

Chapter 12 - Glossary

A

accelerated depreciation

Also known as **additional allowance in respect of capital cost**. An additional deduction over and above normal depreciation allowed on capital cost in computing income for income tax purposes. Application for such allowance can be made under Income Tax Regulations provided the taxpayer has received a certificate from the appropriate specified government authority, certifying the dollar value of the assets on which accelerated depreciation may be taken. Accelerated depreciation is not allowed as an item of cost on government contracts. (1994-06-23) (*amortissement accéléré*)

acceptable products list

1. Lists including appropriate product identification, developed and utilized for products which conform with the applicable handbooks, specifications, standards or other descriptions and which have proven acceptance.
2. *Pharmaceuticals and medical supplies*. The Acceptable Products List includes pharmaceuticals and medical supplies; which client medical departments stipulate as the only items acceptable for administration to, or for use in the treatment of, patients for whom the federal government is responsible; which conform with the applicable handbooks, specifications, standards or other descriptions; whose suppliers shall comply with the provisions of the Food and Drugs Act and Regulations, and the Narcotic Control Act and Regulations. See also **pharmaceuticals and medical supplies**. (1994-06-23) (*liste des produits acceptables*)

acceptance

1. A deliberate and intentional agreement or consent to accept materiel or services rated as acceptable.
2. Receipt by the consignee for a shipment, thus terminating the common carrier liability subject to claim for shortages or damages if such exist.
3. See also SACC Manual, sections [3](#), [4](#) and [5](#).
4. *Tender/Offer*. The action of one of the parties to a contract to make it valid, following the offer of the other party. (5) See also **contract**. (1994-06-23) (*acceptation*)

account

1. A formal record of a particular type of transaction such as an asset, liability, proprietorship, revenue or expense, expressed in money or other unit of measurement and kept in a ledger.
2. The bookkeeping records of any organization, including journals, ledgers, vouchers and other supporting papers.
3. *Defence Production Act*. Means the Defence Production Loan Account. See [Section 9E](#).
4. *Canadian Institute of Chartered Accountants (CICA)*. Collective term for the whole set of financial statements of an organization.
5. Refers to records of the cost to the contractor of the work performed under a PWGSC contract and of all expenditures and commitments made by the contractor in connection with the contract and invoices, receipts and vouchers relating to it. (1994-06-23) (*compte*)

accountability

The obligation of an employee, agent or other person to answer for or be accountable for, work, action,

or failure to act following delegated authority. The obvious aspect of being responsible. (1994-06-23)
(obligation de rendre compte)

accountable advance

1. Funds provided to a contractor to purchase spare parts which are not an item of supply in the supply system and which will be used in the repair and overhaul of government equipment.
2. Advance funds provided for a specific purpose and chargeable to the appropriation for the service in respect of which the advance is made.
3. Accountable Advance Regulations. A sum of money advanced from and temporarily changed to an appropriation, e.g. a revolving fund, working capital advance, special account. (1994-06-23)
(avance à justifier)

accountable items

Items of materiel for which complete accountability records must be maintained for inventory, in units and value including purchase transactions and, when items are removed from inventory, in units and value. (1994-06-23) **(articles à comptabiliser)**

ad valorem

1. According to value.
2. Ad valorem is usually applied to a customs duty charged upon the value only of goods that are dutiable.
3. Ad valorem duty as distinguished from specific duty is calculated in percentages of the value of the goods imported. (1994-06-23) **(ad valorem)**

additional allowance in respect of capital cost

See **accelerated depreciation**. (1994-06-23)

adjustment

1. The amount of variation permitted by an adjustment clause in the contract generally permitting a change upward or downward in the price or obligations in case certain events transpire.
2. See also **economic price adjustment**. (1994-06-23) **(ajustement)**

advance payment

A payment made by or on behalf of Her Majesty under the terms of a contract before the performance of that part of the contract in respect of which the payment is made. (1994-06-23) **(paiement anticipé)**

advice

The expression of counsel or opinion; an opinion expressed as to the wisdom of future conduct. (1994-06-23) **(conseil)**

advice of shipment

Also known as **notice of shipment**. A notice sent to a purchaser advising that a shipment has been released. The notice usually contains details of packing, routing, etc. (1994-06-23) **(avis d'expédition)**

Advisory Contracting Services

A requirement or group of requirements in which the PWGSC contracting procedures are not comprehensively applied. The client is free to accept or reject the advice or contractual services, and PWGSC does not assume full contracting responsibilities. (1994-06-23) **(services contractuels de conseil)**

advisory projects

A project in which PWGSC systems and procedures are not comprehensively applied. (1994-06-23) (**projets consultatifs**)

after-imposed duties

All duties that the contractor has to bear that were not applicable on the contract date. (1994-06-23) (**droits imposés ultérieurement**)

after-imposed taxes

All applicable GST/HST exempted or excluded on the reference date but for which exemption was later removed or reduced such that the contractor is required to pay or bear additional taxes as a result of legislative, judicial or administrative action taking effect after the reference date; also includes increases announced after the reference date affecting the rate of tax, whether specific or percentage. (1998-02-16) (**taxes imposées ultérieurement**)

after-relieved duties

All duties which were applicable on the contract date but which were no longer applicable at the time of delivery. (1994-06-23) (**droits dégrévés ultérieurement**)

after-relieved taxes

All applicable GST/HST that would have been payable on the transaction or property covered by contract, but which the contractor is not required to pay or bear or for which the contractor obtains a refund or drawback, as a result of legislative, judicial or administrative action taking effect after the reference date. (1998-02-16) (**taxes dégrévées ultérieurement**)

agency

A relationship established by contract whereby one party known as the principal, employs and authorizes a second party, known as the agent, to represent the principal in business dealings with third parties. The term also applies to the office of the agent. (1994-06-23) (**agence**)

agency and resale items

Fully processed articles or component parts acquired by bona fide agents, distributors, wholesalers, jobbers or retailers for resale without further processing; however, such items may require handling, unpacking, testing, inhibiting, storing, re-packing prior to shipment. (1994-06-23) (**articles d'agents et de revendeurs**)

agent

Persons who act on behalf of another person (the principal) by their authority, express or implied, in dealings with third parties. (1994-06-23) (**agent**)

agreement

1. A consensus of two or more minds in respect of anything done or to be done.
2. An agreement has a wider meaning than a contract. The requisites of an agreement are: two or more persons, a distinct intention common to both, referring to legal relations and affecting the parties, and the document or instrument which evidences the agreement.
3. See also **formal agreement**. (1994-06-23) (**accord**)

amendment

An agreed addition to, deletion from, correction or modification of a contract. See **contract amendment**. (1994-06-23) (**modification**)

Amount

In respect of a contract, means the consideration to be given by the contracting authority under the terms of the contract, whether the consideration is fixed or estimated. (1994-06-23) (**montant**)

appropriate minister

The "appropriate minister" means either the minister presiding over a department [i.e. any of the departments named in Schedule I of the *Financial Administration Act* (FAA)] or the minister designated by the Governor in Council as the appropriate minister in respect to any other department (i.e. any branch designated as a department for the purposes of the FAA). (1994-06-23) (*ministre compétent*)

approved financial institution

1. any corporation or institution that is a member of the Canadian Payments Association,
2. a corporation that accepts deposits that are insured by the Canada Deposit Insurance Corporation or the Régie de l'assurance-dépôts du Québec to the maximum permitted by law,
3. a credit union as defined in the Income Tax Act,
4. a corporation that accepts deposits from the public, if repayment of the deposits is guaranteed by Her Majesty in right of a province, or
5. the Canada Post Corporation. (2003-12-12) (*institution financière agréée*)

approved item name

The name which has been selected, and delimited where necessary, to establish the concept of an item of supply. (1994-06-23) (*nom d'article approuvé*)

approved personnel security screening

The administrative process used to examine a Personnel Security Screening, that has been granted by another government organization, in order to determine its applicability and acceptance for the purpose of approval by the Canadian and International Industrial Security Directorate for access to classified and/or protected information and assets provided to or produced by private organizations under contract to the Government of Canada. (2002-05-24) (*cote de sécurité du personnel approuvée*)

approved source list

1. A list of suppliers that can supply specific goods and services and are approved on the basis of the suitability of their facilities and capabilities.
2. See also **qualified products list**. (1994-06-23) (*liste de fournisseurs accrédités*)

area buy

Regional offices are to solicit bids within their geographic area as long as that area ensures adequate sources, including suppliers of foreign goods or services, the required service to clients, and fair value for the taxpayer's dollar. (2003-05-30) (*achats régionaux*)

Assets

General. Any owned physical object (tangible) or right (intangible) having economic value to its owner. See also **production assets**. (1994-06-23) (*actif*)

assignment

1. A transfer of a right from either party to the other, as mutually agreed.
2. *Lease.* In this context, the entire unexpired residue of the lease is transferred.
3. *For the benefit of creditors.* Regulated by the *Bankruptcy and Insolvency Act*, it is an assignment made in favour of the trustee in bankruptcy who takes it in trust for the general body of creditors of the insolvent assignor for realization and distribution in accordance with the statute.
4. *Book debts.* Right to collect and receive all accounts receivable, present and future, of the borrower. This right is exercised by the lender signifying to the debtors of the borrower that the

lender requires them to pay to it the balance outstanding on their account. (2003-12-12)
(*cession*)

assignment of contract

The transfer by the contractor of responsibility for performance of all or part of the contract from the contractor to a third party. (1994-06-23) (*cession d'un contrat*)

associated government

Means Her Majesty's Government in the United Kingdom, any other government of the Commonwealth of Nations, the government of a country that is a member of the North Atlantic Treaty Organization (NATO) or the government of any other country designated by the Governor in Council as being a country the defence of which is vital to the defence of Canada. (1994-06-23) (*gouvernement associé*)

audit

1. *General.* An examination, full scrutiny and verification of accounting records, usually by a third person.
2. An examination of all elements of actual costs incurred by the contractor and the determination of actual profit realized. See **discretionary audit**. (1994-06-23) (*vérification*)

audit chapter

This is a complete chapter on a specific subject in the Auditor General's Annual Report to the House of Commons. A chapter may include all the observations and recommendations resulting from a Comprehensive Audit of a government department or the findings and recommendations from a government-wide study on a specific function. Extracts from a government-wide or any other type of study completed by the Office of the Auditor General, will be forwarded (usually in the form of an Audit Note) to PWGSC for comment prior to publication in the Auditor General's Annual Report. (1994-06-23) (*chapitre du rapport de vérification*)

audit notes

These are individual observations that are pertinent to PWGSC which the Auditor General proposes to include in a specific chapter in his annual report to the House of Commons. This type of Audit Note may be the first indication that the Auditor General is contemplating an audit observation applicable to PWGSC operational activities. (1994-06-23) (*note de vérification*)

audit observation

This is generally recognized as a numbered paragraph to the Auditor General's Annual Report. An audit observation may be critical of our operations or may merely provide information on activities carried out within PWGSC. (1994-06-23) (*observation de vérification*)

authority

1. The right to perform certain acts or prescribe rules governing the conduct of others.
2. Generally, under balanced schemes of management, administrative authority represents the activation of corporate policy and is coupled with responsibility and accountability.
3. A person commonly regarded as possessing an extensive knowledge in any given field. (1994-06-23) (*pouvoir*)

Automated Vendor Rotation System (AVRS)

Maintains a record of bid opportunities for the suppliers from each source list. AVRS records are only maintained on regional type satellites. (1994-06-23) (*Système automatisé de rotation des fournisseurs [SARF]*)

award

The notification to a bidder or tenderer of acceptance of a bid or tender which brings a contract into existence. (1994-06-23) (*adjudication*)

B

Background information

All Technical Information that is not Foreground Information and that is proprietary to Canada, the contractor, its subcontractors or any third party. (1994-06-23) (*renseignements de base*)

bailment

The delivery of personal property to another for some purpose on condition that the property will be returned pursuant to an agreement. (1994-06-23) (*dépôt*)

bankruptcy

1. A condition where an insolvent company either voluntarily institutes bankruptcy proceedings by applying to have a licensed Trustee in Bankruptcy appointed or where the company's creditors are successful in petitioning the court to issue a receiving order, the effect of which is to authorize transfer of all assets of the bankrupt debtor to a licensed Trustee in Bankruptcy for realization or distribution to the creditors.
2. The state or condition of one who is bankrupt, whereby the property of a person or company, being legally declared unable to meet debts, is vested in an official trustee for distribution among creditors. (1994-06-23) (*faillite*)

Basic Ordering Agreement

An American term meaning a written instrument of understanding negotiated between the U.S. contracting authority and the contractor that contains contract clauses applicable to future contracts between the parties during its term and contemplates separate future contracts that will incorporate by reference or attachment the terms and conditions of the basic ordering agreement. It is used when a large number of separate contracts may be awarded to a contractor, and significant and recurring negotiating problems have been experienced with the contractor. (1994-06-23) (*accord général sur la passation des commandes*)

bid

A tender, proposal or quotation submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e. Invitation to Tender, Request for Proposal and Request for Quotation. (1994-06-23) (*soumission*)

bid bond

1. A bond given to guarantee entry into a contract. This bond is given to indemnify Her Majesty against increased costs should the bidder not carry out the specified undertaking to enter into a contract.
2. A bond given by a person to guarantee entry into a contract if the contract is awarded to that person.
3. See also **security deposit, government guaranteed bond** and **surety bond**. (1994-06-23) (*cautionnement de soumission*)

bid protest

A complaint that is made against the methods employed or decisions made by a contracting authority in the administration of a process leading to the award of a contract. (1994-06-23) (*réclamation relative à une offre*)

bid security

A bid bond or a security deposit given by a person to Her Majesty to guarantee entry into a contract if the contract is awarded to that person. (1994-06-23) (*garantie de soumission*)

bid set

A package of data which identifies the article to be purchased, the quantity and delivery, and which includes designs, specifications, quality requirements and general conditions which will govern the contract resulting from acceptance of a bid. Specifications included in the package may refer to other specifications not included in the package since the bidder is normally expected to have access to these supplementary specifications. (1994-06-23) (*documents de soumission, Ensemble de*)

bid solicitation

See **invitation for bids**. (1994-06-23) (*demande de soumissions*)

bidders' conference

A meeting chaired by PWGSC to discuss with potential bidders, technical, operational and performance specifications, and/or the full extent of financial, security and other contractual obligations related to a bid solicitation. (1994-06-23) (*conférence des soumissionnaires*)

bill of lading

The carrier's record of receipt of a shipment, its routing, shipper, consignee and number of pieces, e.g. air bill, ocean bill, highway probill, rail waybill. (1994-06-23) (*connaissance*)

bill of sale

An instrument in writing under which title to personal chattel is transferred. A mere receipt for payment is not a bill of sale; the instrument must actually signify a transfer of title to the goods to the buyer. (1994-06-23) (*contrat de vente*)

bill of exchange

Includes certified cheques, bank drafts and money orders. These are defined in the *Bills of Exchange Act* as "an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay, on demand or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person or to bearer." (2003-12-12) (*lettre de change*)

blanket order cases

A supply arrangement which is negotiated with the United States Government under the auspices of Foreign Military Sales (FMS). It allows clients to submit detailed requirements directly to the identified U.S. military organization. This arrangement, which is similar in nature to the standing offer method of procurement, is normally utilized when there is no definite listing of items or of quantities required. This category of FMS cases (contracts) does not necessitate the purchase of an equity. See [Chapter 9B](#). (1994-06-23) (*dossier de commandes-cadres*)

breakout procedure

1. The removal of a (major) portion of a product from the responsibility of the contractor and placing it with another contractor for manufacture under a separate contract.
2. A process wherein components or subassemblies of a weapons system or major item of equipment initially obtained from the major prime contractor are separately procured. The objectives of the breakout procedure are to reduce the concentration of procurement from the contractor, to increase competition in the procurement of affected items and to reduce costs. See also **subcontractor**. (1994-06-23) (*procédure de séparation*)

briefing books and position papers

Auditor General Reports. These are formalized PWGSC reports which outline the events that have occurred, the reason for their occurrence and recommend a position which should be taken by PWGSC. These reports are prepared for the benefit of senior management to apprise them of the events which have occurred, recommend changes in our system, procedures or practices, if necessary, and to prepare representatives of the PWGSC for possible discussions with the Standing Committee on Public Accounts. (1994-06-23) (*aide-mémoire et exposés définissant la position du Ministère*)

buy for lease

A PWGSC program using the Office Automation Allotment within the Supply Revolving Fund in which EDP equipment is purchased from the supplier and subsequently leased by PWGSC to a client. The program is used where outright purchase of the equipment represents the most cost effective method of supply or where significant savings may be obtained by exercising a purchase option under a lease. See [Chapter 9G](#). (1994-06-23) (*achat aux fins de location*)

C

call-up

A requisition or a request for delivery which is forwarded directly to a supplier to obtain delivery of materiel from a previously negotiated contract, in accordance with their terms. See also **Call-up Against a Standing Offer**. (1994-06-23) (*commande directe*)

Call-up Against a Standing Offer

An order issued under the authority of a duly authorized user against a particular standing offer. Communication of a call-up against a standing offer to the offeror constitutes acceptance of the standing offer to the extent of the goods, services, or both, being ordered and causes a contract to come into effect. The parties to the contract that comes into effect when a call-up against a standing offer is made are Her Majesty, the Queen in right of Canada, as represented by the Minister of Public Works and Government Services and the offeror. (2002-12-13) (*commande subséquente à une offre à commandes*)

Canadian General Standards Board (CGSB)

A part of Public Works and Government Services Canada accredited by the Standards Council of Canada as a standard development organization and an ISO 9000 registrar. CGSB is mandated to provide a range of standardization and conformity assessment services in support of government procurement and other government requirements, such as: (a) development of standards, specifications, manuals, guides; (b) listings of prequalified products and services and (c) Quality Systems Division. (2003-12-12) (*Office des normes générales du Canada [ONGC]*)

Canadian goods

1. For the purposes of the Canada-Korea Telecommunications Equipment Agreement . Goods are considered Canadian or Korean if they are considered so under Canada's "*Determination of Country of Origin for the Purposes of Marking Goods (NAFTA Countries) Regulations*". Article 8 of these Regulations, which provides for a NAFTA tariff preference override, cannot be used to determine whether a good is Canadian.
2. For the purposes of the Canadian Content Policy. Generally, with the exception of goods covered by the International Trade Agreements, Canadian goods are those wholly manufactured or that originate in Canada or they are products containing imported components that have undergone sufficient change in Canada to be considered Canadian.
3. For the purposes of Taxes and Duties. Goods that are the growth, produce or manufacture of Canada or which are of foreign origin but are duty and tax paid and have thus been entered for consumption into Canada.
4. Addition to Canadian Goods Abroad. Goods that are exported from Canada for the purpose of being incorporated with foreign articles abroad.
5. Processing of Canadian Goods Abroad. Goods that are exported for a phase of production which cannot be completed in Canada. (2003-05-30) (*marchandises canadiennes*)

Canadian Goods Abroad Remission Order

Order-in-Council P.C. 1970-1835 relates to the repair of Canadian goods abroad. If the collector of Customs and Excise is satisfied that repairs could not have been made in Canada, remission may be granted on the value of the Canadian goods returned to Canada. (1994-06-23) (*Décret de remise sur les marchandises canadiennes à l'étranger*)

Canadian industry

All commercial enterprises resident and operating in Canada and incorporated, registered, or recognized as such, under federal or provincial legislation and which carry on activities in Canada. This includes industrial research institutes jointly operated by groups of such commercial enterprises. (1994-06-23) (*industrie canadienne*)

Canadian services

Services provided by Canadian-based personnel. (1995-07-01) (*marchandises canadiennes*)

capital cost allowance

1. Depreciation of fixed assets over a number of accounting periods.
2. See also **capital cost recovery**. (1994-06-23) (*allocation du coût en capital*)

capital cost recovery

When a contractor plans the acquisition of specialized capital equipment to undertake a government contract, the government may provide full recovery of the relevant capital cost, either through a granting of accelerated depreciation or, in the event of any termination of the contract, under a specific contract provision pursuant to sections 25 and 26 of PWGSC general conditions [1026A](#) and [1026B](#) respectively. (2004-05-14) (*recouvrement d'investissement*)

capital lease

Capital lease is a lease that, from the point of view of the lessee, transfers substantially all the benefits and risks incident to ownership of the property to the lessee. (1994-06-23) (*bail de location-acquisition*)

carrier

Any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes. (2003-12-12) (*transporteur*)

cash flow

A tracing, in successive steps, of individual items or aggregates of income or expenditure from their first recognition in the accounts to their final disposition or loss of identity. (1994-06-23) (*mouvements de trésorerie*)

ceiling price

The maximum price that is to be paid to the contractor as established in the contract and beyond which the contractor will not receive additional compensation for the defined work. In such cases, both parties agree prior to the award of the contract that the price may be subject to downward revision based on a pre-established payment formula. (1994-06-23) (*prix plafond*)

Certificate of Commitment

Constitutes a written statement from suppliers committing them to the implementation of employment equity. These certificates are available from the offices of Human Resources and Skills Development Canada. (2004-05-14) (*attestation d'engagement*)

Certified Products List (CPL)

The CPL is identical to the Qualified Products List (QPL) except that there are more frequent audits and tests. This higher level of product assurance permits the qualifying authority, as a certification agency, to enter into a licensing agreement with supplier(s) allowing them to use a registered certification mark on their products and promotional literature. (1994-06-23) (*liste des produits certifiés [LPC]*)

classified contract

Includes all contractual processes that require or will require access to protected/classified information, assets or controlled areas by the contractor or its employees in the performance of the contract. A contract may be classified for security reasons even though the contract document itself is not classified. (2002-12-13) (*contrat classifié*)

classified information

Information related to the national interest that may qualify for an exemption or exclusion under the *Access to Information Act* or *Privacy Act* and the compromise of which would reasonably be expected to cause injury to the national interest. (2002-12-13) (*information classifiée*)

client

A department, agency, branch, division, Crown corporation or other entity which purchases or otherwise obtains goods or services from a common service organization or other supplier. (1994-06-23) (**client**)

Co-operative Supply

The federal government and provincial governments may, where it is advantageous for them to do so, provide goods and services to each other. (1994-06-23) (**approvisionnement coopératif**)

collusion

A secret understanding between two or more persons to take advantage of another with the object of depriving him or her of a right or property. (1994-06-23) (**collusion**)

Co-operative Logistics (COLOG)

A supply arrangement which is negotiated with the United States Government under the auspices of Foreign Military Sales (FMS). It enables the Canadian Department of National Defence to obtain directly from the supply systems operated by the United States Department of Defense, spare parts and accessories needed for Crown-owned military equipment of U.S. origin. This category of FMS cases (contracts) necessitates the purchase of an equity in the supply system of the appropriate military organization. See [Section 9B](#) (FMS) and 9C (COLOG). (1994-06-23) (**COLOG**)

commercial products

Products of a class or kind: which are used regularly for other than government purposes and are sold by the contractor in the course of carrying out normal business operations; which are regularly sold by the contractor to clients other than the government in sufficient quantities to constitute a real commercial market; and for which there is sufficient number of buyers other than the government for their purchases to establish a going-price for the products. (1994-06-23) (**produits commerciaux**)

commercial services

Services of a class or kind: which are used regularly for other than government purposes and are sold by the contractor in the course of carrying out normal business operations; which are customarily provided by the contractor with personnel regularly employed and equipment, if necessary, regularly maintained for the purpose of supplying such services; and for which there is a sufficient number of buyers other than the government for their purchases to establish a going-price for the services. (1994-06-23) (**services commerciaux**)

commingling of goods

The intermingling of the goods of two or more persons by either of the owners to such an extent that it is not possible for a third party to determine who owns the goods. The person so commingling has the duty to distinguish his or her own property. (1994-06-23) (**entreposage en commun**)

commodity

Raw material, perishable goods, fabricated article or item of production or supply utilized in everyday endeavours and which is identified by contents, physical nature or characteristics. (1994-06-23) (**produit**)

commodity class (NATO)

A property class containing similar commodities, items related because of their physical or performance characteristics, or general type items normally stored and issued together. (1994-06-23) (**classe d'articles {OTAN}**)

common ownership control

Determined by reference to the latest issue of appropriate trade surveys, (e.g. Financial Post Survey of Industrials, Moody's Industrials, etc.), as confirmed by means of a certification from the company as to control (use SACC Manual clause [K9000C](#)). Ownership control is presumed in cases where at least 50 per cent of the voting rights are held by the affiliate. (1994-06-23) (**contrôle collectif**)

common carrier

Any person who undertakes and is authorized to transport persons or goods as a regular business. (1994-06-23) (**transporteur commun**)

Common Service Agency

1. An agency whose activities are directed mainly toward serving other departments and agencies.
2. Public Works and Government Services Canada is a common service agency. (1994-06-23) (*organisme de services communs*)

company

See **corporation**. (1994-06-23) (*compagnie*)

competitive contract

See [Chapter 6, Annex 6.1.6](#). (1997-03-31)

competitive bid solicitation

Where two or more qualified sources are solicited. (1994-06-23) (*demande de soumissions en régime de concurrence*)

competitive bidding

Offers submitted by individuals or firms competing for a contract, privilege or right to supply specified services or merchandise. (1994-06-23) (*soumission en régime de concurrence*)

compliance review

A compliance review of a representative selection of contractors will be conducted periodically by Human Resources and Skills Development Canada to assess compliance with the employment equity program criteria and the results obtained. (2004-05-14) (*vérification de conformité*)

COMSEC

Cryptographic, transmission and emission security measures applied to information stored, processed or transmitted electronically; a subset of information technology security. (2002-12-13) (*COMSEC*)

condition

1. *Contract law*. A term in the contract the breach of which entitles the aggrieved party not only to damages but to avoid the contract, i.e. an obligation in the contract which goes so directly to the substance of the contract or is so essential to its very nature that its non-performance may be fairly considered by the other party as a substantial failure to perform the contract at all. A warranty is a collateral term which entitles a party only to damages.
2. *Implied condition*. One created by law without any words used by the parties, whether the parties had it in their minds at the time or not. (1994-06-23) (*condition*)

confidential

Level of classification that applies to information and assets whose compromise could reasonably be expected to cause injury to the national interest. (2002-12-13) (*confidentiel*)

consignee

1. The person to whom goods are shipped.
2. See **consignment**. (1994-06-23) (*destinataire*)

consignment

Goods shipped for future sale or other purpose. The ownership of the goods (title) remains with the shipper (consignor). The receiver (consignee) is accountable for the goods after accepting them. Consigned goods are a part of the consignor's inventory until sold. The consignee may be the eventual purchaser, may act as the agent through whom the sale is effected or may otherwise dispose of the goods in accordance with its agreement with the consignor. (1994-06-23) (*expédition*)

construction contract

1. Includes an agreement for the supply and erection of a prefabricated structure. The mere purchase of a prefabricated structure would be a "goods contract." However, a subsequent erection contract would be a "construction contract."
2. A contract entered into for the construction, repair, renovation or restoration of any work except a

vessel and includes: a contract for the supply and erection of a prefabricated structure; a contract for dredging; a contract for demolition; or a contract for the hire of equipment to be used in or incidentally to the execution of any contract referred to in this definition. (1994-06-23) (**marché de travaux publics**)

consultant

1. An individual who serves in an outside independent advisory capacity to an officer or department of the Crown, as distinguished from one who serves as an employee in performance of a department's duties and responsibilities. A consultant expresses views or gives opinions on problems or questions as requested, but does not perform, supervise, nor take responsibility for the performance of operating functions. Ordinarily, consultants are experts in a particular field in which advice is given. A consultant need not be a specialist; the expertise may consist of broad administrative, professional or technical experience indicating ability and knowledge which will make the advice provided of distinctive value to the client. The work performed under contract is the provision of advice.
2. *Treasury Board*. Anyone who is qualified to provide specialized advice. (1994-06-23) (**expert-conseil**)

contingent liability

A legal or financial obligation that may arise as a result of a future event that may be possible but not probable. (1994-06-23) (**dette éventuelle**)

contract

1. A contract is an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are: an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; sufficient certainty of terms.
2. An express contract is a contract stated orally or in writing.
3. A contract under seal is created by the execution of a deed binding the party executing it to a further act of self-control and derives legal effect solely from the formality of sealing and delivery.
4. An executed contract is a contract where both parties have performed their obligations.
5. An executory contract is when, although one party has performed its obligations, something remains to be done by the other party. Sometimes referred to as a continuing contract.
6. Under the *Government Contracts Regulations* a "contract means a construction contract, a goods contractor a service contract entered into on behalf of Her Majesty by a contracting authority". (2003-12-12) (**contrat {ou marché}**)

contract amendment

An agreed addition to, deletion from, correction or modification of a contract. (1994-06-23) (**modification de contrat**)

contract approval authority

The authority delegated by the Minister of PWGSC to the person designated to occupy a position, that is, the incumbent of a position, to approve on his/her behalf submissions to enter into contracts, to amend contracts or to issue Standing Offers up to specified dollar limits subject to the applicable legislation, regulations, PWGSC General Conditions and procedures in effect at such time, and constitutes approval to accept the terms and conditions stipulated in the submission on behalf of the Crown. See **contract signing authority**. (1994-06-23) (**pouvoir d'approbation des contrats**)

Contract Claims Resolution Board (CCRB)

The CCRB was formed in January 1994 by the integration of the Contracts Settlement Board (CSB) of the

former Supply and Services Canada and the Contract Disputes Advisory Board (CDAB) of the former Public Works Canada. A summary of the dispute resolution processes of the CSB and the CDAB is set forth in [11.201](#) and [11.202](#) respectively. (2002-12-13) (**Conseil de règlement des différends contractuels**)

contract date

The effective date of the contract. (2005-12-16) (**date du contrat**)

contract dispute

A matter of dispute in respect of a contract that cannot be resolved between the contractor or its authorized representative and the contracting officer designated in the said contract. (1994-06-23) (**différend relatif au contrat**)

contract financial analysis

An assessment of a proposed supplier's financial capability to complete a specific contractual requirement in a given time frame. (1994-06-23) (**analyse financière d'un contrat**)

contract for service

1. A contract for service exists when an individual is retained to achieve a prescribed objective with no day-to-day supervision by the contracting authority, i.e. the contractor has the latitude of how to achieve a specified amount of work.
2. A contract in which one party agrees that certain specified work will be done for the other. It normally implies the accomplishment of a specified job or task.
3. An employer/employee relationship does not exist in contracts for services. (1994-06-23) (**contrat de services**)

contract of service

1. A contract in which one party, the employee, agrees to work for the other party, the employer. It does not normally imply the accomplishment of a specified amount of work but does normally suggest that the employee puts their services at the disposition of the employer during some period of time.
2. Treasury Board and separate employers have authority to issue contracts of service under the *Public Service Staff Relations Act* and the *Public Service Employment Act*. (1994-06-23) (**contrat d'emploi**)

contract issue materiel

Any item of materiel and/or parts purchased by PWGSC or a client for incorporation into the end items described in the related contract and provided to the contractor; either (a) on a free-issue basis as government-supplied materiel or government-furnished equipment; or (b) on payment of the cost (unless otherwise provided by the contract) thereof to PWGSC, on the basis that the cost will be recovered by the contractor as a profit-bearing element of the cost of the article produced. (1994-06-23) (**matériel fourni sous contrat**)

contract price

1. *General*. The price or price formula stipulated in a contract of purchase or sale. It is also referred to as firm price, target price, cost price, etc.
2. *PWGSC General Conditions*. The amount expressed in the Contract to be payable to the Contractor for the Work. (2005-12-16) (**prix contractuel**)

contract security

A payment bond or a performance bond given on behalf of a person to Her Majesty to make good on any default by that person under the contract by compensating Her Majesty therefor, or completing the performance of the contract to the extent required by the terms and conditions of the payment bond or performance bond; or a security deposit given by the person to Her Majesty to secure the performance of the contract to the extent required by the terms and conditions of the contract. (1994-06-23) (**garantie**)

contractuelle)**contract settlement**

A settlement arising from extra payment or termination claims. (1994-06-23) (**règlement de contrat**)

contract signing authority

The authority delegated by the Minister to the person designated to occupy a position, that is, the incumbent of a position, to sign on his/her behalf contract, contract amendment or Standing Offer documents after ascertaining that the approval authority has been duly granted and ensuring that the terms and conditions written in the documents reflect those approved by the contract approval authority. See **contract approval authority**. (1994-06-23) (**pouvoir de signature des contrats**)

contract warranty

An undertaking or stipulation, in writing or verbally, that a certain fact in relation to the subject of a contract is or shall be as it is stated or promised to be. It is an express or implied statement of something undertaken as part of a contract but collateral to its object. See **warranty**. (1994-06-23) (**garantie du contrat**)

contract with security requirements

Includes all contractual processes (including pre-contractual processes) that require or will require access to protected or classified information, assets or controlled areas by the contractor or its employees in the performance of the contract. A contract may be designated or classified for security reasons even though the contract documentation itself is not sensitive. (2002-12-13) (**contrat comprenant des exigences relatives à la sécurité**)

contracting authority

1. The appropriate Minister as defined in paragraph (a) or (b) of the definition "appropriate Minister" in section 2 of the *Financial Administration Act*.
2. A corporation named in Schedule II to the *Financial Administration Act*.
3. Defence Construction (1951) Limited, the National Capital Commission or the National Battlefields Commission. See also **contract approval authority** and **appropriate minister**. (1994-06-23) (**autorité contractante**)

contractor

1. *General*. Any one of the parties to a contract.
2. One who contracts to perform work or furnish materials in accordance with a contract. (1994-06-23) (**entrepreneur**)

contractor-furnished materiel

Materiel supplied by a contractor during the production, repair, modification or overhaul of materiel. (1994-06-23) (**matériel fourni par l'entrepreneur**)

contribution agreement

A contractual document reflecting a contribution arrangement which is an undertaking between a donor department (client) and a recipient of a contribution, describing the obligations of each and conditions for payment. (1994-06-23) (**accord de contribution**)

control

The process by which the activities of a project or organization conform to a desired plan of action. Examples of control elements are: authority and capacity for its exercise, common understanding of purpose, objectives, plan of organization and action, assumption of responsibility by organizational units, policies governing courses of action, standards of performance appraisals and monitoring of performance, and ability to convert or modify performance. (1994-06-23) (**contrôle**)

controlled goods

Controlled goods are defined under the schedule to the *Defence Production Act*. The following goods are

listed in the Export Control List (Group 2, not all; Group 5, Item 5504 only; and Group 6, all) (2004-12-10) **(marchandises contrôlées)**

1. **examine** means, in respect of controlled goods, to investigate controlled goods by any means so as to provide a person with detailed knowledge of the controlled goods inherent properties and performance characteristics that would allow that person to use this knowledge so that the good could be reproduced or replicated, or the performance of a similar article could be improved. **(examiner)**;
2. **exempt person**, in respect of controlled goods, includes temporary workers or visitors. These two categories of individuals are non-Canadians who must be sponsored by the registered person and in the case of a temporary worker, must undergo a security assessment. The registered person will make an application for exemption for these individuals. Approval of exemption resides within Public Works and Government Services Canada, Controlled Goods Program (CGP). Also exempt are those individuals who are directors, officers, or employees of a person registered under the International Traffic in Arms Regulations (ITAR). Such individuals are exempt from the day they supply evidence of the:
 - (a) individual's employment status as a director, an officer or an employee of the person registered under ITAR;
 - (b) ITAR registration and eligibility of that person under ITAR;
 - (c) eligibility of the individual under the ITAR. **(personne exemptée)**;
3. **possess** means, in respect of controlled goods, either actual possession, where the person has direct physical control over a controlled good at a given time, or constructive possession, where the person has the power and the intention at a given time to exercise control over a controlled good, either directly or through another person or persons. **(posséder)**;
4. **transfer** means, in respect of controlled goods, to dispose of it or disclose its content in any manner. **(transférer)**
5. **excluded persons**, under the CGP, are individuals occupying a position in the federal public service, employed by Her Majesty in right of a province or federal Crown corporation or prescribed by regulation. **(personnes exclues)**

controlled item

Items of supply, both accountable and non-accountable which, for administrative purposes, require special controls beyond those normally employed. (1994-06-23) **(articles contrôlés)**

conversion factor

See **exchange rate factor**. (1994-06-23) **(facteur de conversion)**

copyright

1. An exclusive statutory right of those such as authors, publishers, composers, etc. to control the publication/ dispositions of their works of art, literature, music, films, pictures, etc., which is protected by the *Copyright Act* of Canada. Under the Geneva Convention of 1952 to which Canada became a party in 1962, international copyright is obtained without any formalities by placing on the work the symbol ©, identifying the name of the copyright holder in the year of the first publication.
2. The exclusive right of printing or otherwise multiplying copies of information and data.
3. See section 3 of the *Copyright Act* for a more comprehensive definition. (1994-06-23) **(droit d'auteur)**

CORCAN

CORCAN includes the Correctional Services Canada (CSC) Industries, and the Automated Document

Processing and Agribusiness programs. Purchases by PWGSC, on behalf of clients, from CSC will be conducted through CORCAN. See [Section 9A](#). (1994-06-23) (**CORCAN**)

corporate financial analysis

An assessment of a selected supplier's financial capability to complete contracts on an ongoing basis or within a given time frame. (1994-06-23) (**analyse financière intégrée**)

corporation

A legal entity operating under a grant of authority from a provincial or federal government jurisdiction in the form of articles of incorporation or a charter. The corporation, as a separate legal entity, has the capacity to have a name of its own, as well as the right to buy, sell, lease and mortgage its property in its own name. (1994-06-23) (**société**)

cost

1. *General*. The price paid for anything, outlay, expense. When a contract refers to actual cost, the term means the amount, not including any profit, which was in fact paid out for materials and for labour;
2. PWGSC General Conditions. Costs determined in accordance with Contract Cost Principles [1031-2](#) ;
3. Considered as total price in contract proposals for approval authority. (2004-05-14) (**coût**)

cost accounting

The classification, recording, analysis, reporting and interpretation of expenditures associated with the production and distribution of goods and services. (1994-06-23) (**comptabilité du prix de revient**)

cost analysis

1. An examination or review of cost data to determine if costs are charged in accordance with prescribed criteria or regulations, for example Contract Cost Principles [1031-2](#);
2. A study of cost data for the purpose of identifying the causes of inefficiency or the improvement desirable in cost recording, supervision or management;
3. The estimation of production costs by the bidder;
4. The examination, prior to price negotiation, of the cost estimates presented by a potential supplier. Such analysis is for the purpose of checking that only permitted types of cost are included, that no significant cost category has been omitted, and that time, labour rates and other details are reasonable. (2004-05-14) (**analyse du prix de revient**)

cost centre

An administrative unit selected within an organization for the purpose of accumulating and controlling costs. It usually consists of a natural grouping of machines, methods, processes or operations; is identified with single management responsibility; and is made up of elements which have common cost characteristics. (1994-06-23) (**centre de coûts**)

cost control

The employment of management devices in the performance of any necessary operation so that pre-established objectives of quality, quantity and time may be attained at the lowest possible outlay or cost for goods and services. Such devices include a bill of material, instructions, performance standards, competent supervision, cost limits on items and operations, and studies, interim reports and decisions based on these reports. (1994-06-23) (**contrôle du coût**)

cost of direct imports

That portion of the selling price associated with directly imported materials. It includes the tariffs and the cost of transportation to the Canadian place of importation (place where materials first landed in Canada). (1994-06-23) (**coût des importations directes**)

cost of goods

Stocked Item Supply. The price FOB supplier plus inbound transportation. (1994-06-23) (**coût de la marchandise**)

cost of indirect imports

That portion of the selling price associated with the costs of materials that, while obtained through a Canadian supplier, in fact originated outside Canada. (1994-06-23) (**coût des importations indirectes**)

cost of service

Stocked Item Supply. All expenses (other than cost of goods) incurred by PWGSC in providing the Stocked Item Supply service. (1994-06-23) (**coût du service**)

cost plus fixed fee

A basis of price in which the contractor is paid costs reasonably and properly incurred as determined by audit together with an agreed upon fixed fee (or a percentage of cost) by way of profit. (1994-06-23) (**coût plus honoraires fixes**)

cost reimbursable

Covers the following types of bases of payment:

1. cost reimbursable with incentive fee;
2. cost reimbursable with pre-determined fixed fee;
3. cost reimbursable with fee based on actual costs, and
4. cost reimbursable with no fixed fee. See [10.119](#). (1994-06-23) (**frais remboursables**)

costs incurred

Costs allowed under the Contract Cost Principles [1031-2](#) applicable to a particular contract. See **cost**. (2004-05-14) (**frais engagés**)

counter offer

An offer to enter into a transaction on terms differing from those first proposed. A supplier's acknowledgement form given to a purchaser in response to a purchase order may be, in fact, a counter offer if it changes any of the terms given in the purchase order. (1994-06-23) (**contre-proposition**)

country of origin

The country in which the product is mined, produced or manufactured. A product of domestic origin is a product mined, produced, or manufactured in Canada. (1994-06-23) (**pays d'origine**)

covenant

An agreement or promise under seal. A covenant, being a contract, is in many respects subject to the same rules as other contracts. A covenant may be either express or implied. An express covenant is one created by the parties and an implied one is that which is created by the law irrespective of the intention of the parties. (1994-06-23) (**convention**)

critical path method

A method of network analysis in which normal duration time is estimated for each activity within a project. The critical path identifies the shortest completion period based on the most time-consuming sequence of activities from the beginning to the end of the network. (1994-06-23) (**méthode du chemin critique**)

Crown property

Property to which title is vested in the Crown. This includes Crown-owned property usually in the care, custody and/or control of contractors. Examples of Crown property usually in the custody of contractors are: capital assistance assets, special production tooling, special test equipment, equipment undergoing repair and overhaul, contract issue materials and equipment, work-in-process and finished work to which title is vested in the Crown as a result of progress payments, accountable advances or by any other

means. (1994-06-23) (*biens de la Couronne*)

cultural industries

Persons engaged in any of the following activities:

- (a) the publication, distribution, or sale of books, magazines, periodicals or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing;
- (b) the production, distribution, sale or exhibition of film or video recordings;
- (c) the production, distribution, sale or exhibition of audio or video music recordings;
- (d) the publication, distribution or sale of music in print or machine readable form; or
- (e) radiocommunications in which the transmissions are intended for direct reception by the general public, and all radio, television and cable broadcasting undertakings and all satellite programming and broadcast network services. (1995-07-01) (*industries culturelles*)

Customer Address Directory

A directory which uses five-character codes to identify the addresses of all PWGSC clients. (1994-06-23) (*répertoire des adresses des clients*)

customs

Duties charged on commodities on their import into or export from a country by a governmental authority. (1994-06-23) (*douane*)

customs bonded warehouse

A warehouse approved by Canada Border Services Agency, and under bond or guarantee for the strict observance of revenue laws. Used for safekeeping of merchandise until duties are paid or goods are otherwise properly released. (2004-05-14) (*entrepôt en douane*)

customs drawback

There are two types:

1. *Export drawback*. The return of duty and/or taxes paid on imported goods which are subsequently exported.
2. *Home consumption drawback*. The return of duty paid on specified imported goods used in Canada for certain purposes. (1994-06-23) (*drawback*)

customs duty - defence

Tariff Code 9982.00.00 of the Schedule to the Customs Tariff provides for the remission of customs duty on all defence supplies imported under contracts of \$250,000 or more, by the Department of National Defence and Public Works and Government Services Canada (PWGSC) as well as the private sector provided that the person claiming remission provides certification by the Minister of PWGSC that the goods supplied under the contract are defence supplies. (1998-06-15) (*droit de douane - défense*)

customs tariff

A schedule of charges assessed by the government on imported goods. (1994-06-23) (*tarif des douanes*)

D

damages

1. Compensation, usually in money, for injury to persons, or damage to goods or property.
2. General damages are such as the law will presume to be direct, natural and probable consequences of the act complained of.
3. Special damages are such as the law will presume to be exceptional in character.
4. See also **liquidated damages**. (1994-06-23) (*dommages-intérêts*)

defect

1. *General*. A lack, want, deficiency or absence of something necessary for completeness, perfection or adequacy in form or function.
2. An imperfection, fault or error in manufactured materiel and service.
3. *Critical defect*. A defect that judgment and experience indicate is likely to result in hazardous or unsafe conditions for individuals depending on, using or maintaining the product.
4. *Major defect*. Other than critical defect which is likely to result in failure or to reduce materially the usability of the unit product for its intended purpose.
5. *Minor defect*. A defect that is not likely to reduce materially the usability of a unit product for its intended purpose, or is a departure from established standards having little bearing on the effective use or operation of the unit.
6. *Latent defect*. A hidden or concealed defect, one which could not be discovered by reasonable and customary inspection; one not apparent on face of goods, product or a document. (1994-06-23) (*défait*)

defence contract

A contract or sub-contract with Her Majesty or an agent of Her Majesty, or with an associated government, that in any way relates to defence supplies or to defence projects or to the designing, manufacturing, producing, constructing, finishing, assembling, transporting, repairing, maintaining or servicing, or storing of, or dealing in, defence supplies or defence projects. (1994-06-23) (*contrat de défense*)

Defence Production Act

An Act which gives to the Minister of PWGSC "exclusive authority to buy or otherwise acquire defence supplies". All PWGSC contracts for defence supplies or projects are governed by the provisions of the *Defence Production Act*. (1994-06-23) (*Loi sur la production de défense*)

Defence Production Loan Account

An account which may be used to make loans or advances to aid in defence procurement such as working capital loans or advance payments on contracts and to make payment for such. See [Section 9E](#). (1994-06-23) (*compte de prêts de la production de défense*)

Defence Production Revolving Fund

An account in the Consolidated Revenue Fund which may be used by PWGSC to designate and operate the DPRF for other than loan transactions. The DPRF provides PWGSC with a budgetary account to purchase defence supplies, to make payment for such and to get reimbursed out of an appropriation of a client (e.g. DND) or by an agent of Her Majesty or by an associated government. See [Section 9E](#). (1994-06-23) (*Fonds renouvelable de la production de défense*)

defence projects

Buildings, aerodromes, airports, dockyards, roads, defence fortifications or other military works, or works required for the production, maintenance or storage of defence supplies. (1994-06-23) (**entreprises de défense**)

defence supplies

Has the same meaning as in the *Defence Production Act* and covers:

1. arms, ammunition, implements of war, vehicles, mechanical and other equipment, watercraft, amphibious craft, aircraft, animals, articles, materiels, substances and things required or used for the purposes of the defence of Canada or for cooperative efforts for defence being carried on by Canada and an associated government;
2. ships of all kinds;
3. articles, materials, substances and things of all kinds used for the production or supply of anything mentioned in 1. or 2. or for the construction of defence projects; and
4. requirements necessary or appropriate to promote national defense, which means programs for military and atomic energy production or construction, military assistance and directly related activities. (1994-06-23) (**approvisionnement de défense**)

delayed bid

A bid delivered to the specified bid receiving area after the closing date and time but before the contract award date may be considered, provided the delay can be proven to have been due solely to a delay in delivery that can be attributed to the Canada Post Corporation (CPC) (or national equivalent of a foreign country) or to incorrect handling by PWGSC. The only pieces of evidence relating to a delay in the CPC system that are acceptable are: a CPC cancellation date stamp; a CPC Priority Courier Bill of Lading, and a CPC Xpresspost Label that clearly indicate that the bid was mailed prior to the bid closing date. (2003-05-30) (**soumission retardée**)

delivery

1. *Actual*. The transfer of possession.
2. *Sale of goods*. Delivery takes place when the goods are placed under the control of the person who has to receive them. Alternatively, the presence of the goods at the seller's place of business, ready to be delivered, and the purchaser notified, may be termed a delivery.
3. *Shipping*. Occurs when lading is surrendered and title to goods passes to the receiver or consignee. (1994-06-23) (**livraison**)

department

1. The same meaning as in the *Financial Administration Act* and includes any of the departments named in Schedule I and any corporation in Schedule II of the *Financial Administration Act*, the staffs of the Senate, the House of Commons, and the Library of Parliament. It includes further any division or branch of the public service of Canada, including a commission appointed under the *Inquiries Act*, designated by the Governor in Council as a department for the purposes of the *Financial Administration Act*.
2. Department of Public Works and Government Services. (1996-12-02) (**ministère**)

Department of National Defence (DND)

Acts as a qualifying authority for certain commodity groups and items having direct military application. DND, in the person of Director General Quality Assurance (DGQA), is the military QA authority and is recognized as such by NATO and other national governments. DGQA maintains a military quality system listing. (1994-06-23) (**ministère de la Défense nationale [MDN]**)

Department of Public Works and Government Services (DPWGS) Act

An Act creating the Department of Public Works and Government Services which shall be operated as a common service agency for the Government of Canada. Its activities shall be directed mainly toward providing clients with services in support of their programs. (1996-12-02) (*Loi sur le ministère des Travaux publics et des Services gouvernementaux*)

Departmental Individual Standing Offer (DISO)

A Departmental Individual Standing Offer is used by PWGSC as a method of supply to: analyze customer demand, determine quantities and quality, standardize products used by government, manage complex requirements and satisfy requirements for data collection for reports to Treasury Board and the Auditor General's Office. Only PWGSC may issue call-ups against a DISO upon receipt of a funded requisition from a customer department. (2003-12-12) (*offre à commandes individuelle et ministérielle*)

depreciation

1. Decrease in value, particularly the deterioration or the loss in value arising from age and use of a property.
2. The gradual exhaustion of the service capacity of fixed assets which is not restored by maintenance practices. It is the consequence of such factors as use, obsolescence, inadequacy and decay.
3. A proportionate charge as an expense for a period based on the cost or other recorded value of fixed assets.
4. See also **accelerated depreciation**. (1994-06-23) (*amortissement*)

design authority

The component of the client or its delegated agency responsible for determination of design parameters. (1994-06-23) (*responsable des études*)

design change

A permanent change or modification to the governing technical data. (1994-06-23) (*modification par rapport au modèle*)

design deviation

A temporary departure from governing technical data. (1994-06-23) (*écart par rapport au modèle*)

direct cost

Any item of cost, or the total of such items, which can be directly related to a particular product, service, program, function or project; usually, but not necessarily limited to items of material and labour and direct overhead. (1994-06-23) (*coûts directs*)

direct labour

The labour applied to the material that will form an integral part of the final product in a manufacturing process. (1994-06-23) (*main-d'oeuvre directe*)

direct labour rates

The approved direct labour rates applicable to the estimated costs of a negotiated contract. Negotiated labour costs for a lengthy contract may include predicted increases in labour rates. (1994-06-23) (*frais de main-d'oeuvre directe*)

direct material

The material that will form an integral part of the final product in a manufacturing process. (1994-06-23) (*matières directes*)

direct overhead costs

Overhead costs which are traceable to the specific part of the organization which is the focus of attention. (1994-06-23) (*frais généraux directs*)

direct salaries

Service contracts. Those paid by a contractor to its personnel for time actually spent on the work, excluding bonuses and other profit-sharing schemes. (1994-06-23) (*frais de salaires directs*)

discount

1. A reduction from a list price or a stated amount offered by the seller to the buyer.
2. A cash discount is an allowance extended to encourage payment of invoice on or before a stated date which is earlier than the net date. The percent of discount allowed is as agreed between buyer and seller and is often established by industry or trade custom.
3. To compute the present value of a future sum. (1994-06-23) (*escompte*)

discretionary audit

1. Verification by the government of profit on a contract or a series of contracts, on a discretionary basis.
2. Alternatively, verification that the Crown is not being charged in excess of the lowest price charged anyone else. This verification is employed in conjunction with a price certification on negotiated firm price contracts. (1994-06-23) (*vérification discrétionnaire*)

discretionary verification

Means the independent verification by Audit Services Bureau or other qualified personnel as approved by Acquisition Program Integrity Secretariat, to supplement the checks and verifications carried out by the contracting officers and/or cost analysts to ensure the timeliness of payments by contractors to workmen, subcontractors and suppliers. (2004-05-14) (*vérification discrétionnaire*)

disposal

The removal of materiel from a supply system by sale, trade-in or destruction. Within the federal government, disposal is normally arranged through the PWGSC Crown Assets Distribution Directorate/Centre. (1994-06-23) (*aliénation*)

distributor

A supplier who acquires goods for resale to a wholesaler, retailer or ultimate consumer. A distributor may sell goods from their own inventory, from a consignment inventory, or directly from the manufacturer's stock. (1994-06-23) (*distributeur*)

domestic contract

Canadian Commercial Corporation. The contract between CCC and the Canadian supplier. (1994-06-23) (*contrat interne*)

due care

Standard of conduct which is exercised by an ordinary, reasonable, prudent person. (1994-06-23) (*soins requis*)

duty

1. General. A tax levied by a government on the importation, exportation, or use and consumption of goods.
2. Any duties or taxes levied on imported goods under the Customs Tariff, the *Excise Tax Act*, the *Excise Act*, the *Special Import Measures Act*, or any other law relating to customs.
3. *All Applicable Duties.* All duties in effect on the contract date imposed and collected by the

taxing authority on the transaction or property covered by contract. (1994-06-23) (**droit**)

duty-paid value

1. *General.* The value for duty plus the applicable duty, if any.
2. *Excise Tax Act.* The value of the article as it would be determined for the purpose of calculating an ad valorem duty upon the importation of such article into Canada under the laws relating to customs and the customs tariff whether such article is in fact subject to *ad valorem* or other duty or not, plus the amount of the customs duties, if any, payable thereon. (1994-06-23) (**valeur à l'acquitté**)

E

economic price adjustment

Price adjustments, both upward and downward, that are necessary either to protect the Crown and the contractor against significant economic fluctuations in labour and material costs, including services and supplies, or in the event of changes in the contractor's established prices attributable to industry-wide economic factors. (1994-06-23) (*indexation des prix*)

economy

Auditor General. Refers to the terms and conditions under which the Government acquires human and material resources. An economical operation acquires these resources in appropriate quality and quantity at the lowest cost. (1994-06-23) (*économie*)

efficiency

1. *Auditor General.* The relationship between goods or services produced and resources used to produce them. An efficient operation produces the maximum output for any given set of resource inputs or it has minimum inputs for any given quantity and quality of service provided.
2. *General.* A measure of how well a person, group, function or program uses its time and resources to achieve certain results, i.e. total resources consumed. (1994-06-23) (*efficience*)

effectiveness

1. *Auditor General.* The extent to which a program achieves its goals or other intended effects. For example: to increase income in a particular area, a program might be devised to create jobs. The jobs created would be program output. This contributes to the desired program effect of increased income which can be measured to assess program effectiveness. Of course, not all programs are equally evaluated. Also, management procedures for measuring and reporting effectiveness will differ between programs.
2. *General.* The measure of how well a group, person, function or program reaches its objectives or achieves results. (1994-06-23) (*efficacité*)

electrical equipment

Any apparatus, appliance, device, instrument, fitting, fixture, machinery, material or thing used in or for, or capable of being used in or for, the generation, transformation, transmission, distribution, supply or utilization of electrical power or energy, and without restricting the generality of the foregoing, includes any assemblage or combination of materials or things which are used or are capable of being used or adapted, to serve or perform any particular purpose or function when connected to an electrical installation, notwithstanding that any of such materials or things may be mechanical, metallic or non-electric in origin. (1994-06-23) (*appareillage électrique*)

employee-employer relationship

A relationship which exists where persons, for pay or other consideration, enter into the service of others and devote their personal labour for any given period. It is essential for such a relationship that employers have the order and control of the work done by employees, i.e. employers not only prescribe to employees the end of their work but also direct or control the work. See [6D.468](#). (1994-06-23) (*relations employé-employeur*)

employment equity

A concept that encourages the removal of employment barriers; identifies and removes discriminatory policies and practices; seeks the goal of fair representation for all Canadians, in particular women, native people, disabled persons and visible minorities; and promotes economic development through the full utilization of the talents of all Canadians. (1994-06-23) (*équité en matière d'emploi*)

employment equity criteria

Defines the elements of the employment equity program and stipulates that contractors' actions to put these elements in place will be subject to review. The employment equity criteria are available from Human Resources and Skills Development Canada. (2004-05-14) (***critères de mise en oeuvre de l'équité en matière d'emploi***)

end item of equipment

A final combination of end products, component parts and materials which is ready for its intended use, e.g. tank, mobile machine shop, airplane. (1994-06-23) (***matériel complet***)

Engineering Change Proposal (ECP)

The ECP procedure is the design change procedure used in aircraft procurement. The ECP form provides the data concerning a proposed change and, when signed by design and procurement authorities, becomes a change order. (1994-06-23) (***projet de modification technique***)

equipment

Major items of materiel that are not expendable except through depreciation or wear and tear and which, although they may be fixed or positioned in prescribed places, do not lose their identity or become integral parts of other equipment and installations. Items in this category are normally susceptible to running maintenance. Equipment items are usually procured, issued and replaced on the basis of planned departmental capital acquisition programs, e.g. aircraft vehicles, vessels, boats, workshop machinery, electronics systems. (1994-06-23) (***équipement***)

equivalent item

Items are equivalent when, without actually being identical, they have sufficient in common as to be capable of being used for the same purpose. (1994-06-23) (***articles équivalents***)

escalation

See **economic price adjustment** or **adjustment**. (1994-06-23) (***alignement***)

escrow

An agreement whereby a deed, money or other property is deposited with a third party to be held until certain conditions are fulfilled. A document is said to be delivered in escrow if it is delivered in circumstances which show that it is to take effect only when the specified condition has been performed. If the condition is not performed, then the document does not take effect. A software source code or a sum of money are examples of items which may be held in escrow. (1994-06-23) (***dépôt fiduciaire***)

established firm of professionals

Service contracts. A corporate or registered organization that employs on a full-time, permanent basis:

1. individuals recognized as professionals by membership in a regulatory association established pursuant to federal or provincial statute;
2. individuals with recognized credentials in a scientific, technical or managerial field;
3. both of the above;
4. suppliers that function simply to provide individuals with convenient corporate or other comparable qualifying status do not meet the definition of established firm of professionals. (1994-06-23) (***firme reconnue***)

estimated cost

The estimated cost to be used as the basis for the sourcing decision is that cost determined, through consultation between PWGSC and the client, as being representative of all known work and expected unscheduled work arising out of the requirement, i.e. the total estimated contract value. (1994-06-23) (***coût estimatif***)

ex gratia payment

A payment made pursuant to the Treasury Board of Canada Secretariat, Policy on Claims and Ex gratia Payments, dated June 1, 1998. A benevolent payment made by the Crown under the authority of the Governor in Council. The payment is made to anyone in the public interest for loss or expenditure incurred for which there is no legal liability on the part of the Crown. An ex gratia payment is an exceptional vehicle used only when there is no statutory, regulatory or policy vehicle to make the payment. (2000-12-01) (*paiement à titre gracieux*)

exchange rate adjustment amount

This amount represents, on a per unit basis and in Canadian funds, the difference between the FCC at the time of payment and the FCC determined at the time of contract award or bid solicitation. (1994-06-23) (*facteur de rajustement du taux de change*)

exchange rate factor

The exchange rate to be applied to the FCC to arrive at the value of the FCC in Canadian funds. (1994-06-23) (*facteur de conversion*)

executory costs

Executory costs are costs related to the operation of the leased property (e.g. insurance, maintenance cost and property taxes). (1994-06-23) (*coûts à exécuter*)

exigible taxes

Taxes that are liable to be exacted or demanded under the provisions of applicable laws and orders-in-council or by Canadian government budget resolutions. (1994-06-23) (*taxes exigibles*)

expert

1. An individual with required qualifications and a high degree of attainment in a professional, scientific, technical or other field. Their knowledge and command of the principles, practices, problems and techniques of their field, or an area of specialization in that field, are clearly demonstrated. A contract for the services of an expert envisages the accomplishment of specific work or tasks.
2. See also **consultant**. (1994-06-23) (*spécialiste*)

export permit

A permit issued on application, by Industry Canada, to a resident of Canada for the export of certain goods covered by the Export Permit Regulations. (1994-06-23) (*permis d'exportation*)

extra payment claim

These are defined as claims by a contractor against the Crown in respect of firm or ceiling price contracts where a legal liability does not exist or where there is uncertainty that a legal liability exists under the contract. (1994-06-23) (*demande d'indemnisation*)

extract file

An extract file is created when a requisition is formally subdivided and involves procurement action by a contracting officer other than the main file holder. (1994-06-23) (*dossier d'extraits*)

F

facility

1. A physical plant or installation, e.g. base, arsenal or building, used to make easier the performance of a function.
2. The materiel resources needed to facilitate any action or operation. (1994-06-23) (*installation*)

facility evaluation

A survey/examination of any or all of the capabilities of a supplier that pertain to competence as a source of supply or recipient of aid. Pre-award surveys are made in cases of doubt regarding productive capability, quality control or financial strength before a contract is awarded. (1994-06-23) (*évaluation de capacité*)

facility security clearance

A determination by the Canadian and International Industrial Security Directorate that, from a security viewpoint, an organization is eligible for access to Canadian and foreign government information or assets which are Classified or Protected at the same level as the clearance being granted or to a lower level. (2002-12-13) (*Attestation de sécurité d'installation*)

fair market value

1. The price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and not under any compulsion to transact.
2. The word fair implies a concept of a market which is not disturbed by unpredictable economic factors, e.g. boom or depression. (1994-06-23) (*juste valeur marchande*)

FAS Free Alongside Ship (...named port of shipment)

The book containing the International Chamber of Commerce (ICC) official rules for the interpretation of trade terms is entitled "[Incoterms 2000](#)" and a summary for the description of FAS can be found. The responsible obligations of the Buyer and Seller cannot be found on the ICC Website, that information may only be found in the Incoterms 2000 book. (2003-12-12) (*FAS franco le long du navire {...port d'embarquement convenu}*)

FCA Free Carrier (...named place)

The book containing the International Chamber of Commerce (ICC) official rules for the interpretation of trade terms is entitled "[Incoterms 2000](#)" and a summary for the description of FCA can be found. The responsible obligations of the Buyer and Seller cannot be found on the ICC Website, that information may only be found in the Incoterms 2000 book. (2003-12-12) (*FCA franco transporteur {... lieu convenu}*)

Federal Supply Classification (FSC)

PWGSC uses the U.S. FSC System as the basis for assigning commodity procurement responsibilities and the Goods and Services Identification Number (GSIN) System permits the definitive assignment of responsibilities for item groupings within FSC. (1994-06-23) (*classification fédérale des approvisionnements [FSC]*)

file final close out

See **procurement**. (1994-06-23) (*fermeture du dossier*)

final payment

Payment made in satisfaction of a final invoice. A payment which completes the monetary settlement in accordance with the terms of the contract. (1994-06-23) (*paiement final*)

financial analysis

The process of selecting relevant financial information about the supplier, developing significant relationships (ratios), studying these relationships and interpreting the results. See **corporate financial analysis**. (1994-06-23) (*analyse financière*)

financial opinion

A carefully thought out conclusion based on financial facts consisting of a formal judgment made by a qualified person, such as a cost analyst. (1994-06-23) (*avis sur la situation financière*)

Financial Administration Act

R.S.C. 1985, Chapter F-11. An Act to provide for the financial administration of the Government of Canada, the establishment and maintenance of the accounts of Canada and the control of Crown corporations. (1994-06-23) (*Loi sur la gestion des finances publiques*)

firm base price or firm base price elements

The otherwise firm price or firm price elements identified within the contract basis of payment from which economic price adjustments will be made on the occurrence of certain specified contingencies. (1994-06-23) (*prix de base ferme ou éléments de prix de base ferme*)

firm hourly rate

Service contracts. A time rate whereby the contractor is paid a fixed rate inclusive of payroll and overhead costs for each hour worked. The rate may include an allowance for profit. (1994-06-23) (*taux horaire fixe*)

firm (fixed) price

A method of pricing in which the total amount payable is a fixed lump sum or is an amount determinable in accordance with fixed unit prices. In such cases, both parties agree prior to the award of the contract as to the price payable thereunder. (1994-06-23) (*prix fixe [ferme]*)

firm price contract

A contract that sets the total amount payable thereunder or pursuant to which the total amount payable is the product obtained by multiplying the number of identical units of work performed or identical items delivered by a predetermined fixed price for each unit or item. (1994-06-23) (*contrat à prix ferme [forfait]*)

fitness for a particular purpose

Where the seller at the time of contracting has reason to know any particular purpose for which the goods are required and that the buyer is relying on the seller's skill or judgment to select or furnish suitable goods, there is, unless excluded or modified, an implied warranty that the goods shall be fit for such purpose. (1994-06-23) (*convenance à une utilisation prévue*)

fixed time rate

A method of pricing in which the amount payable is determined in accordance with the combined cost of labour, overhead and profit as expressed by a fixed amount by time period. (1994-06-23) (*taux fixe basé sur le temps*)

fixed unit price

A method of pricing in which the total amount payable is the product of the number of identical units of work performed or identical items delivered, multiplied by a predetermined fixed price for each unit or item. (1994-06-23) (*prix unitaire fixe*)

FOB (Free on Board)

A mercantile term used extensively in both domestic and international trade.

1. As a domestic trade term, used in both Canada and the United States, FOB ordinarily determines the place where the seller effects delivery of the goods, where title and risk of loss

will pass and whether the seller or the buyer is required to pay freight charges (e.g. FOB New York) unless otherwise specified in the contract. Specific application of the term FOB either with reference to transfer of title, risk, or burden of freight charges, may vary according to applicable law, custom and usage or agreement of the parties concerned.

2. As an Incoterm, FOB is defined by the International Chamber of Commerce and can only be used for shipments by seagoing vessels. (**Note:** There are 13 [Incoterms](#), 6 of which can only be used for shipments by seagoing vessel.) The contractual rights and obligations of this and similar mercantile terms are used in international commerce. (2003-12-12) (**FOB {franco bord}**)

FOCI

See **Foreign Ownership, Control or Influence**. (2002-12-13) (**PCIE**)

foreground information

Any Invention first conceived, developed or reduced to practice as part of the Work under the contract and all Technical Information developed or produced as part of the work under the contract. (1994-06-23) (**renseignements originaux**)

foreign contract

Canadian Commercial Corporation. The contract between CCC and the foreign government, their agencies or international organizations. (1994-06-23) (**contrat avec le client étranger**)

Foreign Currency Component (FCC)

The element of the price which will be directly affected by exchange rate fluctuations. It could include the net price FOB foreign manufacturer's plant, costs associated with applicable duty, excise and goods and services tax/harmonized sales tax, entry fees, transportation costs or delivery charges payable in a foreign currency and any other charges associated with being the importer of record if they originated from and are required to be paid in a foreign currency. It does not, however, include profit, customs brokerage fees, material handling, outgoing transportation charges or costs associated with a Canadian-based company's factory overhead, general and administrative expenses. (1998-02-16) (**montant en monnaie étrangère**)

Foreign Military Sales (FMS):

FMS is a Security Assistance Program which is administered by the United States Department of Defense and which allows eligible foreign governments and international agencies to purchase defense-related articles and services from the United States Government. See [9B](#) (FMS). (1994-06-23) (**ventes de matériel militaire à l'étranger [FMS]**)

foreign content

1. Non-Canadian content.
2. That portion of the contract price which is not Canadian content. (1994-06-23) (**teneur en éléments étrangers**)

Foreign Ownership, Control or Influence (FOCI)

Assessments are designed to ensure that no third party, individual, firm, or government is assumed to possess dominance of, or authority over, a Canadian facility to such a degree that a third party individual, firm, or government could gain unauthorized access to INFOSEC information. (2002-12-13) (**participation, contrôle et influence étrangers [PCEI]**)

formal agreement

An agreement which has been reviewed by Legal Services, and which has been signed by the appropriate parties and has had affixed thereto all required seals. (1994-06-23) (**accord officiel**)

formal contract

1. A contract under seal, usually drawn up by Legal Services.
2. See **agreement**. (1994-06-23) (*contrat en due forme*)

formal evaluation

A systematic collection and examination of evidence to determine whether necessary provision has been made for the assurance of quality and that control is consistently applied. (1994-06-23)
(*évaluation officielle*)

former public servant

An individual who has been employed in the Public Service and whose pensionable employment was with an organization listed in the schedules of the *Financial Administration Act*, branches designated as departments by the Governor in Council, departmental corporations, and those Crown corporations not included in the schedules and whose pension or annual allowance is paid under the *Public Service Superannuation Act* (PSSA) and the *Supplementary Retirement Benefits Act* as it affects the PSSA. (1994-06-23) (*ancien fonctionnaire*)

forms

Includes forms (which are any printed or electronic which contains blank spaces for the insertion of additional information), letterhead stationary, calling cards, complimentary slips and cards, and envelopes. (2003-12-12) (*formulaires*)

forms management

The continuing systematic review of all "forms" to ensure compliance with related departmental policies. (2003-12-12) (*gestion des formulaires*)

G

General and Administrative (G&A) rate

Estimated general and administrative expenses are a percentage of material, labour and overhead costs. (1994-06-23) (*coefficient de dépenses générales et administratives*)

Generally Accepted Accounting Principles (GAAP)

Those accounting principles which have been given formal recognition or authoritative support in any particular jurisdiction. (1994-06-23) (*principes comptables reconnus*)

Goods and Services Identification Number (GSIN)

A system of material and services categorization used within PWGSC. The system is used in conjunction with the Federal Supply Classification (FSC) code. (1994-06-23) (*NIBS*)

goods contract

An agreement for:

1. the purchase of articles, commodities, equipment, goods, materials or supplies and includes:
2. printing or the reproduction of printed matter, and
3. the construction or repair of a vessel. (1994-06-23) (*contrat de fournitures*)

Government Contract Regulations

Statutory Orders and Regulations (SOR)/87-402, relating to the administration of Crown contracts, made pursuant to sections 34 and 73 of the *Financial Administration Act*. (2003-12-12) (*Règlement sur les marchés de l'État*)

Government Electronic Tendering Service (GETS)

The service used by the Federal government to post notices (e.g. Notices of Proposed Procurement, Advance Contract Award Notices and Contract Award Notices) and to distribute bid documents. This service is provided through MERX. For information about [MERX](#), call 1-800-964-MERX (6379) or visit its Website. (2003-05-30) (*service électronique d'appels d'offres du gouvernement (SEAG)*)

government furnished equipment

Equipment supplied by the Crown to be used in the production process, e.g. tooling, jigs, dies, production equipment. See **Crown property, special production tooling, special test equipment and production assets**. (1994-06-23) (*équipement fourni par le gouvernement*)

government guaranteed bond

A bond of the Government of Canada or a bond unconditionally guaranteed as to principal and interest by the Government of Canada that is:

1. payable to the bearer;
2. accompanied by a duly executed instrument of transfer of the bond to the Receiver General in the form prescribed by the Domestic Bonds of Canada Regulations, or
3. registered in the name of the Receiver General. (1994-06-23) (*obligation garantie par le gouvernement*)

government issue

1. *Defence Production Act*. Means machinery, machine tools, equipment or defence supplies furnished, acquired or purchased by or on behalf of the government or associated government with funds provided by the government or associated government.

2. *PWGSC General Conditions*. All materials, parts, components, equipment, specifications, articles and things which may be supplied to a contractor by the government for purposes of the (contract) work. (1994-06-23) (*fournitures d'État*)

Government Quality Assurance (GQA) at Source

The activity of the inspection authority or the GQA authority in monitoring or observing at the contractor's plant, prior to delivery, to verify whether a product, service and/or quality system complies with the technical requirements stipulated in the contract. (1994-06-23) (*assurance officielle de la qualité [AOQ] à la source*)

Government-Supplied Materiel (GSM)

Any item of materiel acquired by the government of Canada and provided on a "free issue" basis to contractors for embodiment in materiel under production or for incorporation into Crown-owned equipment undergoing modification, repair or overhaul. (1994-06-23) (*matériel fourni par le gouvernement*)

grant

An unconditional transfer payment made to a recipient, for which the Crown will not receive any goods or services. (1994-06-23) (*subvention*)

gross negligence

1. The lack of even slight care.
2. See also **due care** and **negligence**. (1994-06-23) (*faute lourde*)

GSIN

See **Goods and Services Identification Number**. (1994-06-23)

guarantee clause

A provision in a contract, deed or mortgage by which one person promises to perform or to pay the obligation of another in the event of non-performance by the principal obligee. (1994-06-23) (*disposition de garantie*)

H

holdback

An amount withheld under a contract pursuant to section 35 of the *Financial Administration Act* to ensure the performance of the contract and also to avoid overpayments in relation to progress of work. (1994-06-23) (*retenues*)

hypothecate

To pledge as collateral. To pledge personal property as security for a debt without transfer of possession. Used in relation to bid/security deposits and performance bonds. (1994-06-23) (*hypothéquer*)

I

identified individuals

Service contracts. Individuals referred to in the contract by name with or without position title. (1994-06-23) (**particuliers**)

implied contract

1. A contract may be implied when the conduct of the parties indicates that they were proceeding on the basis of some legal relationship.
2. An obligation imposed by law independently of an actual agreement between the parties, and which may be imposed notwithstanding any expressed intention by one of the parties to the contrary. (1994-06-23) (**contrat implicite**)

implied terms

Terms that, although not expressly agreed upon between parties, the law would infer to be part of the agreement between them, either from the words or conduct of the parties or from a statute. (1994-06-23) (**conditions implicites**)

import permit

A permit issued by Industry Canada authorizing an importer to purchase foreign exchange to pay for goods and to allow entry of the goods. (1994-06-23) (**permis d'importation**)

importer

Contractor, subcontractor or a supplier thereto who actually imported the goods or materiel. (1994-06-23) (**importateur**)

importer of record

The consignee or importer shown on the import entry form and on the Canada Customs Invoice or commercial invoices who is responsible for customs clearance and payment of the GST/HST. (1998-02-16) (**importateur enregistré**)

in bond

The storage or transport of goods in the custody of a warehouse or carrier from whom the goods can be taken only upon payment of taxes or duties to a government agency. (1994-06-23) (**en entrepôt**)

inbound logistics

The definition of inbound logistics is a matter of perspective. Shipments to Canadian Forces from Repair and Overhaul facilities and shipments off new acquisitions are considered inbound. Inbound logistics does not have an agreed-upon definition in the industry. A shipment is inbound to the receiver; conversely, shipments that are sent out – as a raw materiel supplier, manufacturer or vendor might do – are outbound from the sender. For inbound logistics planning, the focus of transportation management is on planning the receipt of the shipment. The definition of inbound logistics, then is related not only to the controller of the shipment process, but also who takes ownership of the goods shipped. (2003-12-12) (**logistique interne**)

income

The return in money from one's business, labour or capital invested; gains, profits or private revenue. The excess of revenues over expenses for a period, usually referred to as net income. (1994-06-23) (**revenu**)

Incoterms

[Incoterms](#) are standard trade definitions most commonly used in international sales contracts. They are protected by ICC copyright. (2003-12-12) (**Incoterms**)

indemnify

1. To save harmless against loss or damage incurred by another; to reimburse another for such loss or damage.
2. The word indemnify may mean either to prevent loss so that it does not occur, or to make reimbursement or compensation after the loss has occurred. (1994-06-23) (*tenir à couvert, indemniser*)

independent contractor

The test which distinguishes an independent contractor from an agent is the degree of control which the contractor is entitled to exercise, i.e. existence of the right of control over the agent in respect of the manner in which the work is done. An independent contractor is one who exercises discretion as to the mode and time of doing the work. The contractor is bound by its contract, not by the orders of the party for whom the contract is being performed. (1994-06-23) (*entrepreneur indépendant*)

indirect cost

An item of cost that cannot be reasonably identified with a specific unit of product or with a specific operation or other cost centre. An indirect cost is usually allocated to several cost objectives. (1994-06-23) (*coûts indirects*)

indirect labour

The labour expended which does not directly affect the construction or composition of the finished product of a manufacturing process. (1994-06-23) (*main-d'oeuvre indirecte*)

indirect material

The material that is necessary to the production of a manufacturing company's goods for sale but does not form part of the final product. (1994-06-23) (*matières indirectes*)

indirect overhead costs

1. Overhead costs which are not traceable to the specific part of the organization which is the focus of attention.
2. See **overhead costs**. (1994-06-23) (*frais généraux indirects*)

industrial security

Covers all that relates to security requirements under the terms of a contract, subcontract, standing offer, agreement or other arrangement which will demand that identified private sector suppliers and their personnel be security screened and, if required, that the physical premises of the proposed contractor be inspected and approved to safeguard, produce or process Protected or Classified information, assets or data, prior to gaining access to such information or assets. (2002-12-13) (*sécurité industrielle*)

INFOSEC

All Communications-Electronic Security (COMSEC) information and material entrusted to or developed/evaluated by or for the Communications Security Establishment. (2003-05-30) (*INFOSEC*)

insolvency

A condition where a supplier, though not bankrupt, is either unable to meet its obligations as they generally become due, or has ceased paying current obligations in the ordinary course of business, or whose assets have a realizable value insufficient to pay all its obligations. (1994-06-23) (*insolvabilité*)

inspection

1. *General*. A close scrutiny, an examination. The process of determining conformance to the applicable requirements.
2. *100%*. Inspection of each unit of product or the whole material as opposed to any form of sampling inspection.

3. *Final*. The last of several inspections at successive stages of manufacture, repair, modification, etc.
4. *Normal*. Inspection which is used when there is no statistically significant evidence that the quality of the product being submitted is higher or lower than the specified quality level.
5. *Original*. First inspection of a particular quantity of product as distinguished from inspection of a product that is resubmitted after prior rejection.
6. *Receiving*. Inspection by a client of materials and manufactured products as delivered.
7. *Reduced*. Provision in a sampling procedure for switching to a less severe sampling plan when there is evidence that the submitted quality level is higher than the specified quality level.
8. *Source*. The inspection of supplies or services at the point of manufacture or point of shipment.
9. Activities such as measuring, examining, testing, gauging one or more characteristics of a product or service and comparing these with specified requirements to determine conformity.
10. The activity of monitoring or observing prior to delivery to verify whether a product, service and/or quality system complies with the technical requirements stipulated in the contract. (1994-06-23) (***inspection***)

inspection at source

See **government quality assurance (GQA) at source**. (1994-06-23) (***inspection à la source***)

inspection authority

The person designated as such in the contract. Includes any person acting on behalf of Canada or the Minister as the inspection authority in relation to the contract. For purposes of contracts for the Department of National Defence, inspection authority includes quality assurance authority. (1994-06-23) (***responsable de l'inspection***)

insurance

A contract of indemnity whereby one party (the insurer) undertakes to indemnify the other (the insured) against damage or loss, on a specified subject by specified perils in consideration of a payment received (a premium). The instrument by which the contract is entered into is called the policy. (1994-06-23) (***assurance***)

intellectual property

Includes inventions, patents, copyrights, trade secrets, trademarks, technical data, know-how (e. g., engineering, Technical Documentation, Technical Information and technical assistance and services) and industrial designs. (1994-06-23) (***propriété intellectuelle***)

inter-company transfers

Transfers between a company and its subsidiary or affiliate enjoying separate legal status but otherwise under common ownership control. (1994-06-23) (***transferts inter-compagnie***)

interest

Money, the return or consideration, or compensation for the use or retention by one party of a sum of money or other property belonging to another. It may take the form of a lump sum payment or periodical payments at a rate percent. (1994-06-23) (***intérêt***)

interest rate implicit in the lease

This is the discount rate that, at the inception of the lease, causes the aggregate present value of: the minimum lease payments, excluding that portion of the payments representing executory costs to be paid by the lessor and any profit on such costs, and the unguaranteed residual value accruing to the benefit of the lessor, to be equal to the fair value of the leased property to the lessor at the inception of

the lease. (1994-06-23) (*taux d'intérêt implicite dans le bail*)

intra-company transfers

Transfers between divisions of the same legal or corporate entity. (1994-06-23) (*transferts intra-compagnie*)

invention

1. *Patent law.* The creation of something which did not exist before, by the exercise of a creative mind, possessing elements of novelty and utility in kind and measure different from anything that preceded the same.
2. *PWGSC General Conditions.* Any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter. (1994-06-23) (*invention*)

inventory

An itemized list of goods showing the number and usually the value of the goods. (1994-06-23) (*stock*)

invitation for bids

1. A request, verbal or written, which is made to prospective suppliers for their quotation, tender or offer on goods or services desired by the prospective purchaser.
2. Synonymous with bid solicitation. (1994-06-23) (*invitation à soumissionner*)

Invitation to Tender (ITT)

A bid solicitation document used by PWGSC when the estimated value of the requirement exceeds \$25,000; two or more sources are considered capable of supplying the requirement; the requirement is adequately defined in all respects to permit the evaluation of tenders against clearly stated criteria; tenders can be submitted on a common pricing basis; and it is intended to accept the lowest-priced responsive tender without negotiations. (1994-06-23) (*appel d'offres*)

invoice

A billing document prepared by the seller setting out the details of goods sold or services rendered to the purchaser including quantity, price, terms of payment, etc. (1994-06-23) (*facture*)

irrevocable standby letter of credit

1. Any arrangement, however named or described, whereby a financial institution, acting at the request and on the instructions of a customer, or on its own behalf, is to make a payment to or to the order of Canada, as the beneficiary, or is to accept and pay bills of exchange drawn by Canada, or another financial institution to effect such payment, or accept and pay such bills of exchange, or another financial institution to negotiate, against written demand(s) for payment provided that the terms and conditions of the letter of credit are complied with. Irrevocable letters of credit cannot be amended or cancelled by the Issuer at any moment and without prior notice to Canada as beneficiary. The letter of credit must clearly state that they are irrevocable or are deemed to be irrevocable pursuant to article 6 c) of the International Chamber of Commerce (ICC) Uniform Customs and Practice for Documentary Credits, 1993 Revision, ICC Publication No. 500.
2. A form of security deposit for bid or contract financial security. (1997-09-15) (*lettre de crédit de soutien irrévocable*)

item description (item identification, line item)

The data necessary to establish the identity of an item of supply for materiel management purposes. (1994-06-23) (*description d'article*)

item of supply

Commodities managed in the supply system either by stocking or repetitive purchasing. An item of

supply may be the product of a single manufacturer or may include the interchangeable products of several manufacturers. (1994-06-23) (*article d'approvisionnement*)

J

jobber

A middleman or dealer who purchases goods from manufacturers or importers for resale to retailers. Also called dealer or wholesale merchant. (1994-06-23) (*revendeur*)

joint venture

An association of two or more parties who combine their money, property, knowledge, skills, experience, time or other resources in a joint business enterprise, agreeing to share the profits and the losses and each having some degree of control over the enterprise. Joint ventures may be carried on in a variety of legal forms divided into three main categories:

1. the incorporated joint venture;
2. the partnership joint venture; and
3. the contractual joint venture where the parties combine their resources in the furtherance of a single business enterprise without actual partnership or corporate designation. (1994-06-23) (*consortium*)

L

laid-down cost

The cost incurred by a supplier to acquire a specific product or service for resale to the government. This includes the supplier's invoice price (less trade discounts), plus any applicable charges for incoming transportation, foreign exchange, customs duty and brokerage, but excludes the GST/HST. (1998-02-16) (*prix de revient effectif*)

late bid

Late bids are not to be accepted and will be returned. See [7.304](#) and SACC Manual [Section 1](#). (1994-06-23) (*soumission en retard*)

lease

1. *Government Contracts Regulations*. An agreement whereby Her Majesty acquires a leasehold interest in real property situated in or outside Canada and includes a tenancy agreement and a licence in respect of real property.
2. *The Canadian Institute of Chartered Accountants (CEIC)*. The conveyance, by a lessor to a lessee, of the right to use a tangible asset usually for a specified period of time in return for rent.
3. *Capital lease*. A lease that, from the point of view of the lessee, transfers substantially all the benefits and risks incident to ownership of the property to the lessee.
4. *Operating lease*. A lease in which the lessor does not transfer substantially all the benefits and risks incident to ownership of property. (1994-06-23) (*bail*)

letter of credit

See "irrevocable standby letter of credit". (1997-09-15) (*lettre de crédit de soutien irrévocable*)

letter of intent

A commitment on behalf of the Minister to place a contract with a designated contractor. It is used to enter into a binding agreement authorizing commencement of the work before issuance of a contract in those cases where the principal contract provisions require time consuming negotiations and the timely delivery of goods or services would be jeopardized by awaiting the award of the contract. A Letter of Intent is issued subsequent to approval of those terms and conditions which have been already agreed to between the Crown and the contractor, but before obtaining approval of all appropriate terms and conditions of the proposed contract. (1994-06-23) (*déclaration d'intention*)

Letter of Interest (LOI)

An LOI or Request for Information (RFI) is used when the buyer is interested in receiving feedback from suppliers and may re-open or re-issue an opportunity as an open tender at a later day. LOIs may include attached documents. (2002-12-15) (*lettre d'intérêt*)

liability

1. A broad legal term. In general, a debt owed. The condition of being actually or potentially subject to an obligation; a condition of being responsible for a possible or actual loss, penalty, evil, expense or burden; a condition which creates a duty to perform an act immediately or in the future.
2. *Primary liability*. A liability for which a person is directly responsible.
3. *Secondary liability*. A liability of a contingent nature such as the liability of a guarantor. A guarantor's liability does not arise until the principal debtor has failed to pay the creditor. (1994-06-23) (*responsabilité*)

license

A grant of permission, a power or authority given to another to do some lawful act. It may be written or verbal; when written the paper containing the authority is called a licence, e.g. software licence, export or import licence. (1994-06-23) (*licence*)

license agreement

A contract by which permission is given by the owner of a right to another for the use of that right free from legal recourse. (1994-06-23) (*contrat de licence*)

lien

1. The right given by law or contract to a person to have a debt or duty satisfied out of the property belonging to the person owing the debt or duty.
2. The right of a bank to which the *Bank Act* applies to take possession of and sell property owned by its debtor and covered by its security as a result of a default in payment of the loan or loans for which security was given to the bank by its debtor, the whole subject to the provisions of the *Bank Act*. (1994-06-23) (*droit de rétention*)

liquidated damages

This term represents a genuine pre-estimate of the loss that will be caused to one party if the contract is broken by the other. It constitutes the amount, no more and no less, that the plaintiff is entitled to recover in the event of breach without being required to prove actual damages. (1994-06-23) (*dommages-intérêts fixés en argent*)

listing program

The entire process by which a specific product/service/supplier is designated as conforming to the requirements of standards or specifications including those for quality assurance and identified for subsequent procurement on a qualified products list. See **QPL, CPL**. (1994-06-23) (*programmes de listage*)

loan

Anything lent or given to another on condition that it be returned or repaid, either with or without interest. (1994-06-23) (*prêt*)

loan agreement (PWGSC)

Equipment owned by the Department of National Defence which is loaned by PWGSC to contractors. (1994-06-23) (*convention de prêts de TPSGC*)

low dollar value (LDV)

Requirements that are generally low risk and less complex, with an estimated total cost below \$25,000 (including all applicable taxes). (2004/05/14) (*achat de faible valeur [AFV]*)

lump sum

The price agreed upon between vendor and purchaser for a group of items without breakdown of individual values; a lot price. (1994-06-23) (*somme globale*)

M

machine tools

A class of production tools basic to many manufacturing industries; power-driven, precision metal-working machines which remove metal in the form of chips by cutting or grinding, such as lathes, drill presses, boring mills, planers, milling machines, shapers and grinders. (1994-06-23) (***machines-outils***)

maintenance

1. *Materiel*. All action to retain materiel in a serviceable condition or to restore it to serviceable condition or to restore it to serviceability. It includes inspection, testing, servicing, classification as to serviceability, repairs, rebuilding and reclamation.
2. The cost of keeping a property in efficient working condition. (1994-06-23) (***maintenance***)

make or buy

A program that defines the manner in which the work will be performed. A "**make item**" is any item produced or work performed by the prime facility. A "**buy item**" is one not made by the prime facility but which is obtained from another source, generally in a finished form. (2003-12-12) (***faire ou faire faire***)

manufacturing

The production of articles for use from raw or prepared materials by giving to these materials new form, qualities and properties or combinations thereof whether by hand or machinery. (1994-06-23) (***fabrication***)

margin

1. The excess of the market value of collateral over the loan it secures.
2. *PWGSC Stocked Item Supply*. The difference between the selling price and cost of goods expressed as a percentage of selling price. (1994-06-23) (***marge bénéficiaire***)

market price

1. The price at which a seller is ready and willing to sell and a buyer is ready and willing to buy in the ordinary course of trade. It is the actual price at which a given commodity is currently sold or has recently been sold in the open market, that is, not a forced sale. See also **fair market value** and **market value**.
2. *Accounting*. The prevailing or last quoted price under conditions applicable in the circumstances. Net realizable value. (1994-06-23) (***prix du marché***)

market rate

Service contracts. Rates paid for similar work under the same conditions, in the immediate geographical areas and by the majority of individuals providing the same service. (1994-06-23) (***taux du marché***)

market value

The price which a product or property might be expected to bring if offered for sale in a fair market, i.e. a market that is not temporarily prone to fluctuations. It is the price that would be fixed by negotiation and mutual agreement between a willing buyer and a supplier who is willing but not compelled to sell. (1994-06-23) (***valeur marchande***)

mark-up

1. *Defence Production Act*. The amount added to cost in determining the selling price to cover overhead and profit.
2. The difference between the contractor's laid-down cost for a product and its resale price to the

Crown exclusive of the Goods and Services Tax and/or the Harmonized Sales Tax. Mark-up includes applicable purchasing expense, internal handling and general and administrative expenses plus profit.

3. The amount added to the cost of merchandise to arrive at the price at which it will be offered for sale. An addition to a previously established selling price of goods for sale. (1998-02-16) **(majoration)**

materiel and services to military specifications

1. Includes all materiel and services, including repair and overhaul, as well as research and development for which a military or other DND specification or requirement is included in procurement documentation. Also included in this category are materiel and services which are not covered by DND or military specifications but which are of sufficiently significant concern to DND as to require the allocation of responsibilities annotated under this heading.
2. Includes the range of items covered by commercial or Canadian General Standards Board (CGSB) standards and specifications. It also includes those items or services which are not specifically identified by DND, in its procurement documentation, as requiring special military or other DND specifications or requirements. (1994-06-23) **(matériel et services assujettis aux spécifications militaires)**

material and services to non-military specifications

Includes the range of items covered by commercial or Canadian General Standards Board (CGSB) standards and specifications. It also includes those items or services which are not specifically identified by DND, in its procurement documentation, as requiring special military or other DND specifications or requirements. (1994-06-23) **(matériel et services assujettis aux spécifications non militaires)**

merchantability

Means that the article sold shall be of the general kind described and reasonably fit for the general purpose for which it shall have been sold. Where the article sold is ordinarily used in but one way, its fitness for use in that particular way is impliedly warranted, unless there is evidence to the contrary. (1994-06-23) **(vendable)**

milestone payment

Is a method of making a progress payment which relates to a measurable and/or defined item or work package for which a price can be assigned with a good probability that such assigned price will turn out to be within reasonable limits of predictive accuracy for the value of the work. (1994-06-23) **(paiement d'étape)**

Minister

Means the Minister of Public Works and Government Services . (1996-12-02) **(Ministre)**

misrepresentation

A representation which is not true. It can be either fraudulent or innocent. It is fraudulent when it is made knowing that the same is false or without belief in its truth. A party induced by fraudulent misrepresentation to enter into a contract may repudiate the contract. Where a misrepresentation is an innocent one, it may be a ground for refusing specific performance to the party who made the misrepresentation and may also be a ground for rescission of the contract. The misrepresentation should, however, be a material one on which the other party relied. (1994-06-23) **(déclaration inexacte)**

mobile repair party

Individual or group of individuals who perform repair work away from a contractor's plant, generally at outside client locations. (1994-06-23) **(service mobile de réparation)**

modification

Equipment. An engineered alteration to an item of supply which changes the design characteristics or

capabilities of the end item, major or subassembly component part, or accessory. Normally a modification is made after an item of equipment is delivered whereas a design change is made prior to delivery during production. (1994-06-23) (***modification***)

monopoly

The ownership or control of so large a part of the market supply or output of a given commodity or service as to unduly prevent or lessen competition in that commodity or service. (2003-12-12) (***monopole***)

mutual Assent

In every contract each party must agree to the same thing. Each must know what the other intends; consensus ad idem. (1994-06-23) (***consentement mutuel***)

N

National Individual Standing Offer (NISO)

A National Individual Standing Offer is for the use of a specific department or agency throughout Canada. NISOs are arranged by PWGSC on receipt of a funded requisition. (2003-12-12) (**offre à commandes individuelle et nationale (OCIN)**)

National Master Standing Offer (NMSO)

A National Master Standing Offer is for the use of many departments or agencies throughout Canada. NMSOs are arranged by PWGSC without any requisitions from customer departments or agencies. (2003-12-12) (**offre à commandes principale et nationale (OCPN)**)

National Supplier Information System (NASIS)

NASIS is a master database containing information about companies listed as sources of supply with PWGSC. The database provides the standard supplier identification code (Vendor Code) assigned by PWGSC and, where applicable, the G SIN for the items for which a supplier has been identified as the potential source. NASIS is an integral component of the Procurement and Acquisition Support System (PASS)/Acquisition Design and Support System (ADSS). (1994-06-23) (**SYNINFO [Système national d'information sur les fournisseurs]**)

NATO codification system

An item identification and cataloguing system applied to all moveable assets that have a repetitive, recurring and continuing requirement or are subject to supply accounting. This includes items of warehouse stock and articles in use. (1994-06-23) (**système de codification de l'OTAN**)

NATO standard item

An item selected by an officially constituted NATO standardization group which would, when manufactured in any NATO country, always meet the same performance, application and quality standards. (1994-06-23) (**article standard de l'OTAN**)

NATO Stock Number (NSN)

A 13-digit number, e.g. 5305-21-111-3333 broken down as follows:

1. Digits 1-4, e.g. 5305, the NATO supply classification consisting of Group 53 (which covers all items of hardware) followed by the class within the group 05 (screws), 06 (bolts), etc., the whole being known as the supply class.
2. Digits 5-6, e.g. -21-, the NATO code for the National Codification Bureau that assigned the stock number, e.g. 00 U.S.A., 21 Canada, 14 France, 99 U.K., etc.
3. Digits 7-13, e.g. 111-3333, the National Item Identification Number; non-significant, but sequentially assigned by each National Codification Bureau to a unique item of supply.
4. Digits 5-13, e.g. 21-111-3333, the NATO Item Identification Number; including both the NATO code of the National Codification Bureau and its item identification number. The last 9 digits of the number remain with the item throughout its life even though the NATO supply classification may change as a result of reclassification and consequent conversion of stock numbers, e.g. 5305-21-111-2222 converted to 2805-21-111-2222. (1994-06-23) (**numéro de nomenclature de l'OTAN**)

need-to-know

The need for someone to access and know information in order to perform his or her duties. (2002-12-13) (**besoin de connaître**)

negligence

The failure to do that which an ordinary, reasonable and prudent person would do or the doing of some act which an ordinary, reasonable and prudent person would not do. Reference must always be made to the situation, the circumstances and the knowledge of the parties. See also **due care** and **gross negligence**. (1994-06-23) (*négligence*)

negotiated final overhead rates

A percentage or dollar factor which expresses the ratio(s) mutually agreed upon by the government and the contractor, at the close of a regularly stated period (preferably the contractor's fiscal year), of indirect expense incurred in the period of direct labour, manufacturing cost, cost of sales or other appropriate base of the same period. Such rate is used as a means of determining the amount of reimbursement under a contract for the applicable indirect costs. (1994-06-23) (*taux de frais généraux définitifs négociés*)

negotiation

The process of reaching agreement between contracting officer and supplier on the terms and conditions of a contract. (1994-06-23) (*négociation*)

no substitute

Requisition in which the customer describes the product by brand name or model number or by using a restrictive specification, and states that a substitute product is not acceptable. (1994-06-23) (*aucun succédané*)

non-consulting services contract

An agreement for the provision of services other than consulting services and includes the hiring of personal property. (1994-06-23) (*contrat de services autres que de conseil*)

non-resident contractor

Is an individual not engaged in regular and continuous employment in Canada and who does not maintain a permanent residence or office in Canada. Also, a partnership or a corporation not maintaining a permanent office in Canada. (1994-06-23) (*entrepreneur non résidant*)

non-stocked item

An item of supply which is not held in a supply system inventory for issue to clients but which will be purchased for the clients on request. (1994-06-23) (*article non-stocké*)

nonconformance

A deviation from the requirements of drawings, specifications or other technical data. (1994-06-23) (*non-conformité*)

Notice of Proposed Procurement (NPP)

This is a notice of an opportunity to participate in a procurement. The NPP is published on the Government Electronic Tendering Service (see MERX) and includes general information such as a description of the requirement, and how bid sets can be obtained. (13/12/02) (*avis de projet de marché*)

O

objective evidence

1. Any written record of the results of measurements, tests or observations that provide facts pertaining to the quality of goods, processes or services. Objective evidence may consist of supplier quality data concerning product or process, source inspection documents, receiving inspection records, quality audit data, quarantine review reports, supplier/commodity quality histories or such other verifiable data as may be available to supply centres.
2. A written record, prepared by a source deemed to be reliable, of the results of measurements, tests or observations which provides facts pertaining to the quality of goods, processes or services. (1994-06-23) (*preuves objectives*)

obsolete

The condition of becoming out-of-date, obsolete or useless as a result of new discoveries, improvements or changes in consumer demand. (1994-06-23) (*désuet*)

offer

A promise or a proposal made by one party to another intending the same to create a legal relationship upon the acceptance of the offer by the other party. An offer, in this sense, is an essential ingredient for the formation of a contract. (1994-06-23) (*offre*)

offeror

In contracts, the party that makes the offer and looks for acceptance from the offeree. (2002-05-24) (*offrant*)

operating lease

Operating lease is a lease in which the lessor does not transfer substantially all the benefits and risks incident to ownership of property. (1994-06-23) (*bail de location-exploitation*)

order

Defence Production Act (DPA). A general or specific order, requirement, direction or prescription in writing made or issued under this Act or a regulation. (1994-06-23) (*arrêté*)

Order-in-Council (OIC)

A decision, instruction, order, proclamation, etc. issued under the authority of the Governor in Council. (1994-06-23) (*décret du conseil*)

organization

From a security perspective, an organization is any institution, other than a Canadian government department, agency or crown corporation, holding or seeking a security clearance. The majority are commercial corporations, but other institutions are also included such as university faculties, partnerships, consultants, and other levels of government and their agencies. (1996-06-03) (*organisation*)

overclaims

Claims by the supplier for costs and profits in excess of the audited final amount as determined by Consulting and Audit Canada and/or sector/region verification. (1994-06-23) (*réclamations en trop*)

overhead

1. Indirect expenses or burden; one of many terms given to expenses which are incurred in the production of a commodity or the rendering of a service, but which cannot conveniently be measured by unit of production or service. These expenses are sometimes classified as manufacturing overhead, selling and distributive overhead, and general and administrative overhead.

2. *Service contracts.* Indirect costs associated with the operation of the contractor's business and included, unless otherwise stated, in a percentage factor that is applied to payroll cost. Salary bonuses may be included as overhead costs, unless they are paid under profit-sharing schemes, in which case they will be treated as a distribution of profit. (1994-06-23) (***frais généraux***)

overpayments

Payments by the Crown in excess of the audited final amount as determined by Consulting and Audit Canada and/or sector/region verification. (1994-06-23) (***paiements en trop***)

overtime

Time worked by a contractor's employee in excess of the employee's normal working day or working week. (1994-06-23) (***heures supplémentaires***)

overtime premium

The difference between the employee's regular rate of pay and the higher rate paid for overtime. (1994-06-23) (***prime d'heures supplémentaires***)

overtime premium costs

The amount of overtime premium and any profit thereon. (1994-06-23) (***frais de rémunération des heures supplémentaires***)

P

part file

A main or extract file is subdivided into part files when more than one solicitation is issued resulting in separate contracts. Each part file may only have one active solicitation in progress. Part files must be created when more than one solicitation is required under a main or extract file. (1994-06-23) (**dossier partiel**)

part name

A part name is applied by a government activity or manufacturer when no approved item name exists. It is used to designate an item of production by the manufacturer or designer of that item. It may, in certain circumstances, be used as an item name, either as it stands or with suitable modifiers added to differentiate between item concepts for items bearing the same part name. (1994-06-23) (**nom de pièce**)

patent

The exclusive right granted under the *Patent Act* (Canada) to make, use and sell an invention for a period of seventeen years. (1994-06-23) (**brevet**)

payment bond

1. A bond given by a contractor to guarantee the payment for labour to be given or materials to be supplied in connection with a contract awarded to that contractor.
2. A bond given to ensure that the sub-contractor providing labour or supplying materials to a contractor will be paid their proper charges up to the value of the bond.
3. A type of surety bond. (1994-06-23) (**cautionnement de paiement**)

payroll costs

Direct salaries paid plus costs associated with direct salaries, e.g. provision for statutory holidays, vacations with pay, the contractor's contribution for unemployment insurance and workmen's compensation, health and medical insurance, group life insurance and pension. See also **direct salaries**. (1994-06-23) (**coûts de la rémunération**)

per diem

A latin phrase meaning by the day. (1994-06-23) (**quotidien**)

per diem fee

Service contracts. A time rate whereby the contractor is paid a fixed rate inclusive of payroll and overhead costs and profit, for each normal working day as defined in the contract. (1994-06-23) (**honoraires quotidiens**)

performance (in the context of a contract)

The fulfillment or accomplishment of that which is required by a contract or under a condition. See [7A.021](#). (1994-06-23) (**exécution [dans le cadre d'un contrat]**)

performance (in the context of advance payments)

(1) The funds received will be used solely for the purpose of the contract; (2) the amount of the payment is ascertained or ascertainable under the terms of the contract; (3) the contractor is not in default of its obligations under the contract; and (4) the payment is related to an identifiable part of the contractual undertakings. (1994-06-23) (**exécution [dans le cadre de paiements anticipés]**)

performance (in the context of a progress payments)

1. All authorizations required under the contract have been obtained, the claim is consistent with the progress of the work and is in accordance with the terms of the contract;

2. indirect costs have been paid for or accrued in the accounts;
3. direct materials and work under subcontract have been received, accepted and either paid for or accrued in the accounts following receipt of invoice from contractor/subcontractor, and have been or will be used exclusively for the purpose of the contract;
4. all direct labour costs have been paid for or accrued in the accounts and all such costs were incurred exclusively for the purpose of the contract;
5. all other direct costs have been paid for or accrued in the accounts following receipt of applicable invoice or expense voucher and all such costs were incurred exclusively for the purpose of the contract; and
6. no liens, encumbrances, charges or other claims exist against the work except those which may arise by operation of law such as a lien in the nature of an unpaid contractor's lien and in respect of which an advance and/or progress payment has been or will be made by the Crown. (1994-06-23) (*exécution {dans le cadre d'acomptes}*)

performance bond

A bond given to guarantee the performance (completion) of a contract (in accordance with its terms and conditions). (1994-06-23) (*cautionnement d'exécution*)

personnel security screening

The administrative process used to examine an individual's reliability, trustworthiness, and loyalty to Canada when granting an individual's security clearance or Reliability Status for access to protected and/or classified information and assets provided to or produced by private organizations under contract to the Government of Canada. (2002-12-13) (*cote de sécurité du personnel délivrée*)

personnel security screening/clearance

The security screening of persons who are likely to have access, on a need-to-know basis, to classified information, assets or controlled areas in order to provide a clearance for undertaking the work. (2002-12-13) (*sécurité du personnel*)

PERT (Program Evaluation and Review Technique)

A method of network analysis in which three time estimates are made for each activity the optimistic time, the most likely time and the pessimistic time and which gives an expected completion date for the project within a probability range. (1994-06-23) (*PERT*)

pharmaceuticals and medical supplies

Include the following:

1. items for the medical and allied professions; and
2. drugs, chemicals of medicinal grade, and preparations subject to the Food and Drugs Regulations, the Controlled Drugs and Substances Act and the Narcotic Control Regulations, which may be listed in the Canadian Formulary (CF), the United States Pharmacopoeia (USP), the National Formulary (NF), the British Pharmacopoeia (BP) and the British Pharmacopoeia Codex (BPC); medicated cosmetics and toiletries; surgical dressing materials; medical and surgical instruments, equipment and supplies; first aid kits and related items. See also **Acceptable Products List**. (2003-12-12) (*produits pharmaceutiques et fournitures médicales*)

physical security

The use of physical safeguards to prevent and delay unauthorized access to assets, detect attempted and actual unauthorized access and activate appropriate response.. (2003-12-12) (*sécurité matérielle*)

point rating

An evaluation procedure in which a list of criteria, to which values have been assigned, is used to

ascertain the individual merits of proposals that have met the mandatory factors specified in a Request for Proposal. (1994-06-23) (*cotation numérique*)

pre-qualification financial analysis

Refers to a potential supplier (source listing) and its financial capability to supply its type of products and services. (1994-06-23) (*analyse financière préalable à l'acceptation*)

preservation

The application and use of preservative measures to prevent deterioration resulting from exposure to atmospheric conditions during shipment and storage. (1994-06-23) (*préservation*)

price

1. The consideration given in exchange or sale of anything.
2. *Defence Production Act*. Includes rate or charge for any service. (1994-06-23) (*prix*)

price and availability (P&A) enquiry

A P&A enquiry is a request to the trade for information which is needed by PWGSC or a client for program planning or budgetary purposes. P&A enquiries must clearly indicate that the request is not a bid solicitation. (1994-06-23) (*prix et disponibilité (P et D), Demande de*)

price fixing

1. An illegal collusion by tendering suppliers to avoid competition in prices.
2. *Competition Act*, Part VI, section 45.(1), Conspiracy: "Every one who conspires, combines, agrees or arranges with another person... (b) to prevent, limit or lessen, unduly, the manufacture or production of a product or to enhance unreasonably the price thereof,...." (2003-12-12) (*fixation de prix*)

price protection

An agreement between a supplier and a purchaser to grant the purchaser any reduction in price which the supplier may establish on its goods prior to shipment of the purchaser's order. Price protection is sometimes extended for an additional period beyond the date of shipment. (1994-06-23) (*protection de prix*)

priority procedures

See **U.S. Defense Priorities and Allocations System**. (1994-06-23) (*procédures prioritaires*)

private sector

All individuals resident in Canada, all private organizations resident in Canada and incorporated, registered, or recognized as such, under federal or provincial legislation, and which carry on activities in Canada. Non-profit organizations, universities and other public or para-public institutions resident in Canada, such as provincial research organizations, are considered to be private organizations. (1994-06-23) (*secteur privé*)

privity

The relationship which exists between the immediate parties to a contract. (1994-06-23) (*lien de droit*)

protected information

Information related to other than the national interest that may qualify for an exemption or exclusion under the *Access to Information Act* or *Privacy Act*. *Protected*: indicates that the information qualifies as protected information and requires more than basic protection. Personal information is a sub-set of other protected information, and deserves enhanced protection.

- (a) **Protected A**: low-sensitive protected information, a sub-set of protected information that could reasonably be presumed to cause injury if compromised.
- (b) **Protected B**: particularly sensitive protected information, a sub-set of protected information that

could reasonably be expected to cause serious injury if compromised.

- (c) **Protected C:** extremely sensitive protected information, a sub-set of protected information that could reasonably be presumed to cause extremely serious injury, such as loss life, if compromised. (2002-12-13) (**renseignements protégés**)

pro forma

Latin phrase. According to a prescribed form or model. (1994-06-23) (**pro forma**)

pro forma invoice

An invoice prepared by a client in advance of a sale to show the form and amount of the invoice which will be rendered to the purchaser if the sale is consummated. Pro forma invoices are often used in export transactions to support the purchaser's request to governmental authorities for import permits and foreign exchange. (1994-06-23) (**facture fictive**)

probity

Integrity and uprightness. Uncompromising adherence to the laws, regulations and policy imperatives concerning government contracting. (1994-06-23) (**probité**)

PROC

The Product, Resource, Operating and Contingency cost factors associated with the total product life cycle:

1. *Product costs.* Costs paid for the supply of goods to a specified delivery point.
2. *Resource costs.* The total government resource cost of acquiring, distributing and accounting for the goods.
3. *Operating costs.* The costs of operating, maintaining and repairing the goods and the depreciation incurred.
4. *Contingency costs.* Those costs incurred by not having the goods available when they are required. PROC analysis is used when best value for the money spent on the acquisition over its useful life is required. (1994-06-23) (**PREI**)

procurement

The process of obtaining materiel and services which includes the determination of requirements and acquisition from a supply system or by purchase from the trade. The procurement process has four phases:

1. *Pre-contractual phase.* Includes activities related to requirement definition and procurement planning.
2. *Contracting phase.* Includes all activities from bid solicitation to contract award.
3. *Contract administration phase.* Includes activities such as progress monitoring, delivery follow-up, payment action, etc.
4. *Post-contractual phase.* Includes file final action (e.g. client satisfaction, contractor agreement to final claim, final contract amendment, completion of financial audits, proof of delivery, return of performance bonds) and close out (e.g. completeness and accuracy of file documentation and adherence to file presentation standards). (1994-06-23) (**approvisionnement**)

Procurement Allocation Directory (PAD)

It is a list of key purchasing contacts in Public Works and Government Services Canada (PWGSC) offices. The Directory lists the names, addresses and telephone numbers of managers for PWGSC purchasing organizations. It matches these managers with the goods and services for their divisions buy. The [Directory](#) also includes the complete list of the goods and services that PWGSC buys. (2003-12-12)

(Répertoire des attributions des approvisionnements {RAA})**Procurement Business Number (PBN)**

The PBN is a unique identifier that is assigned to each supplier when they register in the Business Access Canada Supplier Registration Information System. It is based on the nine-digit Canada Revenue Agency's Business Number assigned to a supplier for the Agency's tax programs. (2005-12-16) **(numéro d'entreprise - approvisionnement)**

Procurement Review Committee (PRC)

The PRC carries out a detailed review of procurements strategies for goods and services valued between \$2M and \$100M for potential socio-economic benefits. The reviews are conducted within parameters that are fully consistent with the Treasury Board Policy on procurement review and subject to Canada's national commitments under the AIT, plus the international commitments under WTO-AGP and NAFTA and other international trade rights and obligations. While PRC membership may vary slightly, there is core representation from the client department, the contracting authority, Treasury Board Secretariat, National Research Council, Industry Canada, Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, Canada Economic Development (for Quebec Regions), Department of Indian and Northern Affairs, Environment Canada, Department of National Defence, International Trade Canada, and Transport Canada. (2005-12-16) **(Comité d'examen des acquisitions [CEA])**

product liability

Refers to the legal liability of manufacturers and sellers to compensate buyers, users and on occasion bystanders for damages or injuries suffered because of defects in goods purchased. (1994-06-23) **(responsabilité du produit)**

product life or life cycle

Time from product selection or conception, design and specification development, purchasing, manufacturing, packaging, delivery, warehousing, maintenance, repair and overhaul, through to use and disposal. (1994-06-23) **(durée utile du produit)**

product quality audit

An independent examination and assessment of a product's conformance to the specified requirement after it has been received. (1994-06-23) **(vérification de la qualité du produit)**

Product Quality Management (PQM)

PQM is the process applied to ensure the required quality of goods and services. PQM refers to all considerations which are undertaken within the procurement process to provide clients with quality goods and services that conform to the stated requirements. Inherent to PQM are such actions as proper requirements definition; judicious sourcing, as applicable; thorough supplier evaluation; and the inclusion of proper quality related bid solicitation and contract clauses. The concept of PQM embodies quality assurance, quality control and inspection. See also: **quality assurance, quality control, inspection, and quality**. (1994-06-23) **(gestion de la qualité des produits)**

production

See **manufacturing**. (1994-06-23) **(production)**

production assets

Means and covers Special Production Tooling, Special Test Equipment, DND Loaned Equipment, U.S. Government Property, and any other Crown property for which PWGSC has been specifically or directly charged with assets management responsibility. (2002-12-13) **(biens de production)**

productivity

The ratio of some output to some input. A measure of how well resources are combined and utilized to achieve a particular desirable result. Productivity ratios may be measured in one of three ways as follows:

- (1) Total Output ÷ Total Input
- (2) Total Results Achieved ÷ Total Resources Consumed

(3) Effectiveness ÷ Efficiency

The concept of productivity recognizes the interplay between various factors in the workplace. The output or results achieved may be related to different inputs or resources in the form of various productivity ratios, for example, output per labour hour, output per unit of material (as in kilometres driven per litre of gas) or output per unit of capital. Each of these productivity ratios may be influenced by a combination of factors, such as quality and availability of materials, scale of operations, rate of capacity utilization, availability and throughput capacity of capital equipment, attitude and skill level of the work force, motivation and effectiveness of the management. The manner in which these factors interrelate will have a bearing on the resulting productivity ratio. Productivity improvements or gains are generally realized in terms of increased revenue or profit, better quality or performance, or lower prices. (1994-06-23) (**productivité**)

profit

1. *General.* Benefit or advantage in money or in money's worth.
2. *Income tax law.* That surplus in the taxation period by which the receipts from a trade or business exceed the expenditures necessary for the purpose of earning those receipts.
3. A general term for the excess of revenue, proceeds or selling price over related costs.
4. Net income. (1994-06-23) (**bénéfice**)

Program Evaluation and Review Technique

See **PERT**. (1994-06-23)

progress payment

A payment made by or on behalf the Crown under the terms of a contract after the performance of the part of the contract in respect of which the payment is made but before the performance of the whole contract. (1994-06-23) (**acompte**)

prohibited articles

Articles which, because of their dangerous characteristics, will not be handled by commercial carriers. (1994-06-23) (**articles interdits**)

promissory note

An unconditional written promise, made by one person to another, to pay a certain sum in money on demand or at a fixed or determinable future date, either to the bearer or to the order of a designated person. (1994-06-23) (**billet à ordre**)

proper accounts

The maintenance, in easy retrievable form, of all the records necessary to establish, at any time, the allowable costs or time for the work performed under a PWGSC contract. Such records will include requisite supporting documentation for costs, such as time cards, labour distribution tabulation runs, journal vouchers, lists of subcontracts, purchase invoices, pay vouchers, overhead distribution sheets, etc. (1994-06-23) (**comptes bien tenus**)

proposal

An offer, submitted in response to a request from a contracting authority, that constitutes a solution to the problem, requirement or objective in the request. (1994-06-23) (**proposition**)

proprietary

1. Belonging or pertaining to ownership.
2. *Rights.* Those rights which an owner of property has by virtue of their ownership. (1994-06-23) (**propriété**)

prototype

Includes any item designated as such in the contract and includes models, patterns and samples. (1994-06-23) (*prototype*)

provisional standard

A standard published to satisfy a clear and urgent need without passing through all the procedural and review processes required for Canadian General Standards Board (CGSB) standards or National Standards of Canada. (1994-06-23) (*norme provisoire*)

prudence

1. Proceeding from caution and good judgment. In the process of awarding and administering PWGSC contracts, taking the trouble and the time to think out the various aspects of the proposal, the risks that may arise and planning ahead to deal with these risks.
2. *Treasury Board*. Standards of prudence and probity include such requirements as those for verifying materiel, obtaining proper authorization for expenditures and adopting a policy of open contracting. (1994-06-23) (*prudence*)

public property

Financial Administration Act. All property, other than money, belonging to Her Majesty in right of Canada. (2003-12-12) (*biens publics*)

purchase description

A statement of requirements to identify and describe a particular product or service, but which may be less detailed than a specification. The description includes sufficient data to enable the supply and evaluation of the item either by means of reference to a specification or standard, or by the inclusion of critical performance data. (1994-06-23) (*description d'achat*)

purchase order

A purchaser's written offer to a supplier formally stating all terms and conditions of a proposed transaction. (1994-06-23) (*commande*)

purchase requisition

A formal request to obtain materiel or services made to PWGSC by the requesting client. (1994-06-23) (*demande d'achat*)

purchasing

The buying process within the procurement cycle. (1994-06-23) (*achat*)

Q

qualification program

The entire process by which products are obtained from suppliers, examined and tested and then identified on a qualified products list. The qualification process includes an evaluation of the manufacturer's facilities and capabilities to meet requirements on a continuing basis. (1994-06-23) (*programme d'homologation*)

qualified financial opinion

A financial opinion (provided pursuant to a contract financial analysis) which is classified as "Not Recommended." It also means a financial opinion which is classified as "Recommended Conditionally," when the condition specified is not met within a reasonable period of time. (1994-06-23) (*opinion sur la situation financière (avec commentaires)*)

qualified product

A product produced under controlled and substantially unchanged conditions which met the requirements and procedures specified to enable that product to be listed in the applicable qualified products list. (1994-06-23) (*produit homologue*)

Qualified Products List (QPL)

A listing of products qualified as conforming to the requirements of standards or specifications by the appropriate panel. A QPL identifies the qualifying authority and includes the appropriate product identification and reference data together with the name of the supplier of the qualified product. (1994-06-23) (*liste des produits homologués [LPH]*)

qualifying authority

The agency or organization responsible for the maintenance of a listing program, including the development and implementation of policies and procedures, and which is responsible for the accuracy and integrity of listings. (1994-06-23) (*autorité d'homologation*)

quality

The totality of features and characteristics of a product or service that bear on its ability to satisfy a given need. (1994-06-23) (*qualité*)

quality assurance

A system of activities whose purpose is to provide assurance that the quality control is in fact being done effectively. For a specific product or service, this involves verification, audits and the evaluation of the quality factors that affect the specification, production, inspection and distribution. See **government quality assurance**. (1994-06-23) (*assurance de la qualité*)

quality audit

The monitoring of quality levels at any stage to provide information for management. (1994-06-23) (*vérification de la qualité*)

quality control

A range of activities the purpose of which is to ensure and verify that the specific quality of the product or service has been met. (1994-06-23) (*contrôle de la qualité*)

quality of conformance

A measure, taken at the point of acceptance, which determines the degree to which the final product conforms to the design. (1994-06-23) (*qualité de conformité*)

quality of design

The value inherent in the design; a measure of the excellence of the design in relation to the client's

requirements. (1994-06-23) (*qualité technique*)

Queen's printer

Performs the printing and publishing functions for the Government of Canada. (1994-06-23)
(*imprimeur de la Reine*)

quotation

Is the bid submitted in response to a Request for Quotation from a contracting authority. (1994-06-23)
(*présentation de prix*)

R

rate audit of a fixed time rate

See **verification of time for acceptability** and **verification of time for accuracy of recording**. (1994-06-23) (*vérification des taux fixes basés sur le temps*)

rationalization

The term is used to denote an approach whereby companies structure their affairs by selecting, from the whole product spectrum, a more limited range of products (both goods and services) for which the operations in Canada would function as single worldscale or major regional producers, with a view to reducing unit costs through longer production runs and economies of scale. For the selected range of products within the operations in Canada, the process ideally involves the development of an autonomous capability for technological innovation, including research, development, engineering, industrial design and preproduction activities as well as the production, purchasing, marketing and finance activities associated with a full or limited international products mandate. In addition, the process implies the maximization of management autonomy of the operations in Canada within the corporate structure. (1994-06-23) (*rationalisation*)

rationalized products

A product not manufactured in Canada but treated for sourcing purposes as if it were made in Canada, pursuant to an agreement between PWGSC and the firm which accords such treatment on the basis of, and commensurate with, the economic benefits to Canada resulting from the firm's rationalized operations in Canada. (1994-06-23) (*produits rationalisés*)

reasonable

Generally, that which is just and proper in the given circumstances of a case. That which is fit and appropriate to the end in view. That which is according to reason, not immoderate or excessive. Equitable. (1994-06-23) (*raisonnable*)

receiver manager

See **trustee in bankruptcy**. (1994-06-23)

receivership

Being in receivership defines the status of a company during the period of the winding up of its affairs after the appointment of a Trustee in Bankruptcy. (1994-06-23) (*mise sous séquestre*)

receiving inspection

The process of verifying, on receipt, that shipments are satisfactory in terms of quantity and condition and that goods accepted for stock comply with defined acceptance criteria. (1994-06-23) (*inspection de réception*)

reference date

Date of submission of bid, as indicated by the postmark date; or, in the case of a negotiated contract, the effective date of the contract; or, in the case of a contract amendment, the date of such amendment. (1994-06-23) (*date de référence*)

Regional Individual Standing Offer (RISO)

A Regional Individual Standing Offer is for the use of a specific department or agency within a specific geographic area. RISOs are arranged by PWGSC on receipt of a funded requisition. (2003-12-12) (*offre à commandes individuelle et régionale (OCIR)*)

Regional Master Standing Offer (RMSO)

A Regional Master Standing Offer is for the use of many departments or agencies within a specific geographic area. RMSOs are arranged by PWGSC without any requisitions from customer departments

or agencies. (2003-12-12) (*offre à commandes principale et régionale (OCPR)*)

Registered Quality Systems List (RQSL)/DND-Certified Quality Systems List (CQSL)

The RQSL/CQSL is a listing of suppliers that have had their quality system audited by an approved auditor against the appropriate quality standard, are found to meet all of the criteria of the standard and are registered by the applicable certifying agency. (1994-06-23) (*liste des systèmes d'assurance de la qualité inscrits [LSAQI]*)

reliability

The measures expressed as a probability of the ability of a product to function successfully when required, for the period required, in the specified environment. (1994-06-23) (*fiabilité*)

reliability status

Indicates successful completion of a reliability check; allows regular access to government assets and, with a need-to-know, to Protected information. (2002-12-13) (*cote de fiabilité*)

remedy

Contract. The means by which a contractual right or obligation is enforced or the violation of such a right is prevented, reduced or compensated. Remedies may be defined in the contract, by agreement between the parties such as by accord and satisfaction, by arbitration, by operation of law or judicial remedy such as by action or suit. (1994-06-23) (*recours*)

remission

1. Exemption from payment of customs duties and excise taxes ordinarily payable on goods or materiel imported into Canada.
2. A partial or total refund or the non-payment of taxes, which otherwise would be payable, authorized by Order-in-Council. (1994-06-23) (*remise*)

renegotiation

A redetermination of agreed contract or pricing terms due to changed requirements or conditions or in accordance with a previous agreement. Some contracts provide for renegotiation at a stated time or under stated conditions. (1994-06-23) (*révision du contrat*)

repair

Includes the adjustment of a machine, instrument, electrical device, etc., in order to restore the article to its original operating condition, as well as any minor physical alterations necessary to complete such restoration. (1994-06-23) (*réparation*)

repair and overhaul

The repair of an item of equipment to return it to serviceable condition; overhaul may or may not be coincident with repair. Repair normally involves the correction of specific defects only, whereas overhaul will entail replacement of both worn and damaged parts or parts for which service life has expired. Overhaul is normally effected only after expiry of service life due to hours of use or elapsed time. (1994-06-23) (*réparation et révision*)

representation

1. *General.* A statement made expressly or by implication such as by conduct.
2. *Contract.* In the law of contracts, it is a statement made by one of the parties to the contract to the other, before or at the time of entering into the contract, of some matter relating to the contract. (1994-06-23) (*présentation*)

Request for Information (RFI)

An RFI or Letter of Interest (LOI) is not open for bidding. The buyer is interested in receiving feedback from suppliers and may re-open or re-issue an opportunity as an open tender at a later day. RFIs may

include attached documents. (2002-12-13) (***demande de renseignements***)

Request for Proposal (RFP)

An RFP, while generally used for requirements of \$25,000 or more, is often employed for requirements where the selection of a supplier cannot be made solely on the basis of the lowest price. AN RFP is used to procure the most cost-effective solution based upon evaluation criteria identified in the RFP. See [5.142](#). (2002-12-13) (***Demande de proposition [DP]***)

Request for Quotation (RFQ)

Solicitation document used to solicit bids for low dollar value requirements below \$25,000 (including all applicable taxes) from one or more suppliers. It is a request to bidders which is evaluated with the objective of accepting the lowest-price responsive quotation. An RFQ may not include all of the terms and conditions required to form a contract and the response or quotation provided by the bidder is information that may be used to form the applicable contract document, along with the terms and conditions and final pricing. Negotiations should be avoided; however, when the requirement has not been adequately defined due to the constraints of time and cost some negotiations may be necessary to obtain best value. See [5.148](#). (2004-05-14) (***demande de prix [DPrix]***)

Request for a Standing Offer (RFSO)

An RFSO is a bid solicitation document used by the contracting authority to solicit offers for standing offers. As with any other bid solicitation document, it must clearly state the requirement, the bid evaluation method and selection criteria, the call-up procedures, the ranking methodologies whenever applicable to be used for making call-ups against the authorized standing offer(s) and all terms and conditions applicable to the contract brought into effect as a result of any such call-up. (2002-12-13) (***Demande d'offre à commande [DOC]***)

requisition

A request to obtain materiel or services and authority to commit funds to cover the purchase. (1994-06-23) (***demande***)

rescission

Contract. Means that a contract may be set aside (rescinded) in specific situations, generally where one party is guilty of misinterpretation, duress, undue influence and certain instances of mistake. It is limited to contracts where it is possible to rescind the contract and substantially restore all parties to their respective positions before the contract was made. (1994-06-23) (***rescission***)

responsibility

1. Acceptance of, and carrying out of, assigned authority.
2. The obligation to exercise authority delegated to an individual or group.
3. See also **accountability** and **authority**. (1994-06-23) (***responsabilité***)

responsive bid

1. A tender, proposal or quotation that meets all the mandatory requirements stipulated in the solicitation document.
2. Synonymous with valid bid. (1994-06-23) (***soumission recevable***)

Review (qualification listing) Panel

A committee of knowledgeable representatives appointed to review and evaluate applications for listing, to decide on product/service/supplier conformance to the standard or specification and to authorize inclusion of acceptable suppliers on the program list. The panel may be composed as necessary of representatives of federal, provincial and municipal government agencies, industry or business associations, institutional users or individuals, but excludes anyone who has a direct vested interest in supplying or marketing a product being considered. (1994-06-23) (***Comité d'examen des listes d'homologation***)

revolving fund supplies contract

A contract to cover the supply of goods or services where payment will be made using the Defence Production Revolving Fund. (1994-06-23) (***contrat de fournitures imputables sur le Fonds renouvelable***)

royalties

Include:

1. Licence fees and all other payments similar to royalties, whether or not payable under any contract, that are calculated as a percentage of the cost or sale price of defence supplies or as a fixed amount per article produced or that are based on the quantity or number of articles produced or sold or on the volume of business done.
2. Claims for damages for the infringement or use of any patent.
3. A monetary consideration to the owner of intellectual property for the use of that property by a second party. (1994-06-23) (***redevances***)

S

sale

1. A transfer of a property in a thing from one person to another for a price in money. A sale of goods is different from an exchange or barter where no funds are involved. In order to determine at what point property in the goods sold rests in the purchaser, the terms of the contract have to be considered to ascertain in whom the property is vested. The property may pass at once or at a future time contingent on the fulfillment of some condition.
2. Includes consignment or other disposition of materials and the supplying of any service. (1994-06-23) (**vente**)

salvage

1. Damaged, worn, aged or specialized equipment or materiel that cannot economically be repaired or adapted for further use but has possible value other than the scrap or material content.
2. The saving or rescuing of materials contained in condemned, discarded or abandoned equipment for reuse, refabrication or scrapping.
3. *Accounting.* That portion of the residual value of an asset representing the value of parts reclaimed for future use after retirement of the asset. (1994-06-23) (**récupération**)

sample

1. *General.* A relatively small quantity of material, or an individual object, from which the quantity of the mass, group, bulk, etc. which it represents may be inferred. A specimen, a small quantity presented or sold to buyers as a specimen of goods offered for sale.
2. Where goods are sold by sample, three conditions are implied in the sale:
 - (a) the bulk shall correspond with the sample in quality,
 - (b) the buyer shall have a reasonable opportunity of comparing the bulk with the sample, and
 - (c) the goods shall be free from any defect rendering them unmerchantable, which would not be apparent on reasonable examination of the sample. (1994-06-23) (**échantillon**)

scheduled overtime

Overtime experienced by a contractor through their usual business operations. Any resulting overtime premium costs are usually included in the contractor's overhead account. (1994-06-23) (**heures supplémentaires prévues**)

scrap or waste materiel

1. Material that has no real value except for its basic or raw material content.
2. Scrap and waste materiel resulting from production; cuttings or turnings from lathes, screw machines, etc.; punching from punch presses, turret presses, etc.; ends of rod or bar stock which are too short for further use in production; ends of rod, bar or sheet stock marked by chuck or lathe jaws or machine holding clamps to such an extent as not to be of further use in production; strips or clippings of material from raw stock resulting from squaring-up operations at shear or saw; ends sheared from commercial-size raw stock which are uneconomical to select, store or handle; drop-outs caused by accidental loss of small parts or damage due to piling, rough handling, falls or abrasions; and test samples supplied to Engineering or Inspection Staff and damaged beyond use.

3. Scrap and waste materiel resulting from reconditioning, refitting, modification, change of design or specification or reduction to spares of miscellaneous equipment: damaged or broken parts resulting from any of these operations, such as broken castings, fittings, and parts of no recoverable value in original form and certified as "Scrap" by the Canadian Forces Technical Services Detachment (CFTSD) of DND or a technical inspector of the prime contractor approved by the client; and cannibalized small units of equipment or instruments which through modification and/or reduction to spares, having no recoverable value other than scrap and are certified as "Scrap" by the CFTSD of DND or a technical inspector of the contractor approved by the clients.

Note: The above definitions do not include major equipment items such as airframes, airframe components, engines, ships and boats, machine tools, jigs and fixtures. (1994-06-23) (*rebutts et matériel inutile*)

seal

See **under seal**. (1994-06-23) (*sceau*)

secret

Level of classification that applies to information or assets when compromise could reasonably be expected to cause serious injury to the national interest. (2002-12-13) (*secret*)

secured creditor

A person holding a mortgage, pledge, charge, lien or privilege on or against the property of the debtor as security for a debt, or a person whose claim is based upon, or secured by, a negotiable instrument held as collateral security and upon which the debtor is only indirectly or secondarily liable. (1994-06-23) (*créancier garanti*)

security deposit

The deposit by the bidder/contractor of securities including government guaranteed bonds, bills of exchange and irrevocable standby letters of credit which the contracting authority may convert to complete the bidder's/contractor's obligations. (1997-09-15) (*dépôts de garantie*)

Security Requirements Check List (SRCL)

Form used to identify security requirements associated with a contract containing protected or classified security requirements. (2002-12-13) (*Liste de vérification des exigences relatives à la sécurité*)

SELECT

A procurement tool used to identify qualified firms and individuals for low dollar value construction, maintenance and real property consulting (architectural and engineering services). (2003-05-30) (**SELECT**)

seller's market

A seller's market is considered to exist when goods cannot easily be secured and when the economic forces of business tend to cause goods to be priced at what the seller considers the market will bear. (1994-06-23) (*marché vendeur*)

selling price

The net selling price to the buyer after all discounts. It includes all applicable provincial sales taxes, GST/HST, excise taxes and tariffs. (1998-02-16) (*prix de vente*)

semi-variable cost

1. An operating expense, as an item of indirect factory expense that varies, but not proportionately in total, with costs of manufactured quantities.
2. An indirect cost which varies with production or activity but not in direct proportion to the volume. (1994-06-23) (*coût semi-variable*)

services

Includes field service representatives, out-of-plant technical services and mobile repair parties away from the contractor's plant. (1994-06-23) (*services*)

shelf life

The length of time that an item of supply can be stored under specified environmental conditions and continue to remain suitable for its intended use. (1994-06-23) (*durée utile*)

shipping permit

1. Authority issued by carriers to shippers to forward specific shipments contrary to existing embargoes.
2. Permits issued by steamship lines to shippers authorizing specific shipments to be accepted at pier receiving locations. (1994-06-23) (*permis d'expédition*)

shipping release

A form used by the purchaser to specify shipping instructions of goods purchased for delivery at an unstated future date or to an undisclosed destination. Also used to specify quantities to be shipped when the purchase was for an unspecified quantity or when delivery is to be made in partial lots at the purchaser's discretion. (1994-06-23) (*autorisation d'expédition*)

Short Range Acquisitions Plan (SRAP)

The SRAP is an annual forecast over a two year horizon, completed by major clients at the request of the Procurement Strategy Committee, consisting of planned procurements of goods and services over \$2M. (1994-06-23) (*Plan annuel d'achats à court terme [PACT]*)

site visit

A meeting held on site and conducted by either PWGSC or the client to provide potential bidders with an opportunity to view and assess aspects of the work that cannot be adequately described in performance specifications or the statement of work. (1994-06-23) (*visite de l'installation*)

sole source

1. The client specifies that a particular supplier or person is the only one acceptable.
2. Non-competitive situations arise:
 - (a) when there is only one Canadian source capable of supplying the product or service (referred to as sole source); or
 - (b) when, although a number of Canadian sources exist which are capable of supplying the product or service, it is decided for any reason to direct the purchase to a particular source (referred to as single source directed). See [Chapter 8](#). (1994-06-23) (*fournisseur exclusif*)

special production tooling

Tools such as jigs, dies, fixtures, molds, patterns, taps, gauges and other like items which are of such a specialized nature that, without substantial modification or alteration, their use is peculiar to the production of supplies or the parts thereof which are required by the Crown. (1994-06-23) (*outillage spécial de production*)

special test equipment

Either single or multipurpose integrated test units engineered, designed, fabricated or modified to meet the test requirements of the specifications peculiar to the end items of equipment which are required by the Crown. Also included are associated computer software programs. The term "Special Test Equipment" does not include: special production tooling; buildings and non-severable structures (except foundations and similar improvements necessary for the installation of special test equipment); and test equipment loaned from a client's inventory. (1994-06-23) (*matériel spécial d'essai*)

specification

A concise statement of requirements to be satisfied for materiel, a product or service, including the identification of test methods or the procedures which will determine whether the requirements have been met. (1994-06-23) (*spécification*)

standard

1. A formal specification, for recurring major interests, utilizing the consensus process, and published by a recognized standards-issuing agency. In particular, a Canadian General Standards Board (CGSB) standard is one developed in accordance with procedures set out in the CGSB manual, Policy and Procedures Preparation of Standards.
2. A formal statement of requirements established by authority, custom or general consent of those affected, and intended for general recurrent use. Normally, a standard is developed through a consensus process by a committee widely representative of major interests and is published by an accredited standards-writing agency as determined by the Standards Council of Canada or recognized standards-issuing agency. (1994-06-23) (*norme*)

standard costing

1. A costing procedure which permits the comparison of actual costs of production with predetermined standards; cost, time and quantity variations provide the basis for comparison and provide a measure of production efficiency.
2. The projected cost of an activity, process or item of product, established as a basis for control and reporting.
3. A costing method in which costs for non-distinguishable units of production are determined by accumulating the costs of the production process over a period of time and dividing by the number of units produced. (1994-06-23) (*calcul normalisé du prix de revient*)

Standing Committee on Public Accounts

The House of Commons refers the Auditor General's Annual Report to this Committee for further investigation and discussion with the departments, as applicable. (1994-06-23) (*Comité permanent des comptes publics*)

standing offer

A Standing Offer is not a contract. It is an offer from a supplier to provides goods and/or services to clients at prearranged prices or pricing basis and under set terms and conditions for a specified period on an as-and-when requested basis. A separate contract is entered into each time a call-up is made against a Standing Offer. When a call-up is made, the terms and conditions are already in place and acceptance by Canada of the supplier's offer is unconditional. Canada's liability shall be limited to the actual value of the call-ups made within the period specified in the Standing Offer.. (2002-12-13) (*offre à commandes*)

Standing Offer and Call-up Authority (SOCA)

A SOCA is a document issued by the contracting authority that serves two primary purposes: 1) notification to the Offeror, that authority to call-up against a standing offer has been given to specific authorized users in respect of its standing offer; and 2) notification to clients, that, in respect to a specific standing offer, authority to call-up against the said standing offer has been granted to them, subject to the call-up authority set therein. (2002-12-13) (*autorisation de passer une offre à commandes et des commandes subséquentes*)

standing offer method of supply

The sanding offer method of supply is one in which offers for the supply of goods and/or provision of services are solicited based on a volume of business given in good faith. One or more standing offers may then be authorized for use such that one or more authorized users (client departments and agencies) are enabled to acquire goods, services, or both, as and when required, directly from the offeror (supplier, or provider, as applicable), at prearranged prices, or, on a prearranged pricing basis,

during a specified period of time and in accordance with set terms and conditions. This method of supply is best suited to situations in which the goods, services, or both, to be supplied or provided, are well-defined and are required repetitively, by one or more clients, but, for which the actual demand of individual requirements (quantity, delivery date and delivery location) is not known at the outset. The advantages of this method of supply are increased efficiency in the procurement process and reduced administrative burden for both the client and PWGSC. (2002-12-13) (***méthode d'approvisionnement de l'offre à commandes***)

stock control

That aspect of inventory control which includes the control of stock items through the maintenance of accounting records. (1994-06-23) (***contrôle des stocks***)

stock item

An item of supply carried at storage points in a supply system to meet anticipated demand. (1994-06-23) (***article stocké***)

stocked item supply

Are those items of supply carried in stock at a PWGSC supply centre and recorded as items of supply in PWGSC inventory control accounting records. (1994-06-23) (***approvisionnement en articles stockés***)

storage

A function of warehousing which involves the receipt of an item, putting it away for safekeeping and subsequent retrieval when required for use, sale or disposal. (1994-06-23) (***entreposage***)

strategic source

A source of supply of strategic defence material or services for which assured supply arrangements are required to meet defence needs under normal and mobilization conditions. (1994-06-23) (***fournisseur de matériel stratégique***)

strict liability

A concept applied by the courts in product liability cases in which a seller is liable for any and all defective or hazardous products which unduly threaten a consumer's personal safety. This concept applies to all members involved in the manufacturing and selling of any facet of the product. The concept is founded on the premise that when the manufacturer presents its goods they are suitable for their intended use and, to invoke the doctrine of strict liability, it is essential to prove that the product was defective when placed in the stream of commerce. (1994-06-23) (***responsabilité stricte***)

subassembly

Two or more parts which form a portion of an assembly or a unit replaceable as a whole but having a part or parts which are individually replaceable. (1994-06-23) (***sous-ensemble***)

subcontractor

1. A party who contracts with a contractor to perform all or any part of the contractor's obligations in a particular contract.
2. The contractor is accountable for the work performed by the subcontractor. (1994-06-23) (***sous-traitant***)

supplier financial assessment

An assessment by a qualified person of a proposed supplier's financial capability to complete a specific contractual requirement in a given time frame. (1994-06-23) (***évaluation financière du fournisseur***)

Supplier Last Awarded (SLA)

The supplier recorded in PASS/ADSS as having last been awarded a contract for a particular source list. (1994-06-23) (***dernier fournisseur retenu [DFR]***)

Supplier of Least Opportunity (SLO)

The supplier recorded in PASS/ADSS as having received the least amount of bid opportunities (recorded in terms of estimated dollar value of the bid solicitation) for a particular source list. (1994-06-23) (*fournisseur ayant le moins de possibilités [FMP]*)

supply

The operations normally involved in furnishing, providing, affording or distributing items of supply to a user to satisfy stated requirements. The function includes all actions from the initial determination of requirements as to kind and quality through testing, standardization, adoption, modification, procurement, acceptance, receipt, storage, issue, maintenance, distribution, salvage, reissue, disposal, accountability, responsibility and stock control. (1994-06-23) (*approvisionnement*)

supply schedules

An American program directed under the General Services Administration known as Federal Supply Schedule Contracting. Used when it is not practical to forecast definite quantity requirements, industry distribution facilities can serve a wide number of clients and price advantages can be obtained. (1994-06-23) (*barèmes d'offre*)

Supply Transfer Order

A document which is used when goods and services are to be provided by a provincial government. (1994-06-23) (*demande de transfert de biens et de services*)

surety bond

A written undertaking under seal by a third party to indemnify the contracting authority, within specified financial limits, against a bidder's/contractor's failure to carry out its obligations. Bonds are acceptable only from surety companies which are approved by Treasury Board. The types of bonds used in connection with bid/contract financial security are bid bond, payment bond and performance bond. (1994-06-23) (*cautionnement*)

surplus materials

1. Materials, including raw materials, parts and equipment, purchased or manufactured by a contractor specifically for a contract but which remain unused after completion of the contract.
2. Materials purchased or manufactured by the contractor specifically for a Crown contract but not used and left over after completion of the contract. (1994-06-23) (*matériel excédentaire*)

T

take-out rate

The negotiated rate applied to laid-down cost for the recovery of overhead costs applicable to resale business, when the resale business does not account for all functions of the particular cost centre. The resulting rate will be somewhat less than that which applies to other work using the cost centre facilities. A take-out rate is normally used only as an expedient when the contractor does not have sufficient resale business to warrant a separate burden or cost centre. (1994-06-23) (*taux de recouvrement*)

target incentive

Contract. A contract where a bonus is paid on the basis of agreed sharing of savings relative to the target price. May also provide for reduction in profits where target cost is exceeded. (1994-06-23) (*stimulant indicatif*)

target price

Fixed fee and incentive fee formula. A method of pricing in which the contractor is paid costs reasonably and properly incurred as determined by audit, together with an agreed upon fixed fee as profit supplemented by an incentive fee which will be paid to the contractor on any savings achieved between a prescribed target cost and the actual cost as established by audit. A target price contract may also include a provision for a ceiling price. (1994-06-23) (*prix visé*)

tariff

A published schedule showing the rates, charges, classification, rules, regulations and other provisions applicable to transportation and incidental services. (1994-06-23) (*tarif*)

technical authority

Individual responsible for providing information, guidance and advice on the technical aspect of a product. (2002-12-13) (*responsable technique*)

technical documentation

Any and all recorded information of a scientific or technical nature relating to the work performed under the contract, and includes all designs, technical reports, photographs, drawings, plans, specifications, and computer software, whether susceptible to copyright or not. (1994-06-23) (*document technique*)

technical information

All information of a scientific or technical nature relating to the work performed under the contract whether oral or recorded in any form or medium including but not limited to Inventions, designs, methods, processes, techniques, know-how, reports, drawings, plans, specifications, photographs, models, prototypes, patterns, samples, schematics, experimental or test data, and computer software, data files, and documentation, and whether or not copyrightable and whether or not held as a trade secret. (1994-06-23) (*donnée technique*)

Telephone buy

A purchase whereby the telephone is used to solicit bids for requirements valued up to \$25,000 (including all applicable taxes) and whereby a contract is placed over the telephone and confirmed in writing. (2004-05-14) (*achat par téléphone*)

temporary help services

1. Services provided under contract to the government for assignments in which employees of a firm work under the direction of public servants or of other persons acting in a capacity that is an integral function of the operation of a government organization.
2. Although contracts for these services are contracts of service, i.e. employment, Treasury Board has agreed to allow government departments, through PWGSC, to enter into them provided the

period of the contract does not exceed eight weeks. (1994-06-23) (**services de travail temporaire**)

tender

A proposal, bid or offer that is submitted in response to an Invitation to Tender, Request for Proposal, or Request for Quotation from a contracting authority. (1994-06-23) (**offre**)

term

1. Contract. That portion of an agreement which relates to a particular matter, i.e. almost every clause in a contract is a term, hence the word term includes conditions or warranties.
2. A fixed period, a prescribed duration. (1994-06-23) (**condition - durée**)

termination for default

Termination for Default is when the contractor breaches the contract, usually through non-performance or delayed delivery. "Default by Contractor" in the general conditions provides the basis for Termination for Default. See [11.133](#). (1994-06-23) (**résiliation pour inexécution**)

territory of a party

1. *For Canada.* The territory to which its customs laws apply.
2. *For the United States of America.* The United States, its possessions, Puerto Rico, and any other place subject to its jurisdiction, including its foreign trade zones, but does not include trust territories or leased bases. (1994-06-23) (**territoire d'une partie**)

test methods

Detailed technical descriptions of procedures according to which conformance to the requirements stated in specifications and standards is determined. (1994-06-23) (**méthodes d'essai**)

testing

An element of inspection. Generally denotes the determination by technical means of the properties or elements of supplies or components thereof and involves the application of established scientific principles and procedures. (1994-06-23) (**essai**)

third party damages

Damages incurred by one who is not a party to an agreement or transaction. (1994-06-23) (**dommages causés à un tiers**)

third party liability

Insurance. That type of insurance protection which indemnifies one from liability to third persons as opposed to insurance coverage for losses sustained by the insured. (1994-06-23) (**responsabilité pour un tiers**)

time payment

1. A method of making progress payments which provides for specified payments to become due at the times specified in the contract, subject to certification by the inspection and contracting authorities that progress of the work conforms to schedule.
2. The method of making progress payments based on physical progress of the work on a monthly basis as determined by the inspection and contracting authorities without any set monthly goals. (1994-06-23) (**paiement à terme**)

title

The right of ownership in a property, including right of possession. The term title is used to denote a vested right as opposed to a contingent right. (1994-06-23) (**titre**)

top secret

Level of classification that applies to information or assets when compromise could reasonably be expected to cause exceptionally grave injury to the national interest. (2002-12-13) (*très secret*)

Total Life Cycle Costs (PROC)

The sum of the Product (P), Resource (R), Operating (O), and Contingent (C) costs. (1994-06-23) (*coûts associés à la vie utile des produits [PREI]*)

trade usage

Custom or usage of the particular trade in which usage or custom is ordinary and reasonable. Evidence of a trade usage may be given in aid of interpreting a contract. (1994-06-23) (*pratique commerciale*)

trademark

A mark used in trade to distinguish the goods of the person who uses it. To constitute a trademark, it must contain a combination of elements giving it distinctiveness and the trademark as a whole must be considered. (1994-06-23) (*marque déposée*)

transfer price

The price charged to a seller to the Crown by another division, subsidiary or affiliate of the seller under common ownership control or otherwise not dealing at arm's length with the seller to the Crown. (1994-06-23) (*prix de transfert*)

trigger price

A price expressed in Canadian dollars representing the cost of articles offered by the U.S. DoD, increased by a factor representing administrative costs, foreign exchange, sales tax, transportation, duty, the GST/HST, contractor overhead and profit, etc. This price is intended as a reference point to assist DND and PWGSC contracting officers in determining whether it would be more advantageous for Canada to acquire an item from sources in Canada (i.e. item of Canadian manufacture) or from the U.S. government. See [9B.9](#). (1998-02-16) (*prix-seuil*)

trustee in bankruptcy

A person licensed under the terms of the Bankruptcy Act appointed by court to take possession of the assets of a bankrupt debtor. A trustee becomes in effect a temporary manager of a business who may carry on the business or alternatively sell the assets. In managing the business, a trustee may be referred to as the Receiver Manager. (1994-06-23) (*syndic de faillite*)

U

U.S. contracting officer

Canadian Commercial Corporation. The U.S. government employee responsible for administration of the U.S. contract with CCC. (1994-06-23) (*agent de négociation des contrats des É.-U.*)

under seal

Having the corporate seal affixed for corporate entities or a paper wafer seal for sole proprietors or partnerships. (1994-06-23) (*scellé*)

unscheduled overtime

Any unexpected additional overtime experienced on Crown contracts. Payment for unscheduled overtime requires an amendment to the contract as it is not included in the overhead rate but is usually direct charged after the contract has been signed. (1994-06-23) (*heures supplémentaires imprévues*)

unsolicited offers

Written offers to supply goods or to perform services by suppliers which were not requested to submit such offers. Unsolicited offers are normally received in either of the following circumstances:

- (a) PWGSC has issued a bid solicitation for an existing requirement, and a supplier which was not solicited submits a bid; and
- (b) a supplier, on its own initiative, offers to supply goods or to perform a service for which PWGSC holds no current requirement. (1994-06-23) (*soumission spontanée*)

unsolicited proposal

1. A proposal made to a contracting authority by a non-governmental organization or agency without prior formal or informal solicitation and which contains an offer to conduct research, development or production.
2. A written proposal submitted by an individual or an organization in the private sector on its own initiative to satisfy or endeavour to satisfy a science and technology requirement of the government in a unique manner. (1994-06-23) (*proposition spontanée*)

U.S. Defense Priorities and Allocations System (DPAS)

A system in existence in the United States to ensure the timely flow of goods, materials and services and the prompt delivery of defense and defence-related needs. (1994-12-16) (*Système américain régissant les priorités et les attributions en matière de défense [DPAS]*)

V

valid bid

1. *Government Contracts Regulations*. Valid tender. A proposal, bid or offer that is submitted in response to an invitation from a contracting authority and meets all the requirements stipulated in the invitation.
2. Synonymous with responsive bid. (1994-06-23) (*soumission valide*)

value analysis

A broad term used to identify all actions which discern and eliminate unnecessary cost in the requirement, design, development and procurement of materiel without sacrificing essential quality, reliability, maintainability, performance or mission accomplishment. It is a functionally oriented, planned effort by trained personnel using specific techniques. It encompasses activities variously referred to as value improvement and value engineering. (1994-06-23) (*analyse de la valeur*)

value for duty

1. *Customs*. The price in Canadian currency on which the appropriate rate of customs duty is applicable for goods imported into Canada. See also **duty-paid value**.
2. *Customs Act*. The value of the article as it would be determined for the purpose of calculating an ad valorem duty upon the importation of such article into Canada under the laws relating to the customs and the customs tariff, whether such article is in fact subject to ad valorem or other duty or not. (1994-06-23) (*valeur imposable*)

variable cost

A cost that varies directly with volume of production or activity, as in the case of raw material costs varying with the volume of production. Sometimes the term refers to all such costs as a group; sometimes it is limited to the indirect expenses that vary with production or with the scale of operations. (1994-06-23) (*coût variable*)

variance

The difference between the budgeted or expected performance and the actual performance. (1994-06-23) (*variance*)

verification of time for acceptability

An examination of the contractor's records to: determine the actual time charged for carrying out the work in accordance with the terms of the contract; ensure that the amount of time thus determined was required in the performance of the work under the contract; and ascertain that the time charged reflects the performance of the work under the contract in an efficient and economical manner. (1994-06-23) (*contrôle du temps en vue de l'acceptation*)

verification of time for accuracy of recording

An examination of the contractor's records to: determine that time taken has been recorded in a manner consistent with the contractor's cost accounting system; and ensure that the time charged to the contract is only that of the employees who normally charge their time directly to contracts under the contractor's cost accounting system and as reflected in the contractor's determination of the agreed rate. (1994-06-23) (*contrôle du temps en vue de la vérification de l'exactitude de l'enregistrement*)

W

warehousing

The performance of those physical and administrative functions incidental to and required in the conduct of the storage activity, i.e. receipt, sorting, identification, inspection, preservation, putting away, safekeeping, retrieval for issue and preparation for shipment of materiel. (1994-06-23) (**entreposage**)

warranty

1. A promise that a proposition of fact is true. It is a promise that certain facts are truly as they are represented to be and that they will remain so, subject to any specified limitation.
2. *Express warranty.* The seller has made an express warranty when making some specific statement concerning the nature, quality, character, use or purpose of the goods which induces the buyer to make its purchase of them, and the seller intends to the buyer to rely on its statement.
3. *Implied warranty.* A promise arising by operation of law, that something which is sold shall be merchantable and fit for the purpose for which the seller has reason to know that it is required. A contract to do certain work, such as a building contract, contains within itself an implied warranty that the work shall be done in a workmanlike manner.
4. *Breach of warranty.* Generally, the consequences that flow from a breach of warranty entitles the innocent party to damages while a breach of a condition may entitle the innocent party to rescind the contract.
5. *Full warranty.* A warranty as to full performance covering generally both labour and materials. Under a full warranty, the warrantor must remedy the product within a reasonable time and without charge after notice of a defect or malfunction.
6. *Limited warranty.* A written warranty which fails to meet one or more of the minimum standards for a full warranty. (1994-06-23) (**garantie**)

wholesaler

A merchant middleman who sells chiefly to retailers or industrial, institutional and commercial buyers for their resale or business use. (1994-06-23) (**grossiste**)