

# Commonly Used Procurement Instruments

## Competitively Solicited Contract

### When to Use It



Competitively solicited contracts are 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.

### Comments

Contracts can be entered into by organizations up to their delegated contracting authority limit except where the required goods or services are available through Public Services and Procurement Canada (PSPC) mandatory Standing Offers or Supply Arrangements.

## Task Authorization Contract

### When to Use It

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.



### Comments

Rapid issuance of work package against predefined resource categories as the specific tasks and time frames become known.

The nature of the work must fit within the scope of the pre-established contract.

## Standing Offer

### When to Use It

Used for commonly ordered, well defined, commercially available goods and services.

Used when the requirement can be clearly defined but the expected quantities or level of effort and timing are unknown.

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.

Standing Offers must address the obligations under the Comprehensive Land Claims Areas in order to be used in a settlement area.

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.

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.



### Comments

Efficient method of supply that allows suppliers to be pre-qualified with a standardized or pre-defined offering, and pre-established terms and conditions.

Allows greater speed when ordering goods and services because bulk of negotiation and procurement process has been completed before transactions are required.

Volume purchases government-wide can reduce prices and increase standardization.

Not as suitable for volatile priced commodities.

Impacts of fluctuations in exchange rates can affect prices.

Call-Ups against a Standing Offer provide easy access to goods and services with faster turnaround.

Each standing offer contains call-up procedures (instructions) and sets a dollar limit on the value of individual call-ups.

## Supply Arrangement

### When to Use It

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 solicitations are issued to existing Supply Arrangements Holders.

Supply Arrangements must address the obligations under the Comprehensive Land Claims Areas in order to be used in a settlement area.

### Comments

Departments and Agencies can take advantage of the numerous Supply Arrangements for services put in place by PSPC that create a pool of prequalified bidders with pre-established parameters. Ceiling prices are established but are competed within pre-qualified suppliers.

The requirement can be competed amongst the pre-screened bidders, reducing process times.

## Acquisition Card

### When to Use It

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. Cannot be used for mandatory commodities.

Ideal for lower-dollar-value, lower risk, and higher-volume purchases.

Can be used as a procurement instrument.

Use is encouraged under Standing Offers and Supply Arrangements.



### Comments

Efficient, secure, and simple to use.

Reduced processing costs because of less administration and greater consolidation of payments.

Reporting and traceability is facilitated.

Leverage volume discounts for lower prices or rebates from government wide purchases.

Generally not used for software procurements for which Government of Canada terms and conditions apply.

## Contractual Arrangement

### When to Use It



Sometimes known as Memorandums of Understanding, used for acquiring goods or services when the arrangement is generally not legally binding or when the Crown cannot contract due to its legal status (e.g. with another level of government [province], agencies or associations, other countries).

### Comments

Typically specify provisions, rather than binding terms and conditions. Refer to Treasury Board Guideline on Contractual Arrangements.

## Notes

Service-level Agreements or Interdepartmental Agreements are used between federal Departments or 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 or agencies that results.

## Useful Links

[Public Services and Procurement Canada Supply Manual, Comparison of Different Methods of Supply](#)

[Pre-Competed Procurement Instruments or Consolidated Procurement Instruments](#) (standing offers, supply arrangements)