

Questions and Answers about the Code of Conduct

About the Code

Q1. What is the Code of Conduct for Procurement?

A1. The Code of Conduct for Procurement (the Code) is a statement of expectations for Public Services and Procurement Canada (PSPC) vendors. It is included by reference into PSPC's contracts, standing offers and supply arrangements and the contracts resulting from standing offer or supply arrangements. The term "by reference" means that the Code itself is not replicated in its entirety in the contract, but nevertheless is considered part of the contract's terms and conditions.

The Code is included by reference in all contracts issued by PSPC, Canada's main purchasing entity for federal departments and agencies.

Q2. Will the new Code be applied to contracts retroactively?

A2. No, the new Code would not apply to contracts already in place but would apply to new contracts awarded once it has been implemented. In other words, the Code that was in effect at the time of the signing of the contract continues to apply.

Q3. Who does the Code of Conduct apply to?

A3. The Code of Conduct applies to vendors who provide goods and services to the Government of Canada where PSPC is the procurement authority. The Code could also apply to a contract by other Government of Canada departments and agencies where PSPC's standard terms and conditions and the Code have been incorporated by reference in the contract.

A vendor is defined as any person or other legal entity who has submitted a bid/offer/arrangement or who has been awarded a contract by the Government of Canada where PSPC is the procurement authority. This includes subcontractors, owners, directors, officers, employees, agents, or any affiliated corporate body (as defined in the *Canada Business Corporations Act*), to the extent that any of these is responsible for the performance under a contract.

Vendors are expected to apply the principles and expectations set forth in this Code to their main operations and to all sub-contractors in their supply chains. The Government of Canada expects vendors to share the expectations set forth in this Code with their suppliers.

Q4. Does the new Code of Conduct apply to international sub-contractors or tiers of the supply chain that are located internationally?

A4. PSPC expects its vendors and sub-contractors to comply with all applicable laws and regulations of the jurisdictions in which they operate. It is the vendor's responsibility to share the content of the Code with its sub-contractors, domestic or international, who should in turn be encouraged to share it with their own suppliers.

The Code is intended for all vendors and their subcontractors in their domestic and international supply chains who are involved in the production of the procured good. International supply chains are difficult to map and monitor, however vendors are expected to take steps to know who they are supplying from and to have strategies in place to mitigate risks and deal with instances of known non-compliance.

Q5. What would happen if a vendor is non-compliant with the Code?

A5. It is expected that vendors will adhere to the principles set out in the Code in good faith. As deemed appropriate, PSPC may seek to work with the vendor to address potential instances of non-compliance with the Code. As a guiding principle, PSPC will seek to work with vendors to ensure a sound understanding of expectations, and to address any apparent lack of compliance with the Code. If however, a vendor is unable or unwilling to comply with this Code, PSPC reserves the rights to investigate, to deem a bid-non-responsive, or in the event that a contract is already in place, to terminate a contract.

Q6. Can a contract be terminated as a result of non-compliance with the Code of Conduct?

A6. The Code of Conduct is intended to serve as a statement of principles and as an educational tool for vendors on expected practices and behaviours. Remediation will always be favoured in order to resolve any potential non-compliance issues. However, PSPC reserves the right to terminate a contract or real property agreement with any vendor as a result of non-compliance with the Code.

Q7. Should a vendor proactively report risks in their international supply chains?

A7. Yes, if a vendor is aware of any risks of human trafficking, human rights or labour standards violations in their operations or domestic or international supply chains, these should be reported to the Contracting Authority. PSPC will seek to work with vendors to ensure a sound understanding of expectations, and to address any apparent lack of compliance with the Code.