

The background features a large, stylized maple leaf in shades of brown and white on the left side. To the right, there is a dark blue world map. The overall design is professional and thematic for a Canadian government document.

Canada-Colombia Free Trade Agreement

Government Procurement Chapter

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Canada's Approach to Government Procurement

- Generally speaking, Canada's procurement regime is open to all potential suppliers, regardless of country of origin
- Key objectives include best value for money, competition, impartiality and transparency
- Canada's government procurement trade policy aims to secure new market access opportunities for Canadian suppliers while at the same time granting reciprocal access to foreign suppliers in a manner consistent with domestic legal frameworks



GP Commitments

- There are two parts to a government procurement chapter in a Free Trade Agreement (FTA):
 - The procedural rules
 - The market access commitments
- The rules stipulate what procedures government entities must follow when conducting a procurement process subject to the FTA
- The rules help ensure procedural fairness, non-discrimination and predictability – important for suppliers



Market Access Commitments

- In addition to the procedural rules, Parties to an FTA also make market access commitments – in other words, what procurement activities will be subject to the procedural rules
- These commitments are laid out in a series of annexes to the GP Chapter
 - The first annexes list the government entities which are subject the rules and the procurement value (i.e. the threshold) at which their obligations begin
 - The next annexes list the goods, services, and construction services subject to the agreement
 - The last annex lists any exceptions to the outlined in the earlier annexes.



Determining Coverage

- There are four questions that need to be answered in order to determine whether a procurement process is subject to the procedural rules in an FTA:
 - Is the entity conducting the process covered by the Agreement
 - Is the value of the procurement equal to or higher than the threshold for the entity
 - Is the good or service being procured subject to the Agreement
 - Are there any exceptions that would apply to the procurement which would remove it from coverage under the Agreement?
- If the answers to these questions are, respectively: yes, yes, yes and no – then the procurement process is covered by the Agreement



Canada's GP Commitments in the CCoFTA

- Canada covered the procurement activities of most federal government departments and agencies and ten Crown Corporations
 - For federal departments and agencies the procurement thresholds are \$80,400* (goods and services) and \$7.7m* for construction services
 - For the ten Crown Corporations, the procurement threshold are \$402,000* for goods and services and \$12.8m* for construction services

* Thresholds are re-adjusted to account for inflation and currency fluctuations every two years. The current thresholds are valid until December 31, 2015. In January 2016, new thresholds will take effect.



Canada's GP Commitments in the CCoFTA con't

- With some exceptions, the procurement of all goods is subject to the FTA (defence/security-related goods are a major exclusion) – see Annex 1401-3
- The Services subject to the Agreement are captured in a negative list – i.e. if a service is listed, it is not subject to the Agreement – See Annex 1401-4
- Most construction services are covered, with some exceptions including dredging and construction services purchased by, on behalf of, Transport Canada – See Annex 1401-5
- Notable exceptions to coverage include shipbuilding and repair as well as procurement conducted in support of agricultural and food and nutrition programmes – see Annex 1401-6



Supplier Complaint



- If a supplier believes a Canadian federal entity has not fully respected its international procurement commitments when conducting a procurement process subject to a free trade agreement, it can bring a complaint to the Canadian International Trade Tribunal (CITT).
- The CITT is responsible for hearing supplier complaints and deciding whether the procuring entity in question fulfilled its obligations under the agreement(s) in question.



Questions?

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