

Section 9J: Supply Arrangements

- 9J.1 (1994-06-23) An Supply Arrangement (SA) is a method of supply where the client, under the framework of the Arrangement, may solicit bids from a pool of prescreened vendors. An SA is not a contract and neither party is legally bound as a result of the signing of this document alone. The intent of the SA is to establish a framework to permit the expeditious processing of legally binding contracts for goods or services. SAs include a minimum set of terms and conditions which would apply to each contract and they are issued by Public Works and Government Services Canada (PWGSC).
- 9J.2 (2005-12-16) Solicitations made under an SA, depending on the circumstances, may be subject to all North American Free Trade Agreement (NAFTA), World Trade Organization Agreement on Government Procurement (WTO-AGP) and the Agreement on Internal Trade (AIT) procedures (see [4.012](#)). An SA solicitation meeting the NAFTA and/or WTO-AGP requirements would be considered Selective Tendering not involving the use of a permanent list of qualified suppliers (see [5.050](#) (b)) and a solicitation meeting the AIT requirement would be considered as using a source list (see [Article 506](#), AIT). For procurements covered under NAFTA, WTO-AGP and AIT, the following procedures should be modified, if necessary, to take into account the obligations of the Agreements.
- 9J.3 (1994-06-23) An SA should be considered if:
- (a) a commodity is procured on a regular basis (goods or services); and
 - (b) a Standing Offer is not suitable, due to variables in resulting call-ups (e.g. varying methods/bases of payment, statement of work or commodity cannot be adequately defined in advance); and
 - (c) the commodity or service value is best expressed as a ceiling price; and
 - (d) clients can negotiate price reductions from the ceiling price; and
 - (e) it is most efficient for PWGSC to operate as the provider of the framework, and not as the contractual authority.
- 9J.4 (1996-06-03) Prior to establishing an SA, the contracting officer will prepare and issue a competitive Request for a Supply Arrangement (RFSA), which will allow for a suitable pool of suppliers under the stated evaluation criteria. Industrial Security requirements (i.e. Personnel, Physical and Information Technology security) should be identified at this time, when any or all of these security aspects will be applicable to all clients of the SA.
- 9J.5 (1994-06-23) After the RFSA evaluation has been completed, the qualified suppliers' ceiling prices, and contact information are collected, and published along with a complete guide for the use of the SA by the clients.
- 9J.6 (1994-06-23) The client's use of the SA is monitored by the contracting officer, and the suppliers are subject to an audit.
- 9J.7 (2000-05-12) Supply Arrangement Solicitation/Contract for Non-consulting Services, form PWGSC-TPSGC 9200-11, is designed to form both the Request for Proposal and the contract for the client.

The contracting limits for services (including the Goods and Services Tax, and/or the Harmonized Sales Tax) are contained in the Treasury Board (TB) Contracts Directive:

The contracting limits for goods are outlined in the TB Contracts Directive but are subject to delegation from the Minister of PWGSC.

These are the maximum limits, which may be limited under the SA, by PWGSC.

- 9J.8 (1994-06-23) Clients are free to negotiate a lower price or rate (from the stated ceiling prices), according to the work required.
- 9J.9 (1994-06-03) Clients are responsible for determining and arranging for security requirements, at all times when these requirements differ from the SA.
- 9J.10 (2000-05-12) A legal contract does not exist between Canada and the supplier until the form PWGSC-TPSGC 9200-11 has been fully completed as an offer by the supplier and accepted by the client.