

**Annex 6.1: Conditions Imposed on the Approval Authority Limits for Departmental Personnel (2003-12-12)**

The approval authority limits for departmental personnel are subject to the following conditions:

- (a) that the Assistant Deputy Minister/Directors General/Senior Directors/Regional Directors/Directors, European and Washington Directorates, ensure that, for contracts and contract amendments requiring their approval, the terms and conditions of the contract are in all respects consistent with the representations made to them as to the substantive nature of the transaction;
- (b) that the Assistant Deputy Minister/Directors General/Senior Directors ensure that for contracts and contract amendments requiring their approval, the contract quality assurance officers in place have been duly consulted and have had an opportunity to review the contractual documents and the substance of the business case;
- (c) that the Assistant Deputy Minister/Directors General/Senior Directors ensure that for contracts and contract amendments requiring their approval, the cost analysts and legal officers assigned to the sector/region have been given the opportunity to review the contractual documents and provide such comment, as may be necessary, to ensure that the nature of the business case can be clearly understood and that the other conditions of the delegation have been duly complied with;
- (d) that the Assistant Deputy Minister/Directors General/Senior Directors/Regional Directors/Directors, European and Washington Directorates, ensure that, for contracts and contract amendments requiring their approval, reports are maintained regarding turnaround times;
- (e)
  - (i) that the Directors General immediately post to senior management, procurement plans for procurement with an estimated value of \$1 million or more; and
  - (ii) that the Director General post, to senior management, a summary of the Contract Request, 48 hours before contract approval.

NOTE: The Minister's approval authority is required for specific submissions as described in sections 1.1, 1.2 and 1.14 of [Annex 6.1.1](#).

**Annex 6.1.1: Contract Approval and Signing Authorities in Support of Clients' Programs Only - Other than for Canadian Commercial Corporation**  
(2004-05-14)

**Approval Authorities**

1.1 Submissions (Contract Requests) granting approval to enter into and amend contracts, excluding those described in section 1.3 to 1.13 below, as follows:

- (a) in accordance with
  - (i) [Annex 6.1.2](#) for goods and/or services,
  - (ii) [Annex 6.1.4](#) for defence construction, or
- (b) when the award is not being made to the bidder offering the best value, based on the published evaluation criteria and selection method, non-competitive approval in accordance with [Annex 6.1.2](#).

**NOTE:** Recommendations to bypass the bidder offering the best value, based on the published evaluation criteria and selection method, should be a rare occurrence. All recommended awards of this nature must uphold the principles of fairness and openness and must be compliant with the applicable trade agreements. Officers should take note that trade agreements and bid challenge mechanisms have reinforced the need to adhere to these principles.

Minister

1.2 Submissions (Contract Requests) granting approval to utilize either a standing offer or a supply arrangement method of supply when individual call-ups will not exceed the limits prescribed by Treasury Board, as follows:

- (a) in accordance with [Annex 6.1.2](#) for goods and/or services, or
- (b) if the planned limit on the total expenditure against the standing offer exceeds the delegated contract approval authorities:

Minister

**NOTE:** See section 1.13 below with respect to bulk fuels.

1.3 Submissions (Contract Requests) granting approval to enter into contracts for the services of former public servants in receipt of a pension (see [6D.477](#) and [6D.481](#)), as follows:

- (a) when the contract does not exceed \$25,000 (non-competitive) or \$100,000 (competitive): in accordance with [Annex 6.1.2](#) for goods and/or services, and [Annex 6.1.4](#) for defence construction, or
- (b) if the contract value exceeds \$25,000 (non-competitive) or \$100,000 (competitive):

Treasury Board

- (c) all amendments to contracts, where the total contract value including amendments exceeds \$25,000 (non-competitive) or \$100,000 (competitive):

Treasury Board

**NOTE:** The fee component in any non-competitive contract must be abated if the individual has

been retired for less than one year and is in receipt of a pension (see [6D.481](#)).

- 1.4 Submissions granting approval to enter into or amend a contract with a former public servant, when the former public servant is in receipt of a lump sum payment pursuant to a workforce reduction program and the fee component will exceed \$5,000 of either the individual contract or a combination of contracts, during the period covered by the lump sum payment (see [6D.483](#)).

Treasury Board

- 1.5 Confirming Orders

Submissions (Contract Requests) granting approval to issue a Confirming Order are to be approved at the Director level or higher authority based on non-competitive contract approval authority limits. (See [7F.691](#))

- 1.6 Submission (Contract Requests) granting approval to enter into or amend an agreement for the supply of any edible agricultural product purchased for foreign aid programs, as follows:

- (a) in accordance with [Annex 6.1.2](#), or
- (b) if the total amount payable under the agreement, inclusive of any amendments, exceeds the limits in [Annex 6.1.2](#) but does not exceed \$5 million: all positions in Level 1.

- 1.7 Submissions (Contract Requests) granting approval to enter into or amend an agreement to transport by ocean-going vessel any goods shipped for the Canadian International Development Agency, as follows:

- (a) in accordance with [Annex 6.1.2](#), or
- (b) if the aggregate payable under the agreement, including any amendments thereto, exceeds the limits in [Annex 6.1.2](#) but does not exceed \$2.5 million: all positions in Level 1.

- 1.8 Submissions (Contract Requests) granting approval to enter into or amend contracts to repair and overhaul of military equipment, as follows:

- (a) in accordance with [Annex 6.1.2](#), or
- (b) if the contract, including any amendments thereto, exceeds the limits in [Annex 6.1.2](#) but does not exceed \$25 million: all positions in Level 1.

- 1.9 Submissions (Contract Requests) granting approval to enter into or amend a service contract for transportation services from common carriers, if the rates charged do not exceed the normal rates for such services, as follows:

- (a) in accordance with [Annex 6.1.2](#), or
- (b) if the estimated value of the contracts or contract amendments exceeds the limits in [Annex 6.1.2](#):

Directors General, Supply Operations and Regional Directors General/Directors.

- 1.10 Submissions (Contract Requests) granting approval to enter into or amend a service contract for electricity, gas, water, sewage disposal, heat and telecommunication services, if the rates do not exceed the normal rates and the contract does not involve negotiated installation or capital charges in excess of \$200,000, as follows:

- (a) in accordance with [Annex 6.1.2](#), or
- (b) if the estimated value of the contract or contract amendment exceeds the limits in [Annex](#)

6.1.2:

Directors General, Supply Operations and Regional Directors General/Directors.

- 1.11 Submissions (Contract Requests) granting approval to enter into and amend contracts for the procurement of ammunition under the Munitions Supply Program, as follows:
- (a) in accordance with [Annex 6.1.2](#), or
  - (b) if the total payable under the contract, inclusive of any amendments, exceeds the limits of [Annex 6.1.2](#) but does not exceed \$25 million: all positions in Level 1.
- 1.12 Submissions (Contract Requests) granting approval to enter into and amend contracts for the procurement of goods under the U.S. Foreign Military Sales Program and the CNDS program (from U.S. DoD - National Security Agency) as follows:
- (a) in accordance with [Annex 6.1.2](#), or
  - (b) if the total amount payable under the contract, inclusive of any amendments, exceeds the limits in [Annex 6.1.2](#) but does not exceed \$12.5 million: all positions in Level 1.
- 1.13 Submissions (Contract Requests) granting approval to utilize a standing offer method of supply for the procurement of bulk fuels, when individual call-ups will not exceed \$10 million, as follows:
- (a) in accordance with [Annex 6.1.2](#), or
  - (b) if the planned limit on the total expenditure against the standing offer exceeds the limits in [Annex 6.1.2](#):

Directors General, Supply Operations and Regional Directors General/Directors

Director, European Directorate

- 1.14 Submissions (Contract Requests) granting approval to enter into and amend contracts for advertising services, as follows:
- (a) in accordance with [Annex 6.1.2](#), or
  - (b) if the total amount payable under the contract, inclusive of any amendments, exceeds the limits in [Annex 6.1.2](#) but does not exceed \$10 million: all positions in Level 1.

**Signing Authorities**

- 1.15 Purchase orders, contracts, standing offers, supply arrangements, formal agreements and arrangements, Stores and Supply Transfer Orders, written direction to the Agency of Record, assignments, go-ahead letters and messages, letters of intent, consents to subcontract, termination notices, and amendments to any of the above, as follows:

- (a) in accordance with [Annex 6.1.2](#) for goods and/or services, or
- (b) in accordance with [Annex 6.1.4](#) for defence construction;

and if under departmental seal, together with the Corporate Secretary.

- 1.16 Advance, Milestone and Progress Payments:

Certificates on claim forms for advance, milestone and/or progress payments as prerequisite for certification pursuant to section 34 of the "*Financial Administration Act*."

- (a) Incumbents of positions listed in [Annex 6.1.2](#), with the exception of Senior Purchasing Assistants and Buying Clerks/Regional offices:

Unlimited

- (b) Science Procurement Senior Purchasing Assistants:

Contracts beyond approval authority: Claims without holdbacks or final claims to a maximum of \$40,000

Contracts within approval authority: All claims

- 1.17 Release and Settlement documents:

Assistant Deputy Minister, Government Operational Services Branch

Chairman, Contracts Claims Resolution.

- 1.18 Instructions for shipment, transportation, storage and warehousing of machine tools, special production tooling and test equipment;

Directors, Group Managers and Section Chiefs of Supply Operations and Regions, Project Managers, Major Crown Projects.

- 1.19 Instructions to contractors concerning Industrial Security requirements:

Director, Canadian and International Industrial Security Directorate

- 1.20 Certifications required by the Canada Revenue Agency from PWGSC that items imported by the Department of National Defence are "defence supplies", as defined in the *Defence Production Act*, pursuant to Order-in-Council P.C. 1966-2184, as amended P.C. 1967-969, and section 17 of the *Financial Administration Act*.

Directors General, Supply Operations and Regions; Senior Directors and Directors, headquarter; and Regional Directors.

- 1.21 Certificates under departmental seal that documents are true copies:

Corporate Secretary.

- 1.22 **Conditional Emergency Contracting Authority**

An increase in approval authority from Treasury Board for Emergency Contracting to \$15M has been approved. This authority rests with the Minister.

Authority limits apply to the cumulative value of the contract including amendments	Conditional Emergency Contracting Authority
Departmental Limit	\$15M
Level 1	
Level 2	
Level 3	
Level 4	

This emergency contracting authority can be used only if all of the following criteria are met:

- the action is in response to pressing emergencies where there will be significant human and/or financial risks;
- the Minister invokes the National Security or Extreme Urgency provisions of the applicable trade agreements;
- the requirement cannot be satisfied by normal contracting procedures due to the urgency of the situation;
- the applicable departmental Minister approves the use of these special authorities; and
- the new exceptional contracting authorities remain subject to the reporting requirements for the use of emergency contracting as set out in the TB Contracting Policy.

**Annex 6.1.2: Approval Authority Limits for Goods, Services, Construction, Telecommunications and A&E Services  
(2005-06-10)**

**Contract Entry and Amendment Approval Limits – GOODS**

	GOODS								
	Electronic			Competitive			Non-competitive		
	C	A	Signing	C	A	Signing	C	A	Signing
<b>Minister</b>	40M	20M	Full	10M	5M	Full	2M	1M	Full
<b>ADM</b>	20M	10M	Full	5M	2.5M	Full	1M	500K	Full
<b>DG's, RDG's</b>	20M	1M	Full	5M	1M	Full	1M	500K	Full
<b>Senior Directors</b>	15M	750K	Full	3.5M	750K	Full	750K	500K	Full
<b>RD's</b>	10M	500K	Full	2.5M	500K	Full	500K	500K	Full
<b>Directors</b>	10M	500K	Full	2.5M	500K	Full	500K	500K	Full
<b>Manager</b>	1M	200K	Full	1M	200K	Full	400K	200K	Full
<b>Chiefs</b>	400K	100K	C:30M A:15M	400K	100K	C:7.5M A:3.75M	150K	100K	C:2.25M A:1.125M
<b>Sr. CMO's</b>	300K	50K	C:30M A:15M	300K	50K	C:7.5M A:3.75M	100K	50K	C:2.25M A:1.125M
<b>CMO's</b>	200K	25K	C:30M A:15M	200K	25K	C:7.5M A:3.75M	50K	25K	C:2.25M A:1.125M
<b>Contract Officers</b>	100K	15K	C:20M A:1M	100K	15K	C:5M A:1M	30K	15K	C:1.5M A:1M
<b>Buyers</b>	70K	10K	C:20M A:1M	70K	10K	C:5M A:1M	20K	10K	C:1.5M A:1M
<b>SPAs</b>	40K	5K	C:20M A:1M	40K	5K	C:5M A:1M	10K	5K	C:1.5M A:1M
<b>Buying Clerks</b>	10K	2K	C:20M A:1M	10K	2K	C:5M A:1M	4K	2K	C:1.5M A:1M

**Notes:**

**Position Titles:** Position titles shown above are examples only - all equivalent positions (as shown in the List of Equivalent Positions following the approval authority charts) have the same authorities as indicated above.

**Ratifications:** Authorities for approving agreements which involve: pre-contractual work, ratification of contractual commitments, confirming orders, or contracts/amendments which include Pre-contractual Work clauses, or any other retroactive elements are limited to 50 percent of the non-competitive dollar thresholds specified above. The minimum approval authority is the Director level. This 50 percent reduction for ratifications applies to all dollar thresholds below the Assistant Deputy Minister level.

**Contract Entry and Amendment Approval Limits – SERVICES**

	SERVICES								
	Electronic			Competitive			Non-competitive		
	C	A	Signing	C	A	Signing	C	A	Signing
<b>Minister</b>	20M	10M	Full	10M	5M	Full	3M	1.5M	Full
<b>ADM</b>	10M	5M	Full	5M	2.5M	Full	1.5M	750K	Full
<b>DG's, RDG's</b>	10M	1M	Full	5M	1M	Full	1.5M	750K	Full
<b>Senior Directors</b>	7M	750K	Full	3.5M	750K	Full	1M	700K	Full
<b>RD's</b>	5M	400K	Full	2.5M	400K	Full	400K	400K	Full
<b>Directors</b>	5M	400K	Full	2.5M	400K	Full	400K	400K	Full
<b>Manager</b>	1M	200K	Full	1M	200K	Full	400K	200K	Full
<b>Chiefs</b>	400K	100K	C:30M A:15M	400K	100K	C:30M A:15M	200K	100K	C:30M A:15M
<b>Sr. CMO's</b>	300K	50K	C:30M A:15M	300K	50K	C:30M A:15M	100K	50K	C:30M A:15M
<b>CMO's</b>	200K	25K	C:30M A:15M	200K	25K	C:30M A:15M	50K	25K	C:30M A:15M
<b>Contract Officers</b>	100K	15K	C:20M A:1M	100K	15K	C:20M A:1M	30K	15K	C:20M A:1M
<b>Buyers</b>	70K	10K	C:20M A:1M	70K	10K	C:20M A:1M	20K	10K	C:20M A:1M
<b>SPAs</b>	40K	5K	C:20M A:1M	40K	5K	C:20M A:1M	10K	5K	C:20M A:1M
<b>Buying Clerks</b>	10K	2K	C:20M A:1M	10K	2K	C:20M A:1M	4K	2K	C:20M A:1M

**Notes:**

**Position Titles:** Position titles shown above are examples only - all equivalent positions (as shown in the List of Equivalent Positions following the approval authority charts) have the same authorities as indicated above.

**Ratifications:** Authorities for approving agreements which involve: pre-contractual work, ratification of contractual commitments, confirming orders, or contracts/amendments which include Pre-contractual Work clauses, or any other retroactive elements are limited to 50 percent of the non-competitive dollar thresholds specified above. The minimum approval authority is the Director level. This 50 percent reduction for ratifications applies to all dollar thresholds below the Assistant Deputy Minister level.



**Contract Entry and Amendment Approval Limits – CONSTRUCTION**

	CONSTRUCTION								
	Electronic			Competitive			Non-competitive		
	C	A	Signing	C	A	Signing	C	A	Signing
<b>Minister</b>	20M	10M	Full	10M	5M	Full	500K	500K	Full
<b>ADM</b>	10M	5M	Full	5M	2.5M	Full	250K	250K	Full
<b>DG's, RDG's</b>	10M	1M	Full	5M	1M	Full	250K	250K	Full
<b>Senior Directors</b>	7.5M	500K	Full	3.5M	500K	Full	200K	200K	Full
<b>RD's</b>	5M	125K	Full	2.5M	125K	Full	125K	125K	Full
<b>Directors</b>	5M	125K	Full	2.5M	125K	Full	125K	125K	Full
<b>Manager</b>	5M	125K	Full	2.5M	125K	Full	125K	125K	Full
<b>Chiefs</b>	1M	50K	C:15M A:7.5M	1M	50K	C:7.5M A:3.75M	30K	50K	C:375K A:375K
<b>Sr. CMO's</b>									
<b>CMO's</b>									
<b>Contract Officers</b>	500	25K	C:10M A:1M	500K	25K	C:5M A:1M	25K	25K	C:250K A:375K
<b>Buyers</b>									
<b>SPAs</b>									
<b>Buying Clerks</b>									

**Notes:**

**Position Titles:** Position titles shown above are examples only - all equivalent positions (as shown in the List of Position Equivalents following the approval authority charts) have the same maximum authorities as indicated above. Authorities shown may be restricted within individual sectors and regions. Please contact your quality assurance representative to confirm the authorities for your position title.

**Ratifications:** Authorities for approving agreements which involve: pre-contractual work, ratification of contractual commitments, confirming orders, or contracts/amendments which include Pre-contractual Work clauses, or any other retroactive elements are limited to 50 percent of the non-competitive dollar thresholds specified above. The minimum approval authority is the Director level. This 50 percent reduction for ratifications applies to all dollar thresholds below the Assistant Deputy Minister level.

**Defence Construction:** Construction contracting authorities for procurements carried out on behalf of Department of National Defence (DND) are limited by an agreement between PWGSC and Defence Construction Canada (DCC) that PWGSC will procure construction services on behalf of DND, only if the value of the procurement does not exceed \$60,000. If the value of such a procurement on behalf of DND exceeds \$60,000 approval to proceed must be obtained from DCC.

**Contract Entry and Amendment Approval Limits – TELECOMMUNICATIONS**

	TELECOMMUNICATIONS								
	Electronic			Competitive			Non-competitive		
	C	A	Signing	C	A	Signing	C	A	Signing
<b>Minister</b>	200M	100M	Full	20M	10M	Full	3M	1.5M	Full
<b>ADM</b>	100M	50M	Full	10M	5M	Full	1.5M	750K	Full
<b>DG's, RDG's</b>	100M	1M	Full	10M	1M	Full	1.5M	750K	Full
<b>Senior Directors</b>	75M	750K	Full	7.5M	750K	Full	75K	750K	Full
<b>RD's</b>	50M	400K	Full	5M	400K	Full	400K	400K	Full
<b>Directors</b>	50M	400K	Full	5M	400K	Full	400K	400K	Full
<b>Manager</b>	1M	200K	Full	1M	200K	Full	400K	400K	Full
<b>Chiefs</b>	400K	100K	C:150M A:75M	400K	100K	C:15M A:7.5M	200K	100K	C:2.25M A:1.125M
<b>Sr. CMO's</b>	300K	50K	C:150M A:75M	300K	50K	C:15M A:7.5M	100K	50K	C:2.25M A:1.125M
<b>CMO's</b>	200K	25K	C:150M A:75M	200K	25K	C:15M A:7.5M	50K	25K	C:2.25M A:1.125M
<b>Contract Officers</b>	100K	15K	C:100M A:1M	100K	15K	C:10M A:1M	30K	15K	C:1.5M A:1M
<b>Buyers</b>	70K	10K	C:100M A:1M	70K	10K	C:10M A:1M	20K	10K	C:1.5M A:1M
<b>SPAs</b>	40K	5K	C:100M A:1M	40K	5K	C:10M A:1M	10K	5K	C:1.5M A:1M
<b>Buying Clerks</b>	10K	2K	C:100M A:1M	10K	2K	C:10M A:1M	4K	2K	C:1.5M A:1M

**Notes:**

**Position Titles:** Position titles shown above are examples only - all equivalent positions (as shown in the List of Equivalent Positions following the approval authority charts) have the same authorities as indicated above.

**Ratifications:** Authorities for approving agreements which involve: pre-contractual work, ratification of contractual commitments, confirming orders, or contracts/amendments which include Pre-contractual Work clauses, or any other retroactive elements are limited to 50 percent of the non-competitive dollar thresholds specified above. The minimum approval authority is the Director level. This 50 percent reduction for ratifications applies to all dollar thresholds below the Assistant Deputy Minister level.

**Contract Entry and Amendment Approval Limits –A&E SERVICES**

	CONSTRUCTION								
	Electronic			Competitive			Non-competitive		
	C	A	Signing	C	A	Signing	C	A	Signing
<b>Minister</b>	2M	>1M max 2M	Full	1M	>250K max 1M	Full	100K	100	Full
<b>ADM</b>	1M	>500K or 25% of orig. max 1M	Full	500K	>125K or 25% of orig. max 500K	Full	50K	50	Full
<b>DG's, RDG's</b>	750K	500K	Full	500K	>125K or 25% of orig. max 500K	Full	50K	50	Full
<b>Senior Directors</b>	700K	500K	Full	500K	125K	Full	50K	50	Full
<b>RD's</b>	500K	50K	Full	500K	50K	Full	50K	50	Full
<b>Directors</b>	500K	50K	Full	500K	50K	Full	50K	50	Full
<b>Managers</b>	500K	50K	Full	500K	50K	Full	50K	50	Full
<b>Chiefs</b>	250K	50K	C:1.5M A:1.5M	125K	50K	C:750K A:750K	50K	50	C:75K A:75K
<b>Sr. CMO's</b>									
<b>CMO's</b>									
<b>Contract Officers</b>	100K		C:1M	70K		C:500K	25K		C:50K
<b>Buyers</b>									
<b>SPAs</b>									
<b>Buying Clerks</b>									

**Notes:**

**Position Titles:** Position titles shown above are examples only - all equivalent positions (as shown in the List of Equivalent Positions following the approval authority charts) have the same authorities as indicated above.

**Ratifications:** Authorities for approving agreements which involve: pre-contractual work, ratification of contractual commitments, confirming orders, or contracts/amendments which include Pre-contractual Work clauses, or any other retroactive elements are limited to 50 percent of the non-competitive dollar thresholds specified above. The minimum approval authority is the Director level. This 50 percent reduction for ratifications applies to all dollar thresholds below the Assistant Deputy Minister level.

**List of Equivalent Positions  
(2003-12-12)**

**Level 1**

ADM Supply Operations  
Executive Director, CCSB  
Director General, Supply Operations  
Director General, CCSB  
Regional Director General  
Regional Director, Supply  
Director, Crown Assets Disposal  
Director, Seized Property Management  
Director, European Region  
Director, Washington Region  
Senior Director, Procurement Directorate

**Level 2**

Director, Supply Operations  
Director CCSB  
Deputy Director  
Project Manager  
Procurement Manager, Washington  
Manager  
Project/Commodity Manager  
Executive Producer, CCSB  
Supply Planner  
Composition Analyst  
Senior Account Advisor  
Senior Contracts Officer, Washington

**Level 3**

Chiefs  
Chief, Crown Assets Distribution  
Associate Producer, CCSB  
Client Services and Commodity Manager, Industrial and Commercial Products  
Supervisor  
Senior Procurement Officer  
Senior Engineering Procurement Officer  
Senior Contract Management Officer  
Supply Team Leader  
Supply Specialist  
Team Leader  
Senior Case Officer  
Engineering Project Officer  
Procurement Officer  
Contract Management Officers  
Contract Management Officer, MCP  
Marine Technical Inspectors (when performing purchasing functions)  
Contracts Officer, Washington  
Representative, Seized Real Property  
Senior Contracting Officer  
Case Officer  
Recycling Specialist

**Level 4**

Producer, CCSB

Contract Officer  
Contracting Officer  
Transportation Officer  
Service Officer  
Purchasing Agent  
Purchasing Officer  
Printing Product Officer  
Printing Supervisor  
Transportation Clerk  
Supply Officer  
Buyer  
Senior Purchasing Assistant  
Production Assistant, CCSB  
Purchasing Assistant  
Sales Representative, Crown Assets Distribution  
Representative, Seized Moveable Property  
Project Clerk  
Contract Clerk  
Contracting Clerk  
Buying Clerk

**Annex 6.1.4: Approval and Signing Authority Limits for Defence Construction  
(2005-12-16)**

(Superseded by [Annex 6.1.2](#))

## Annex 6.1.5: Contract Amendment Approval Instructions (2004-05-14)

When the correct approval authority level for a proposed amendment is being determined, consideration must be given not only to the cost of the amendment but also to the cumulative cost (or aggregate) of amendments. The amendment approval authority level is based on the aggregate amendment value excluding negative and pre-approved amendments.

### 1. Determining the Amendment Approval Authority for Competitive Contracts – Routine

Following is an example of how to determine the appropriate authority for an amendment to a contract awarded on a competitive basis.

**Amendment No. 1 to a goods contract is valued at \$250,000.** This amendment was not pre-approved. The original contract submission or procurement value was approved at \$3 million - this amount included the original contract value of \$1,500,000, and an additional \$1,500,000 approved for options to be exercised in the following two year period. To determine the appropriate amendment approval authority proceed as follows:

- (a) Determine which position title(s) have a maximum aggregate amendment approval authority of \$250,000 or more. (Director level or above).
- (b) Determine the greater of Director's authority of \$200,000 and 10% of the originally approved contract submission (i.e. 10 % of \$3,000,000, or \$300,000). Based on this comparison, the Director can approve an aggregate amendment value up to \$300,000, and is the appropriate approval authority for amendment No. 1.

**Amendment No. 2 is valued at \$110,000.** This amendment was not pre-approved. To determine the appropriate amendment approval authority proceed as follows:

- (a) Determine which position title(s) have a maximum aggregate amendment approval authority of \$360,000 (\$250,000 + \$110,000). In this case the Director level or above has this authority.
- (b) Determine the greater of the Director's authority of \$200,000 and 10% of the originally approved contract submission (i.e. 10% of \$3,000,000, or \$300,000). Based on this comparison, the delegated aggregate amendment approval authority is limited to \$300,000. Only the Minister can approve amendments that exceed both the TB limit for amendments and 10% of the originally approved value.

**Amendment No. 3 is valued at \$2,000.** This amendment was not pre-approved. Once the Minister has approved an amendment, all subsequent positive amendments that were non pre-approved require the Minister's approval; therefore, Ministerial approval is required.

**Note:** All amendments valued in excess of \$1,000,000 must be approved by the Minister <sup>1</sup>, unless they were part of a previously approved submission.

### 2. Determining the Amendment Approval Authority for Competitive Goods Contract – Complex

A CPAA was approved at the DG level for a total original procurement value estimated at \$11,000,000. The CPAA included a *quantity option* equaling \$1,000,000 to be exercised at anytime prior to the expiry date of the contract. The CPAA also included a *set aside for design*

<sup>1</sup> Treasury Board includes negative amendments in its calculations. However, for internal approval purposes, a decreasing contract amendment will leave the aggregate amendment value unchanged. (Specific situations for reductions in contract value are discussed in paragraph 3 of this annex)

*changes* equaling \$500,000. The electronic bidding process was utilized. The original contract was awarded at \$8,500,000 and signed by the Manager, the applicable signing authority level.

The *option quantity* was not funded at the time of contract award and was not included in the contract value. The *set aside for design change* was also unfunded at time of award.

**Amendments 1 to 10 are determined as follows:**

- (a) **Amendment number one**, not pre-approved, is needed to add some items equaling \$28,400.

The Amendment Approval Authority is the Senior Contract Mgt Officer.  
The Signing Authority is the Contracting Officer.  
There is no PIF required because the aggregate amendment value is >\$25K but less than 10% of the total original procurement value.

Revised contract value is now: \$8,528,400;

- (b) **Amendment number two**, not pre-approved, is for a mutually agreeable change in the first shipment, initial delivery is delayed by a month. A NIL amendment.

*Amendment aggregate for amendments not pre-approved is \$28,400.*

NIL value amendments where no further risk or liability accrue to the Crown are administrative in nature and require no approvals.  
The Signing Authority is the Contracting Officer.  
PIFs are not required for negative or nil value amendments.

Revised contract value is now: \$8,528,400 (no change);

- (c) **Amendment number three**, a pre-approved option quantity, exercises half of the option quantity amount equaling \$500,000.

*Aggregate amendment values of amendments not pre-approved are separate from the aggregate amendment values of either options or set asides. If required, options or set asides can be exercised to the maximum value in one amendment.*

Cumulative Amendments to exercise a pre-approved option is \$500,000.

The amendment to exercise an option has already been pre-approved at the CCAA stage.  
The Signing Authority is the Chief.  
There is no PIF required because the aggregate amendment value is >\$25K but less than 10% of the original procurement value.

Revised contract value is now: \$9,028,400;

- (d) **Amendment number four**, not pre-approved, is for unscheduled work/something unforeseen equaling \$76,400.

*Amendment aggregate/for amendments not pre-approved: \$104,800.00.*

The Amendment Approval Authority is the Manager.  
The Signing Authority is the Contract Management Officer.  
There is no PIF required because the aggregate amendment value is >\$25K but less than 10% of the original procurement value.

Revised contract value is now: \$9,104,800;

- (e) **Amendment number five**, pre-approved option quantity exercises the second half of the



option quantity for a value of \$500,000.00.

*The cumulative value for the pre-approved option is: \$1,000,000. The option is now fully exercised.*

The amendment to exercise an option has already been pre-approved at the CPAA stage. The Signing Authority is the appropriate contract signing authority.

There is no PIF required because the aggregate amendment value is >\$25K but less than 10% of the original procurement value.

Revised contract value is now: \$9,604,800.

- (f) **Amendment number six**, not previously approved, a nil amendment is required to add a SACC clause, inadvertently omitted from the original document.

*Amendment aggregate/for amendments not pre-approved is: \$104,800.00.*

NIL value amendments where no further risk or liability accrue to the Crown are administrative in nature and require no approvals.

The Signing Authority is the Contract Management Officer (PG3).

PIFs are not required for negative or nil value amendments.

Revised contract value is now: \$9,604,800. No change;

- (g) **Amendment number seven**, pre-approved set aside, is raised to exercise a portion of the pre-approved set aside for design changes equaling \$280,000.

*The cumulative value for amendments to exercise the pre-approved set aside is \$280,000.*

The Amendment Approval Authority is the Manager.

The Signing Authority is the Senior Contract Management Officer.

There is no PIF required because the aggregate amendment value is >\$25K but less than 10% of the original procurement value.

Amendments issued to use an amount set aside for unscheduled work, work arising, or design changes shall be approved by the appropriate non-competitive contract entry approval authority, not to exceed the lower of the Director level or the original approval.

Aggregate amendment values of set asides, previously approved, are separate from the aggregate amendment values of either options or normal amendments. If required, options or set asides can be exercised to the maximum value in one amendment.

Revised contract value is now: \$9,884,800;

- (h) **Amendment number eight**, pre-approved set aside, is raised to exercise a portion of the pre-approved set aside for design changes equaling \$100,000.

*The cumulative value for amendments to exercise the pre-approved set aside is \$380,000. Balance remaining is \$120,000.*

The set aside amendment value stands alone, non-competitive contract entry approval authority is sought for \$100,000.

The Amendment Approval Authority is the Contract Management Officer.

The Signing Authority is the Contracting Officer.

There is no PIF required because the aggregate amendment value is >\$25K but less than 10% of the original procurement value.

Revised contract value is now: \$9,984,800;

- (i) **Amendment number nine**, not previously approved, is for unscheduled work/something unforeseen equaling \$210,000.

*Amendment aggregate for "not pre-approved" amendments is now \$314,800*

*As per the Electronic Bidding Aggregate Amendment levels, the Director can approve amendments the greater of \$200,000 or 10% of the total procurement value, to a maximum of \$500,000.*

The Amendment Approval Authority is the Director.

The Signing Authority is the Chief.

There is no PIF required because the aggregate amendment value is >\$25K but less than 10% of the original procurement value.

Revised contract value is now: \$10,194,800;

- (j) **Amendment number ten**, not pre-approved, the client decides, due to cut backs amendment no. 9 is no longer required. The supplier agrees to forego this work at no additional cost to the Crown, (having just recently ordered materials and was able to negotiate no cancellation fees, etc. from his suppliers) for a negative value amendment of \$210,000.00

*Amendment aggregate for "not pre-approved" amendments is \$104,800.*

The Amendment Approval Authority is the Manager.

The Signing Authority is the Contract Management Officer.

PIFs are not required for negative or nil value amendments.

Revised contract value is now: \$9,984,800.

### 3. Reductions in Contract Value

- (a) **Situation:** The client reduces the quantity required and the supplier/contractor agrees to the reduced quantity with no increase in the unit price.
- Approval Level:** Any contracting authority responsible for managing the contract may approve the amendment that reduces the value of the contract.
- (b) **Situation:** The client reduces the quantity required but the supplier/contractor wants to increase the price because of the reduced quantity. Renegotiation is necessary.
- Approval Level:** The approval level for the contract amendment is that required for the revised unit price multiplied by the new quantity.
- (c) **Situation:** The client wishes to disencumber funds allocated to a repair and overhaul contract, say, in the last quarter of the fiscal year, because no more work arising will be forthcoming during that period.
- Approval Level:** Any contracting authority responsible for managing the contract may approve an amendment to reduce the value of the contract.
- (d) **Situation:** The client requires a work package to be removed from a research and development contract. There is no clear relationship between the reduced cost and the reduced work package.

**Approval Level:** The amendment will be approved at a level equal to the value of the proposed cost reduction.

#### 4. **Substitute Item (or work package)**

If a client requests the contracting authority to amend a contract by deleting an item (or work package) and substituting a different item (or work package), the value of the substitute item (or work package) will determine the contract amendment approval level. If the contract amendment approval level, based on the value of the substitute item (or work package) exceeds the Director General's approval authority, the standard method of determining the amendment approval authority, based on cumulative value of amendments, shall be used to determine whether the Deputy Minister, the Minister, or Treasury Board approval is required.

#### 5. **Additional Risks**

Contract amendments that propose changes to either the basis of payment, the method of payment or the contract terms and conditions, so that ADDITIONAL risk or liability is transferred to the Crown, shall be authorized at or above the original approval level for that contract only if corresponding compensatory benefits accrue to the Crown. In the absence of corresponding benefits, such changes would constitute extra payments for which ONLY TREASURY BOARD has approval authority.

The following are examples of changes that would constitute additional risk to the Crown:

- (a) liberalizing the progress payments;
- (b) eliminating the requirement for a performance bond;
- (c) slippage, by the contractor, of firm delivery dates.

#### 6. **Advance Approval for Amount Set Aside**

- (a) If the original authority to enter into a contract also included advance approval for an amount to be set aside for unscheduled work, design changes or work arisings, then on each occasion when any of the amount set aside is used, it shall be approved by the appropriate non-competitive contract entry approval authority, not to exceed the lower of the Director level or the original approval.
- (b) If an amendment to use the remainder of the amount set aside for a specific purpose exceeds that amount, the approval level for the excess amount will revert back to the appropriate aggregate amendment level in accordance with [Annex 6.1.2](#).
- (c) If a condition of the original approval requires other levels of approval for encumbering amounts set aside, the levels established in the original contract approval will take precedence.
- (d) The amount of the set aside/option should be based on sound front-end planning and preparation. The better the planning and preparation the better the ability to predict additional quantities or unforeseen work arisings, and the more accurate the assigned dollars values. A procurement plan that is thoroughly justified as to the purpose of each planned expenditure is more likely to be approved.

#### 7. **Advance Approval for Options**

Once approval has been obtained to exercise an option, the contract amendment to exercise the option requires only the contract amendment signing authority as per [Annex 6.1.2](#). Funds and approval received for an option can only be used for the specific purpose stated in the approval document. Any change to the scope or period of the option must be approved by the original approval authority.

Approval and funding for unexpected changes in the scope of the work, that were not specifically

provided for in the approval document as an Advance Approval for Amount Set Aside (see section 6 above), cannot be drawn from the approval for an option. For example, if approval is obtained for a 1 year services contract valued at \$200,000, with an option year also valued at \$200,000, the contracting officer cannot use the approval and funding related to the option year to cover an increase in the services required during the first year. Any change in the scope of work that was not approved as part of the original submission is a change in the requirement and must be approved on its own merits.

## 8. Contract Code for Pre-Approved Amendments

Document Type number 22, Contract Code for Pre-Approved Amendments, has been activated for ABE and SELECT systems, and shall be used to identify all pre-approved amendments.

Amendments that were pre-approved and will be coded as Document Type 22 include, but are not limited to:

- (a) amendments issued to exercise an option for additional quantities or years that were included in the original solicitation and approved as part of the original contract approval submission; and,
- (b) amendments which use amounts set-aside for anticipated, but not yet clearly defined, changes (e.g. work arising, design changes, unscheduled work), which were approved as part of the original contract approval submission.

Amendments that do not fit within the description of the original approval or go beyond the scope or value of the approval will be coded as Normal Amendments and shall be approved at the appropriate level as determined by the Minister's delegation of amendment authorities.

## 9. Rates (or Prices-to-be-negotiated) / Interim Rates (or Prices)

If the basis of payment in a contract includes interim rates (or prices) and it is proposed to amend the contract to provide for firm rates (or prices) in lieu, then the amendment approval authority level will be as follows (unless otherwise instructed by the contract approval authority):

- (a) one level above that required for signing the contract, only if the firm rates (or prices) are equal to or less than the interim rates (or prices); or
- (b) at the original contract approval authority level, when the firm rates (or prices) exceed the interim rates (or prices); or
- (c) Director General, if the contract was approved by the Assistant Deputy Minister, the Minister or Treasury Board.

## 10. Combining Several Types of Contract Changes in One Amendment

When a contract amendment is raised to incorporate several types of changes enumerated in paragraphs 1 to 8 above (i.e. firming up price-to-be-negotiated items, using a portion of an amount set aside, addition of items/quantities, etc.), the highest approval level for any one type of these changes or combinations thereof being incorporated into the contract by that amendment shall apply.

## 11. Amendments to Contracts with Former Public Servants

All amendments to contracts with former public servants, where the total contract value including amendments exceeds \$25,000 (non-competitive) or \$100,000 (competitive), must be approved by Treasury Board. Amendments to contracts with former public servants in receipt of a lump sum payment pursuant to a workforce reduction program which result in a fee component exceeding \$5,000 on either the individual contract or a combination of contracts, during the period covered by the lump sum payment, must be approved by Treasury Board.

**12. Interpretation of Aggregate Amendment Value**

All amendment approval authorities (for amendments not pre-approved) are to be determined on the basis of the aggregate amendment value.

The interpretation that aggregate amendment value means the SUM TOTAL of the amendments to a contract including positive and negative amendments applies only to amendments requiring Treasury Board approval. For internal purposes and to ensure adequate control measures are in place, the aggregate amount for amendments not pre-approved will be calculated using only positive amendments.

The aggregate amendment value for approval purposes is the total of all executed positive amendments including the proposed amendment. For approval purposes, the aggregate amendment value does not combine normal amendment totals with pre-approved amendment totals. They are separate calculations.

The aggregate amendment value for the PIF is the total of all executed amendments including positive, negative and the proposed amendment as well as executed options and set asides. This figure informs the Minister the exact dollar amount that has been committed to a project and what has been spent without having to go back to the contract file.

*As a general principle, once an approval level has been reached it can never be lowered. As an example, once the ministerial level for approval has been reached every subsequent positive amendment reverts to the minister regardless of dollar value.*

Nil value amendments are to be regarded as administrative in nature and require no approvals except those nil value amendments where further risk or liability will be the Crown's responsibility.

This type of nil value amendment requires approval authority at or above the original approval authority.

All amendments valued greater than \$1M, for which advance approval has not been obtained, require the Minister or Treasury Board approval.

Only the Minister can approve amendments that exceed both the Treasury Board limit for amendments set for other government departments and 10% of the original procurement value.

- 13.** When TB has approved an amendment, PWGSC may further amend the contract without TB approval if the cumulative value of the amendments after each issuance of an amendment pursuant to a TB approval does not exceed the non-competitive amendment level set out below. (See [6A.020](#).)

**Annex 6.1.6: Definition of a Competitive Contract  
(2003-05-30)**

A competitive contract is one “where the process used for the solicitation of bids enhances access, competition and fairness and assures that a reasonable and representative number of suppliers are given an opportunity to bid by:”

Either

“(A) giving public notice, using electronic bidding methodology, possibly supplemented by traditional bidding procedures, of a call for bids for a proposed contract or of an intention to award a contract to a pre-identified contractor (a directed contract advertised by an Advance Contract Award - ACAN), in accordance with limited tendering reasons set out in the trade agreements, or in accordance with the exceptions to bidding set out in section 6 (of the *Government Contracts Regulations (GCRs)*,

and where

- “1. in the case of a call for bids, the lowest bid or the bid that offered the best value, as set out in the evaluation criteria in the bid solicitation and as determined by the contracting authority, was accepted;
- “2. in the case of a call for bids where only one bid, compliant with mandatory criteria set out in the bid solicitation was received, fair value to the Crown, as determined by the contracting authority, was obtained; or
- “3. in the case of an ACAN, no valid statement of capabilities is submitted to the proposed award were received within the fifteen calendar day posting period.

OR

“(B) giving public notice, using traditional bidding procedures (such as a supplier’ list, etc.) and in a manner that is consistent with generally accepted trade practices, of a call for bids for a proposed contract,

and where

- “1. in the case of a call for bids, the lowest bid or the bid that offered best value, as set out in the evaluation criteria in the bid solicitation and determined by the contracting authority, was accepted; or
- “2. in the case that only one bid, compliant with the mandatory criteria set out in the bid solicitation was received, fair value to the Crown, as determined by the contracting authority, was obtained.”

*Derived from Appendix A  
Treasury Board Contracting Policy*

**Annex 6.1.7: Guidelines for the Determination of a Qualified Firm or Individual  
(2003-05-30)**

- (a) As stated in *Treasury Board Contracting Policy*, Article 4.1.3, “whenever practical, an equal opportunity must be provided for all firms and individuals to compete, provided that they have, in the judgement of the contracting authority, the technical, financial, and managerial competence to discharge the contract and meet, where appropriate, the objectives established by overall national policies or as required under the *North American Free Trade Agreement*, the *World Trade Organization - Agreement on Government Procurement*, and the *Agreement on Internal Trade*”. Depending on the nature of the proposed contract, competence may include such factors as previous performance record, managerial structure, key personnel, prior related experience, facilities and financial strength.
  
- (b) Where it is not feasible or consistent with accepted trade practice to give public notice, bids should be invited from at least three qualified suppliers on a suppliers' list (a list that is maintained by the contracting authority setting out the names and addresses of individuals or firms from whom the contracting authority may solicit bids). At the time of solicitation of bids, there should be reasonable assurance that suppliers who are selected to bid are capable of meeting the requirements of the proposed contract. Otherwise, they may not bid at all or merely submit a token bid. In either case, the purpose of competition is defeated. Also, successful bidders who already have too much work on hand would not be able to start and/or complete the contract on time.

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**Annex 6.1.8: Procurement Information to the Minister  
(2005-12-16)****1. The Procurement Information Form (PIF)**

- 1.1 Key information to the Minister must be provided, on approved procurement plans, revisions to procurement plans, and proposed awards. Regional and Sector Directors General are responsible for providing information on each procurement plan and award valued above the thresholds specified in [Annex A](#).
- 1.2 The PIF is intended to provide only key information on procurement plans and awards; it is not intended to provide the level of detail that is required in a Contract Planning and Advance Approval (CPAA), a Formal Procurement Plan, or a Contract Request. The PIF is divided into two distinct sections, one for reporting the planning information and the other for reporting the award information. With the exception of the Client Reference Number which refers to a specific identifier that the clients may include on their requisition, the data fields are based on information that is commonly used in the procurement process.
- 1.3 The data field "Brief Procurement Description" should include a general description of the goods and/or services being purchased and should indicate whether the procurement provides for the approval of options to be exercised at a later date or for the approval of set-aside amounts. Where approval is sought for a set-aside amount to be used for unscheduled work, design changes or work arising, the purpose of these amounts must be indicated.
- 1.4 The first section of the PIF, entitled Planning Information, is prepared at the same time as the CPAA or formal Procurement Plan and is included with the plan for which approval is being sought. Upon approval of the plan, the PIF shall be transmitted, as an e-mail attachment to the "<PIF" e-mail account, in accordance with the Regional or Sector procedures.
- 1.5 A PIF is required for each approved revision to a procurement plan for which a PIF was previously submitted. A PIF is also required for any revision to a procurement plan which was originally valued less than the thresholds specified in [Annex A](#), but will, by virtue of the revision in question, exceed these thresholds.
- 1.6 A PIF is required if ministerial approval of a plan or award is sought via a memorandum to the Minister. The requirement to prepare a PIF is not altered by the type of approval document prepared.
- 1.7 At the award stage, the Award Information section of the PIF shall be completed and transmitted (along with the Planning Information) as an e-mail attachment to the "<PIF" e-mail account, in accordance with Regional or Sector procedures, 24 hours prior to the actual award. In the event that, due to operational requirements, the award must be made immediately and the PIF cannot be submitted 24 hours prior to award, then it shall be submitted at the same time as the award is made. A PIF is required for all awards which exceed the thresholds specified in Annex A.
- 1.8 The requirement to report on a specific plan is based on the estimated value for which approval is being sought (including any options or advance approvals). The requirement to report on a specific award is based on the total estimated value of the award. In some circumstances a PIF will be prepared at the planning stage, but subsequent awards which fall below the specified thresholds will not require a PIF. Similarly, a PIF may not be prepared at the planning stage, because the value is less than the thresholds - but a subsequent award valued in excess of the thresholds will require a PIF. In this latter situation, the Planning Information must be completed at the same time as the Award Information.



1.9 A hard copy of the PIF shall be retained on the procurement file. Contracting officers shall also retain electronic files of all PIFs prepared. To assist in identifying electronic files, a naming convention has been developed. The first character will identify whether the PIF reports on a **P**lan, a **R**evision to a plan, or an **A**ward. Use the following naming convention for an electronic PIF to allow a file name to be as long as it needs to be when you have more than one contract against a requisition. Each block of information should be separated with a hyphen:

- First block – “P” for Plan
- Second block - the number of the amendment (i.e. 2 or 10 or 25, etc.)
- Third block - sector or regional ID
- Fourth and fifth block - the last 5 characters of the requisition number (or tender ID if the requisition number is unavailable)
- Sixth block - contract serial number (i.e. 1, 2, 3, etc., used to capture multiple contracts on the same file).

Sample: P-99-AMES-8-BAOK-2

1.10 In light of this new reporting procedure, the requirement for distribution to senior management of procurement plans and contract award summaries valued at \$1 million or more, and the procedures for reporting Contract Highlights are under review; however, they are at this time, unchanged.

## 2. Set-Asides

2.1 The descriptions of set-asides included in the PIF make it clear that there are two distinct types of set-asides; one related to the Land Claims Agreements; and one which is part of the Program for Aboriginal Business (Aboriginal Set-aside). The descriptions reflect terminology that is commonly employed within Acquisitions Branch.

## 3. Limited Tendering Reasons

3.1 Identify reasons for pursuing a non-competitive or limited competition procurement. This field is used to identify one of the 15 Limited Tendering Reasons detailed in [Annex B](#). Architectural and engineering services (A&ES) requirements that were previously identified as being sourced using SPEC (Selection, Prequalification and Evaluation of Consultants) will now be identified as Limited Tendering Reason # 85, which makes reference to the TB Exception to the requirement to solicit bids for A&ES that do not exceed \$100,000 (TB Contracting Policy, Ref. 10.2.1 (b)).

## 4. Contract Award Process (CAP)

4.1 Field for Type of Award to indicate the CAP Code in accordance with the list provided at [Annex C](#). Where Limited Tendering has been used, this code will be the same as entered in the planning stage as the Limited Tendering Reason.

## 5. Timing For Submission of PIFs

5.1 All PIFs shall be transmitted to the <PIF e-mail address within the time frames indicated below. The PIF File number shall be included on the subject line of the accompanying e-mail.

- (a) **For procurement plans** - PIFs shall be transmitted no later than 24 hours prior to the anticipated solicitation issuance date.
- (b) **For awards** - PIFs shall be transmitted no later than 24 hours prior to the anticipated award, with the exception that awards on behalf of Canadian Commercial Corporation (CCC) and Canadian International Development Agency

(CIDA) shall be transmitted at the time of the award.

**6. PIF Routing Procedure**

- 6.1 The Minister's Office requires 24 hours to review PIFs for procurement plans and awards that have not been previously approved.
- 6.2 Providing PIFs in a timely and accurate manner is a condition of the Delegation Instrument from the Minister and should be respected as such.
- 6.3 Revised PIF procedure:
- (a) Managers will review PIFs for completeness and accuracy;
  - (b) E-mail the completely PIFs directly to the PIF Account (NCR-SPMS PIF), with a copy to their Director General (DG). The Manager's and DG's name must appear in the e-mail address. Acquisition Policy and Process Directorate, which maintains the PIF account, will forward the PIF to the Assistant Deputy Minister's Office (ADMO);
  - (c) The ADMO will copy the Manager and the Manager's DG when the PIF is forwarded to the Minister; at this point all will be aware that the 24-hour clock has started ticking;
- 6.4 Requiring Managers to review and approve PIFs will provide the Managers with an overview of any recurring problems with PIFs which they can feed back to the Contracting Officers within their area. As the PIF forms are designed for less detail (as opposed to more), review by Managers of PIFs should not be unduly time-consuming.
- 6.5 The 24-hour time frame does not include weekends and statutory holidays. For example, a PIF submitted on a Friday afternoon at 4 p.m. is unlikely to be sent to the Minister's Office until the next business day. The 24-hour clock will not start until the PIF has been sent to the Minister by the ADMO.
- 6.6 The PIF nomenclature forms part of the subject line of the PIF e-mail sent to the PIF account (see [1.9](#)).
- 6.7 For awards on behalf of CCC and CIDA, PIFs continue to be required to be submitted at the time the award is issued, using the same revised routing process above, with the exception, of course, that the 24-hour waiting period does not apply.

**Thresholds for Reporting Using the Procurement Information Form**

A Procurement Information Form (PIF) must be completed for all **procurement plans and awards** valued in excess of the commodity-specific contract entry authorities specified below.

For **procurements** that require either the Minister’s or TB approval, a PIF is necessary to inform the Minister that the milestones laid out in the submission are taking place as planned.

A PIF is necessary for **procurements** that require either the Minister's approval or Treasury Board's approval.

For **procurements** approved utilizing exceptional authorities such as Repair and Overhaul or Energy Management, a PIF must be completed for all plans and awards that exceed 25% of the exceptional authority.

A PIF is not required for the certification of bids.

A PIF is required for each standing offer or other similar arrangement, regardless of whether it is considered to be a legally binding contract or not. The requirement to prepare a PIF for these procurements is based on the thresholds specified below.

A PIF is required for all Plans and Awards when the following thresholds are exceeded:	<b>Electronic Bidding</b>	<b>Competitive</b>	<b>Non-Competitive</b>
<b>Services</b>	\$2.5M	\$1.25M	\$375K
<b>Construction</b>	\$2.5M	\$1.25M	\$62.5K
<b>Telecommunications</b>	\$25M	\$2.5M	\$375K
<b>Architecture &amp; Engineering Services</b>	\$250K	\$125K	\$12.5K
The Minister’s office requires 24 hours to review PIFs prior to award. The 24-hour clock will not start until the PIF has been sent to the Minister’s office.			

Limited Tendering Reasons

Coverage	Permissible CAP Code	Abbreviated Limited Tendering Reason	Actual TB/Agreement Reference
NAFTA, WTO-AGP, AIT or any combination thereof; or ABSA*; or None*	5	no responses to bid solicitation...	NAFTA 1016.2 (a) WTO-AGP XV.1 (a) AIT 506.11 (f)
	20	goods purchased on a commodity market...	NAFTA 1016.2 (f) WTO-AGP XV.1 (h) AIT 506.12 (d)
	21	purchases made under exceptionally advantageous conditions, short term...	NAFTA 1016.2 (g) WTO-AGP XV.1 (i) AIT 506.12 (i)
	22	awarded to the winner of a design contest...	NAFTA 1016.2 (h) WTO-AGP XV.1 (j) AIT 506.12 (g)
	71	exclusive rights...	TB Man 10.2.1 (d) NAFTA 1016.2 (b) WTO-AGP XV.1 (b) AIT 506.12 (b) (j)
	72	prototype purchase...	NAFTA 1016.2 (e) WTO-AGP XV.1 (e) AIT 506.12 (h)
	74	interchangeable parts...	NAFTA 1016.2 (d) WTO-AGP XV.1 (d) AIT 506.12 (a)
	81	extreme urgency...	TB Man. 10.2.1 (a) NAFTA 1016.2 (c) WTO-AGP XV.1 (c) AIT 506.11 (a)
NAFTA and/or AIT	23	consulting services regarding matters of a confidential nature...	NAFTA 1016.2 (i) AIT 506.11 (b)
WTO-AGP only	24	additional construction services...	WTO-AGP XV.1 (f)
	25	new construction services...	WTO-AGP XV.1 (g)
AIT only	86	prices and/or sources fixed by government regulations...	AIT 506.12 (c)
	90	protection of human, animal or plant life or health...	AIT 506.11 (e)
AIT and/or None*ABSA*	87	government objectives representing best interests/ value to government...	TB Man. 10.2.1 (c) TB CPN 1997-3 AIT 506.11 (c) (d) AIT 506.12 (e) (f) (k) (l)
ABSA*None*	85	low dollar value...	TB Man. 10.2.1 (b)

\* For ABSA and None, only TB Reasons are permissible. (See CAP Codes 71, 81, 85 and 87)

**Contract Award (CAP) Code Processes**

Listed below are the permissible Contract Award Process (CAP) Codes and the reason for using a particular CAP Code. (Revised 01/01/96)

**CAP Code: 01**  
Lowest/lower Bid

**CAP Code: 04**  
Best Overall Proposal

**CAP Code: 05**  
In the absence of tenders in response to a competitive bid solicitation or when bids submitted have been either collusive or assessed as non-responsive or received from non-qualified suppliers.

**CAP Code: 06**  
Only One Response to Bid Solicitation

**CAP Code: 10**  
Rotational Sourcing

**CAP Code: 11**  
Subsequent/Follow-on Contracts

**CAP Code: 20**  
For goods purchased on a commodity market.

**CAP Code: 21**  
For purchases made under exceptionally advantageous conditions that only arise in the very short term, such as unusual disposals by enterprises that are not normally suppliers or disposal of assets of businesses in liquidation or receivership, but not routine purchases from regular suppliers.

**CAP Code: 22**  
To be awarded to the winner of a design contest.

**CAP Code: 23**  
For consulting services regarding matters of a confidential nature.

**CAP Code: 24**  
When additional construction services which were not included in the initial contract but which were within the objectives of the original tender documentation.

**CAP Code: 25**  
For new construction services consisting of the repetition of similar construction services which conform to a basic project for which an initial contract was awarded.

**CAP Code: 71**  
For reasons connected with protection of exclusive rights, such as patents and copyrights, and no reasonable alternative or substitute existed.

**CAP Code: 72**  
For reasons involving the procurement of prototypes or a first product which is developed under a contract for research, experiment, study or original development.

**CAP Code: 74**  
For logistic reasons (i.e. where additional deliveries by the original supplier are intended either as replacement parts for existing supplies, or installations, or for continuing services, or as the extension of existing supplies, services or installations, where a change of supplier would compel the client to procure

equipment or services not meeting requirements of interchangeability with already existing equipment or services).

**CAP Code: 81**

For reasons connected with extreme urgency, brought about by events unforeseeable by the client, where time did not permit competitive solicitation.

**CAP Code: 85**

Low Dollar Value

**CAP Code: 86**

Prices and/or sources fixed by Government regulations

**CAP Code: 87**

Government objectives representing best interests/value to Government.

**CAP Code: 88**

National Security Consideration

**CAP Code: 89**

Exceptional circumstances under AIT Article 508(l)

**CAP Code: 90**

Protection of human, animal, or plant life or health under AIT Article 506.11 (e)

## Annex 6.1.9 Contract Amendment Approval Process (2003-12-12)

The new Departmental Delegation of Authority framework was implemented on July 17, 1998. A key objective of this new approval framework is to encourage more comprehensive preplanning of all procurements. It is expected that these changes will improve the identification and pre-approval of options and of amounts set aside for anticipated amendments.

Nevertheless, the revised framework will also result in a greater number of amendments requiring ministerial approval. Because of the resource implications of this increased amendment volume, it was necessary to review and update the CAAP in order to strike a better balance between the need for in-depth review and acceptable risk.

The new CAAP is the result of extensive consultations both in headquarters and in the regions. It is comprised of two routine processes to be followed in seeking approvals where time is not of the essence and the Just In time Approval Process (JITAP) to deal with those exceptional, urgent requests that require decisions within 48 hours. The JITAP is explained more fully in [Annex 6.1.10](#).

### 1. Coverage

- 1.1 Due to the anticipated increase in the volume of amendments flowing to the Minister for approval via the Audit and Review Branch (ARB), two standard processes were developed to eliminate potential bottlenecks and ensure effective and timely decision making. While one process requires review by the ARB and Senior General Counsel (SGC), the other does not. It is expected that these new procedures will not only **reduce the number of contract amendments requiring ratification** but will allow as much time as is possible to make new contractual arrangements without detriment to the client/project in the event that a request for amendment is refused.
- 1.2 *The approval process must not be used in a manner that would place the Approval Authority in an untenable position with regard to the amendment request.*
- 1.3 ARB and SGC will continue to provide full review services for formal Procurement Plans and contracts submitted to the ADM/SOSB, or above, for approval.
- 1.4 **ARB and SGC will review** contract amendment requests based on the following criteria:
  - (a) contract amendments requiring Treasury Board approval;
  - (b) contract amendments requiring the approval of the ADM, the DM, the Minister; and Treasury Board (only when elements of ratification are included);
  - (c) contract amendments for Goods and Services and Telecommunications with an aggregate value greater than \$5M;
  - (d) contract amendments for A&ES and Construction with an aggregate value greater than \$1M.
- 1.5 The ARB and SGC will review other contract amendment submissions upon request.
- 1.6 The non ARB and SGC process will review all amendment requests not meeting or falling below the \$5M and \$1M thresholds as laid out above.
- 1.7 In deciding whether to seek ARB/SGC involvement, /RDG's should (in consultation with CQC managers) consider the following elements of risk or sensitivity:
  - deviations from the Procurement Plan or PRC/PSC Record of Review;
  - deviations from TB or PWGSC policy;
  - changes to General Conditions/Supplemental General Conditions;

- comments made by Legal Counsel;
- concerns raised by the Cost Analyst;
- potential for employer-employee relationship;
- transition costs;
- extra payments;
- CITT or other complaints;
- media attention;
- other areas of risk or sensitivity.

## 2. Contract Amendment Approval Process (CAAP)

2.1 The new amendment approval process consists of three elements:

- a clear, standardized approval process, with established time frames;
- a streamlined approach to documentation;
- the JITAP to deal with urgent requirements, where a decision is needed more quickly than the standard approval system can ensure. Please refer to [Annex 6.1.10](#) for complete details.

2.2 Judicious selection of the appropriate amendment process will keep any amendment backlogs to a minimum, ensure effective and timely decision making and avoid the potential of retroactivity.

2.3 The maximum suggested time frames are provided with each approval level.

2.4 Requests for amendments that are **within** the ARB and SGC review process will move:

Director General → ARB\* (2 days simple; 5 days complex);  
 ARB → SGC (2 days)  
 SGC → ADM (1 day)  
 ADM → DM (5 days)  
 DM → Minister (5 days).

**Note:** ARB process includes consultations with the Communications Branch.

2.5 The maximum time frame for amendment requests **within** the ARB/SGC process is set at three weeks and three days. However, this time frame must be flexible due to the differing degrees of complexity of each amendment, the unforeseen impact of external factors, the timeliness of responses to follow-up inquiries and other delays.

2.6 Requests for amendment that are **outside** the ARB and SGC process will move:

Director General → ADM (1 day)  
 ADM → DM (5 days)  
 DM → Minister (5 days).

2.7 The length of time given to process amendment requests **outside** the ARB/SGC process is set at two weeks with the same provisos with respect to flexibility set out above.

2.8 It should be emphasized that this process for non-ARB/SGC files will likely result in less independent review of each situation. Sector and Regional staff may wish to compensate for this effect by increasing their emphasis on internal review processes. This may include the institution of mandatory cost analysis and/or sector legal reviews for all amendment requests.

2.9 All requests for amendments reviewed by the ARB will be forwarded to the SGC for a final legal review. For amendments that will require the signature of the SGC, it is imperative that they first be reviewed and signed by the Sector's appropriate legal representative.



**3. Documentation**

- 3.1 The CAAP applies to **all** amendment requests requiring approval levels higher than the Director General.
  - 3.2 Contract amendment requests requiring TB approval must still be prepared in a bilingual format using the form PWGSC-TPSGC 1151-1, Contract Request/Contract Amendment Request.
  - 3.3 The form PWGSC-TPSGC 286, Amendment Approval Form (AAF), may be used for Director General approvals and below at each Sector's discretion. For approval levels higher than Director General, all the signatures requested on the two signature pages must be obtained.
  - 3.4 The AAF is to be placed inside a standard file folder **unaccompanied** by its supporting documentation. Each folder will also include two signature sheets to capture the necessary signatures.
  - 3.5 The top signature sheet will record approvals from Director General to the Minister (if appropriate).
  - 3.6 The top signature sheet will record approvals from Director General to the Minister (if appropriate).
  - 3.7 The second signature sheet will be used to capture signatures from the Contracting Officer up to (and including) the Director General;
- Note:** Directors General are only required to sign one sheet or the other.
- 3.8 For files requiring approval beyond the ADM level, all signatures (including those below the DG level) will remain with the submission.

## Annex 6.1.10: Just in Time Approval Process - JITAP (2001-12-10)

The Just In Time Approval process (JITAP) was developed as a rapid response process to deal with urgent contract amendment requests, on a clearly exceptional basis, where a decision is required in less time than is feasible using the standard amendment approval process. JITAP is designed to make certain that approvals are obtained in a timely manner in order to avoid retroactivity.

### 1. Required Information

- 1.1 The success of the JITAP hinges on the ability of the submission documents to permit an informed decision by Senior Management and to not take an inordinate amount of time to prepare or to review.
- 1.2 The Required Information for all JITAP Submissions:
  - (a) client particulars;
  - (b) project description;
  - (c) contractor particulars;
  - (d) type of procurement process (e.g. competitive);
  - (e) original contract value;
  - (f) number and value of previous amendments;
  - (g) reason(s) for previous amendment(s);
  - (h) current contract value;
  - (i) value of the required amendment;
  - (j) reason for the amendment and why an amendment (vs a new contract) is the recommended way to proceed; and,
  - (k) an explanation of why this is a special situation requiring extraordinary handling.

Questions that must be answered in this section include:

- When did the need for an amendment first become known?
  - Why, if any, were there subsequent delays in seeking approval?
  - When is a decision required by?
  - What are the consequences of a later decision (details of additional costs, delay of work, client impacts, etc.)?
- 1.3 The key information outlined above is a **minimum requirement** for any submission to be considered for approval.
  - 1.4 Although a standardized format has been implemented, it is permissible to employ other formats, especially where speed is of the utmost essence. For example, depending on where the needed information is produced, it may be fastest to produce: a fully descriptive e-mail; a transmittal e-mail with attached document (in which case the transmittal e-mail would have to set out the special situation being dealt with); or a memorandum to accompany and expand upon documents received from a client.
  - 1.5 The actual request for JITAP should move via e-mail, with any associated documents delivered by hand or facsimile.

### 2. Advance Notice and Internal Communications

- 2.1 The key element in obtaining rapid review is making sure that the people involved in processing the submission know that the request for approval is coming and, that everyone knows of the time constraints that have to be respected.
- 2.2 Along with the actual JITAP submission, there is a specific internal communications obligation. As soon as a requirement becomes known by a Contracting Officer, it must be

communicated by telephone inside that particular Sector/Region offices (through the appropriate channels) to the Director General. The DG will then notify the office of the ADM/SOSB. The ADM is responsible for contacting the Deputy Minister's office and/or Minister's office.

**Note:** While e-mail can be used, there is always the risk of delay in opening these messages. The telephone ensures the immediate communication of messages.

- 2.3 Each step in the process brings a responsibility for a two-way sharing of information of when the request will move up to the next step in the chain and, what scheduling issues may be involved in obtaining a review. At the earliest possible moment, firm agreements on the process must be made whenever possible (e.g. the Director will send the package to the DG via e-mail by time X; or the DG and ADM will meet to discuss the requirement at time Y or the ADM will meet with the Minister to present the case at time Z.).

### 3. JITAP Submission Format

- 3.1 The format as described below should be used as the standard for submitting requests under the JITAP:

**Subject:**

- Project Name/Reference;
- Request For An Amendment of \$X;
- For Approval of the Minister or the Assistant Deputy Minister (ADM).
- 

**Background:**

- Project Description;
- Client;
- Original Contract Information:
  - supplier(s) identification;
  - contract award date;
  - current contract value;
  - method of procurement (e.g. Competitive, Sole Source, Spec);
  - list of previous bidders, ranked, with bid price.

**Previous Amendments:**

- Value and Purpose of Each Previous Amendment;
- Accountability Issues (e.g. Client Request).

**Proposed Amendment:**

- Value and Purpose;
- Accountability Issues, if any (e.g. is the requirement due to a newly raised client request?; is the Crown accountable due to delay?; is the accountability shared between the contractor and the Crown?);
- If the scope of work is increasing, why amend rather than re-compete? How has fair and reasonable value been assured?

**Implications of Not Receiving Immediate Authority to Proceed:**

- Impacts on the project, the client, political implications, if any, etc.;
- Give quantitative impacts as well as the qualitative impacts.

**Costs and Taxes:**

- Costs and funding detail [e.g. original contract amount of \$x; previous amendments of \$x; proposed amend of \$x; anticipated final contract amount of \$x (tax included or extra)].

**Other:**

- Any other extenuating circumstances or pertinent facts.

**Approval Signature Block for Minister:**

- The Deputy Minister (DM), Audit and Review Branch (ARB), and the Director General (DG)/Regional Director General (RDG) who submitted the JITAP are always copied after approval is received;
- Informally, a verbal response is provided by the ADM's office to the point of contact in the sector/region where the submission originated.

**4. Verification**

4.1 In order to ensure the prompt processing of a JITAP submission, Contracting Officers would be well advised to pay particular attention to the following:

- (a) Ensure that the information on the initial contract is adequate;
- (b) Ensure that previous amendments provide sufficient detail;
- (c) Contract Award dates are clearly identified;
- (d) The companies to whom the contract was awarded must be clearly identified;
- (e) Other bidders and their bids must be identified to demonstrate that the contract in question remains the contract with the best value after the amendment history has been taken into account.

**5. Monitor**

5.1 The Risk Management and Quality Assurance Directorate will be monitoring the effectiveness of this particular JITAP approach. If it proves to be successful in providing all the necessary information grouped in a logical manner, and in further tightening of the JITAP turnaround times, then a new form will be promulgated reflecting these changes.