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The Government of Canada's Integrity Regime

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Government
of Canada

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Canada

The Integrity Regime is a key element of the Government of Canada's framework to support accountability and integrity in procurement and real property transactions.

- The Integrity Regime aims to reduce the risk of the Government of Canada entering into contracts or real property agreements with unethical suppliers, and to:
 - Protect the integrity of procurement and real property agreements
 - Hold suppliers accountable for their actions, while encouraging them to cooperate with authorities when problems arise and to quickly take corrective actions
 - Ensure consistency in application across all contracts and real property agreements issued by the Government of Canada
- Unethical business behaviours undermine fair competition, threaten the integrity of the markets, are a barrier to economic growth, and reduce public confidence in government institutions.



The Regime applies integrity measures to a broader scope of transactions between the Government of Canada and suppliers.

- While the Regime is centrally administered by Public Services and Procurement Canada (PSPC), the [*Ineligibility and Suspension Policy*](#) and [*Integrity Clauses*](#) apply to contracts and real property agreements government-wide, with some exceptions.
- By bidding on applicable contracts or real property agreements, suppliers certify to Integrity Clauses, confirming that they are in compliance with the *Ineligibility and Suspension Policy*.
- The *Ineligibility and Suspension Policy* and related Directives provide an exhaustive list of important exclusions. For example, the Integrity Regime does not apply to:
 - Contracts and real property agreements below \$10,000
 - Transfer payments (grants, contributions, and other transfer payments)
 - Contracts under the foreign military sales program

The Regime places specific requirements on suppliers bidding on Government of Canada contracts and real property transactions.

- By certifying to the Integrity Clauses, a supplier acknowledges that it is compliant with the Integrity Regime (i.e., the supplier and its first tier subcontractors are not ineligible).
 - If unsure, a supplier may, on its own initiative, submit a request to PSPC to conduct a review to determine its status under the Regime.
- If a supplier is **unable** to certify to the Integrity Clauses, it must submit a [Declaration Form](#) detailing any adverse information that could potentially impact its status.
 - Completed forms must be placed in a sealed envelope labeled protected B, addressed to the address listed on the form, and included with the bid or offer package.
- A supplier is required to provide a list of names (e.g., corporate entities must provide a list of names of all current directors) for an integrity verification with its bid submission or offer.
- Suppliers are encouraged to come forward at any time to discuss their status and disclose any adverse information.



Suppliers are also required to ensure that their first-tier subcontractors are compliant with the Regime prior to submitting a bid or offer.

- Suppliers are required to verify the status of any prospective first-tier subcontractors named in a bid prior to bid submission and all subcontractors must be verified before entering into a direct contractual relationship. They may do so by:
 - Consulting the [Ineligibility and Suspension List](#) to confirm the company is not ineligible or suspended.
 - Submitting a written request to the Registrar of Ineligibility and Suspension along with a signed [Integrity Verification Request for Subcontractor form](#) for individuals.
- A supplier cannot subcontract with an ineligible or suspended first-tier subcontractor unless they obtain prior approval from the Contracting Authority.
 - An [Integrity Regime Subcontractor Exception Form](#) must be submitted for consideration.

Under certain circumstances suppliers will be automatically ineligible for contract or real property agreement award.

- Convictions of frauds against the government under the *Criminal Code* or *Financial Administration Act* render a supplier permanently ineligible.
- Convictions of one of the offences listed in the Policy in the last 3 years results in an ineligibility period of 10 years.
 - May be reduced by up to five years, provided the supplier has cooperated with law enforcement authorities; or has undertaken remedial action(s) to address wrongdoing.
- Providing a false or misleading certification or declaration results in an ineligibility period of 10 years.
- Entering into a subcontract with an ineligible first-tier subcontractor results in an ineligibility period of 5 years.

Suppliers *may* be determined to be ineligible in the following circumstances.

- Convictions of an offence outside of Canada in the last three years that is similar to one of the listed offences may result in an ineligibility period of 10 years.
- Conviction of an affiliate of one of the listed offences in the last three years, or of a similar offence outside of Canada, which, in PSPC's opinion, the supplier directed, influenced, authorized, assented to, acquiesced in or participated in the commission of the offence may result in an ineligibility period of 10 years.
- Breaching any term or condition of an Administrative Agreement entered into with PSPC.
- Charges or admissions of guilt to a listed offence, or a similar offence in a jurisdiction other than Canada, may be suspended for up to 18 months. This period may be extended as judicial processes proceed.
 - An Administrative Agreement may be entered into in lieu of suspension.

The Integrity Regime also provides measures to strengthen compliance and ensure fairness.

- **Administrative Agreements** have been introduced to provide assurances from the supplier that it will conduct business with Canada in an ethical and responsible manner. An agreement is required:
 - To reduce a period of ineligibility
 - As an alternative suspension
 - To avoid termination of an existing contract or real property agreement
 - To award a contract or real property agreement to an ineligible supplier when it is in the public interest to do so
- Suppliers are required to retain the **services of an independent third party**, at their own expense, in a variety of circumstances to:
 - Provide information on foreign convictions similar to Integrity Regime offences
 - Help assess whether a supplier was involved in the conviction of an affiliate
 - Verify that a supplier has met conditions for a reduced ineligibility period
 - Verify at the end of an ineligibility period that measures have been put in place to address wrongdoing that led to a conviction and ineligibility
 - Verify and report on a supplier's compliance with an Administrative Agreement

Finally, it is important to note that ineligible suppliers may be awarded contracts or real property agreements only when it is in the public interest to do so.

- It may be in the public interest to award a contract or real property agreement to an ineligible supplier:
 - to respond to an emergency where delay would be injurious to the public interest;
 - the supplier is uniquely capable of performing the contract or providing the real property agreement;
 - the contract is essential to maintain sufficient emergency stocks; and
 - not entering into the contract or real property agreement with the supplier would have a significant adverse impact on the health, national security, safety, public security or economic or financial well-being Canada.
- Contracting Authorities are authorized to make these exceptions.
- Unless time is of the essence (e.g., an emergency, unforeseen urgency), a supplier is required to enter into an Administrative Agreement before being awarded a contract or real property agreement in these circumstances.

PSPC has developed a number of tools resources to support suppliers, including:

- A toll-free line: 1-844-705-2084 and a generic Integrity email box: PWGSC.O.integrity-TPSGC.O.integrite@pwgsc-tpsgc.gc.ca
- A website: <http://www.tpsgc-pwgsc.gc.ca/ci-if/ci-if-eng.html>
- [Directives](#) elaborating on or clarifying aspects of the *Ineligibility and Suspension Policy*, such as establishing monetary thresholds, or identifying classes of contracts and real property agreements excluded from the application of the Policy
- [Information bulletins](#) that provide greater clarity on elements of the Integrity Regime and are for informational purposes only
- A [list](#) of federal organizations have signed MOUs with PSPC
- A [list](#) of ineligible and suspended suppliers
- A [list](#) of suppliers that have signed Administrative Agreements