



COMMONLY USED PROCUREMENT INSTRUMENTS

METHOD/ INSTRUMENT	WHEN TO USE IT	COMMENTS
Competitive Contract	<p>Mostly used for higher-dollar-value and or higher-complexity requirements when Standing Offers or Supply Arrangements are not in place or cannot satisfy the requirement.</p> <p>A Task Authorization Against a Contract can be used when the work cannot be specifically defined in advance. It is issued against a pre-established contract with predetermined conditions and parameters, typically for services.</p>	<p>Contracts can be entered into by organizations up to their delegated contracting authority limit except where the required goods or services are available through PSPC mandatory Standing Offers or Supply Arrangements.</p> <p>Rapid issuance of work package against predefined resource categories as the specific tasks and time frames become known.</p> <p>The nature of the work must fit within the scope of the pre-established contract.</p>
Standing Offer*	<p>Used for commonly ordered, commercially available goods and/or services.</p> <p>Used when the requirement can be clearly defined but the expected quantities or level of effort and timing are unknown.</p> <p>Used when Canada is unable to offer a minimum work guarantee to the supplier or when there are multiple suppliers who can provide the product or service.</p> <p>The use of Public Services and Procurement Canada Standing Offers is mandatory for the ten commodity groups identified in Schedule 4, Part 1, of the Treasury Board Contracts Directive.</p> <p>The Call-Up (Form 942) Against A Standing Offer Instrument is used to order against the Standing Offer method of supply when the amount of the commonly required goods or services is known.</p> <p>The use of PSPC Standing Offers is mandatory for the commodity groups identified in Appendix C – Treasury Board Contracts Directive, Part 1, Schedule 4. The Call-Up along with the terms and conditions specified in the Standing Offer form the Contract.</p>	<p>Efficient method of supply that allows suppliers to be pre-qualified with a standardized/pre-defined offering, and pre-established terms and conditions.</p> <p>Allows greater speed when ordering goods and services because bulk of negotiation and procurement process has been completed before transactions are required.</p> <p>Volume purchases government-wide can reduce prices and increase standardization.</p> <p>Not as suitable for volatile commodities.</p> <p>Impacts of fluctuations in exchange rates can affect prices.</p> <p>Call-Ups against a Standing Offer provide easy access to goods and services with faster turnaround.</p> <p>Each standing offer contains call-up procedures (instructions) and sets a dollar limit on the value of individual call-ups.</p>



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Supply Arrangement*	<p>Used for procuring commonly required goods or services (mostly services) when the requirement can't be fully defined in advance of the need, and the available Standing Offers cannot be used. Contracts are established when they are issued against existing Supply Arrangements.</p> <p>It is important to note that the use of PSPC supply arrangements is mandatory for the ten commodity groups identified in Appendix C – Treasury Board Contracts Directive, Part 1, Schedule 4.</p>	<p>Departments and Agencies can take advantage of the numerous Supply Arrangements for services put in place by Public Services and Procurement Canada that create a pool of pre-qualified bidders with pre-established parameters.</p> <p>The requirement can be competed amongst the pre-screened bidders, reducing process times.</p>
Acquisition Card	<p>Applies to goods and services procurements, within pre-established financial transaction limits and conditions (i.e. for a particular commodity group), where accepted by the vendor.</p> <p>Ideal for lower-dollar-value, lower-risk, and higher-volume purchases.</p> <p>Can be used as a procurement instrument and/or a method of payment (i.e. Form 942 Call-Up is optional).</p> <p>Use is encouraged under Standing Offers and Supply Arrangements.</p>	<p>Efficient, secure, and simple to use.</p> <p>Reduced processing costs because of less administration and greater consolidation of payments. Reporting and traceability is facilitated.</p> <p>Leverage volume discounts for lower prices or rebates from government-wide purchases.</p> <p>Generally not used for software procurements for which Government of Canada terms and conditions apply.</p>

NOTES:

Service-level Agreements or Interdepartmental Agreements are used between federal departments/agencies. They are not considered procurement instruments because new goods and services are not being procured, rather there is an interdepartmental settlement or re-appropriation of funds between departments/agencies that results.

USEFUL LINKS:

[Public Services and Procurement Canada Supply Manual Comparison of Different Method of Supply. This link will open in a new window.](#)

[*Also known as Pre-Competed Procurement Instruments or Consolidated Procurement Instruments. This link will open in a new window.](#)