

# Procurement Activity Reporting Fiscal Year 2017-18

## Frequently Asked Questions

### Who is required to report?

#### 1. Which organizations are required to report on their procurement activity?

Commitments under the Canadian Free Trade Agreement (CFTA), and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), including reporting requirements, generally apply to the following covered entities, which will be identified by the appropriate ministry:

- Broader Public Sector (BPS) organizations (including school boards and publicly funded academic, health and social services organizations);
- Municipalities;
- Ontario government ministries; and,
- Most provincial agencies.

#### 2. We are an organization that is required to follow the BPS Procurement Directive, does that mean we are required to report?

Organizations that follow the BPS Procurement Directive are required to report unless specifically identified in the trade agreements as being exempt. Please note that there may be additional organizations that do not follow the BPS Procurement Directive that are required to report. If you are unsure, please consult your ministry.

#### 3. Can an organization request an exemption from its obligation to submit a Procurement Activity Report?

No, an organization cannot request an exemption from its obligation to submit a Procurement Activity Report. This is an obligation under signed trade agreements, which are now in force and apply to Ontario and its entities.

#### 4. Why does my organization need to submit a report on its procurement activities?

Ontario has obligations under various trade agreements, including: the Canadian Free Trade Agreement (CFTA), the Ontario-Quebec Trade and Cooperation Agreement (OQTCA), the World Trade Organization-Government Procurement Agreement (WTO-GPA), and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). As part of its trade agreement obligations, the Government of Ontario must report on the procurement activities of its ministries, applicable agencies and other organizations that are subject to the obligations of these agreements.

**5. Is this a new reporting commitment?**

This is not a new reporting commitment for ministries and many of their agencies, as they have been required to collect and report this procurement data as part of existing trade agreement obligations. However, some entities, such as municipalities and some broader public sector organizations, were not previously covered and may not have been required to report such procurement data under previous trade agreement obligations. Therefore, this reporting commitment may be new for those particular entities.

**6. Why can't organizations submit their Procurement Activity Reports directly to the federal government?**

The federal government requires each province to submit one report that includes the information for all of that province's organizations covered under international trade agreements. As Ontario is a direct Party to the trade agreements outlined above, the federal government is subject to the same reporting requirements as provinces and territories.

**What data needs to be reported?**

**7. Which procurements should be included in my Procurement Activity Report?**

The term "procurement" refers to the acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction.

Your report should include procurements with contracts signed within the reporting period that fall under the following categories and thresholds:

<b>Procurement Activity</b>	<b>Ministries and agencies</b>	<b>BPS &amp; municipalities</b>
<b>Goods</b>	\$25,000 or greater	\$100,000 or greater
<b>Services</b>	\$100,000 or greater	\$100,000 or greater
<b>Construction</b>	\$100,000 or greater	\$250,000 or greater

The trade agreement threshold applies to a single procurement where the total procurement contract value meets or exceeds the threshold.

HST should be factored in the total value of the procurement when determining whether or not a procurement must be reported in accordance with the above-listed thresholds.

**8. What is the reporting period?**

CFTA and CETA both require covered entities (including municipalities) to report on their covered procurement contract awards on an annual basis. Ontario Shared Services is currently seeking reports that cover all procurement contracts signed between **April 1, 2017 and March 31, 2018** (FY 2017-18) in order to meet the requirements by both agreements.

**9. Which data elements are being requested for this reporting?**

Refer to the Procurement Activity Report template and instructions for the list of data elements and their description.

**10. Why is the reporting period the province's fiscal year and not my organization's fiscal year?**

Reporting periods for trade agreements may vary, however, to ensure compliance and consistency with trade agreements, Ontario is asking that submissions align with the province's fiscal year.

**11. How should I report multi-year contracts or ministry-specific VOR arrangements?**

**Note:** School boards should refer to the *Ministry of Education Procurement Activity Reporting FAQ*

Ministries should report the total procurement value of ministry-specific Vendor of Record (VOR) arrangements and other multi-year contracts for the year in which they are established. The total procurement value represents the estimated value of spending expected to occur over the term of the VOR arrangement or multi-year contract (the total contract ceiling price). HST should be included when calculating the total contract ceiling price to determine whether or not a contract must be reported in accordance with the aforementioned thresholds.

Since the total procurement value of VOR arrangements are reported for the year in which they are established, procurements made through the second stage selection process should not be reported.

**12. Do I have to report non-competitive procurements?**

Yes, non-competitive procurements that meet or exceed the thresholds identified in the response to Question 7 should be included in your report.

**13. What types of procurement activities should NOT be included in my Procurement Activity Report?**

The following should not be included in your report:

- Acquisition of goods or services in respect to Aboriginal peoples;
- Acquisition or rental of land, existing buildings or other immovable property or the rights thereon;
- Non-contractual agreements or any form of assistance that a Party provides, including cooperative agreements, grants, loans, equity infusions, guarantees and fiscal incentives;
- Procurement or acquisition of fiscal agency or depository services, liquidation and management services for regulated financial institutions or services related to the sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities;
- Public employment contracts;
- Health services; and
- Social services.

*\*It is important to note that Ontario may have to prove that these procurement activities fall under a relevant exception under a trade agreement.*

**14. A procurement, previously below reporting thresholds, has changed in FY 2017-18 as the result of an extension or revision. If this change now puts the procurement value at or above the reporting thresholds, does it need to be reported?**

Yes, if as the result of an extension or revision, the value of a procurement has changed, putting it over the thresholds identified in the response to Question 7, it should be captured in the report.

**15. My organization submitted a report last year. If a contract was missed in the FY 2016-17 Agreement on Internal Trade (AIT) procurement report, should I include it in the FY 2017-18 report?**

Yes, if you've identified a procurement that you did not previously report, please include it in the FY 2017-18 report.

**16. If I used a group purchasing organization for procurement do I need to report that information?**

Yes, contracts established through procurements conducted by group purchasing organizations need to be reported.

**17. Do we need to report on limited tendering or invitational procurements?**

Yes, reporting is required on all procurements over thresholds.

**18. Are we required to include Canada Revenue Agency (CRA) Business Number?**

No, CRA business numbers are not required for this report.

## **Procurement Activity Report Template**

**19. Is there a standard reporting template and guideline to be used by all covered organizations?**

Yes, there is one reporting template to be used by all organizations in order to satisfy reporting requirements for all of the trade agreements.

**20. Where is the Procurement Activity Report template located?**

For the education sector, B-Memo B01 was issued in January 2019 which included the Procurement Activity Report FY 2017-18 template.

**21. Can I adjust the layout of the Procurement Activity Report template?**

No, do not adjust the template.

**22. How do I complete the Procurement Activity Report template?**

For full instructions to complete the Procurement Activity Report, please refer to the “Instructions” sheet of the Procurement Activity Report template.

**23. What do I do if my organization does not have any procurement contracts to report over the threshold values listed in the response to Question 7?**

You are still required to submit a “Nil Report”. Please refer to the “Instructions” sheet of the Procurement Activity Report template.

## **Trade Reporting - Other**

**24. What are the consequences of failing to meet the reporting requirements of trade agreements?**

Non-compliance with trade agreement reporting requirements could damage Ontario’s credibility as a trade partner and negatively impact Ontario’s relationships with the federal government and, in the case of domestic trade agreements, other Canadian provinces and territories and, in the case of international trade agreements, other nations.

As a signatory to CFTA, if Ontario fails to meet its reporting requirements, a domestic trading partner could launch a formal CFTA dispute over the matter.

In the case of CETA, if Ontario fails to meet its reporting requirements, the federal government – which is legally responsible for CETA commitments – would press Ontario to comply. In addition, as the CETA dispute settlement mechanism applies to

the government procurement chapter, the European Union would be entitled to bring a challenge against Canada for non-compliance with international trade obligations, including reporting requirements.

**25. Will the final trade procurement reports posted online?**

Yes, final procurement reports are posted on public websites by the federal government trade secretariat.