision that "contracts for the performance of legal services may be entered into only by or under the authority of the Minister of Justice":

- Members of the Military Police Complaints Commission of Canada
- Members of the Military Grievances External Review Committee
- The Chief Administrator of the Courts Administration Service
- Members of the Canadian Nuclear Safety Commission
- The Director of Defence Counsel Services

Lastly, note that the deemed terms were updated to reduce the risk of corruption and collusion in the bidding process for government contracts. Departments are encouraged to incorporate the updated deemed terms into their written contracts.

The amended Regulations are available on the Department of Justice Canada website.

References to the *Government Contracts Regulations* in other policy instruments

The following documents refer to the Government Contracts Regulations, including the previous \$25,000 threshold:

- Contracting Policy

- [Contracting Policy Notice 2007-04: Non-Competitive Contracting](#)

These policy instruments were updated to reflect the amendments to the Regulations. Departments should update any references to the Regulations, including the previous \$25,000 threshold, in their own policy instruments.

Enquiries

Questions about this policy notice or the [*Government Contracts Regulations*](#) should be directed to [TBS Public Enquiries](#).

Kathleen Owens

Assistant Comptroller General, Acquired Services and Assets Sector

Treasury Board of Canada Secretariat

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