

In making this decision, Canadian companies should realize also that bid sets for the more routine requirements are obtained easily from CCC, without the need of personal intervention at the U.S. agency. If a Canadian firm decides to appoint an agent, trade commissioners located in the United States, listed in the appendix on page 27 can be helpful in locating suitable candidates.

Many IFBs, RFPs and RFQs responded to by the Canadian Commercial Corporation include a requirement for a statement as to whether an outside sales organization was used to solicit the business. If so, and if the submission is successful, details of such representation may be required on DOD Form 119.

Futhermore, representatives seeking prime contracts must conform to DOD standards, set out in section I, Part S, of the U.S. Defense Acquisition Regulation, entitled "Contingent or Other Fees". This requires representatives to be "bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business". There should be a continuity of relationship between the company and the sales agency, temporary agents being ruled out, and commission rates should be fair and reasonable.

2.1.5.4 Industrial Preparedness Production Planning Program

Under the Industrial Preparedness Production Planning Program the U.S. Department of Defense is continuously re-appraising the production capabilities of the U.S. industrial base to ensure that it is capable of producing adequate and timely quantities of material as may be required to support the U.S. Armed Forces in times of emergency. DOD policy allows selected Canadian firms to participate on an equal basis with U.S. firms as Planned Producers for a wide range of defence items under this Program. Through an agreement negotiated with the DOD, CCC/ESC is responsible for the management of Canadian industrial participation in the program, in particular, the establishing of Canadian firms with the U.S. Military Acquisition Agencies as Planned Producers. A Planned Producer of a defence item at the prime contract level is guaranteed an opportunity to compete for current acquisition of that item.

A non-participating Canadian firm may initiate action to become a Registered Planned Producer in the program by first evaluating its capabilities to determine whether participation as either a prime or subcontract planned producer is desirable. In this evaluation, consultation with CCC/ESC is required. If Prime Contract Planning is indicated, the firm should specify its desire to be a Planned Producer for a particular item by writing directly to the appropriate U.S. acquisition agency. This letter should include an indication of production capabilities and a listing of current and past military production contracts of the proposed item. If Subcontractor Planning is indicated, the firm should write a similar letter directly to the selected prime contractors with whom the firm has held subcontracts. In the latter case the correspondence should be to the attention of the Industry Planning Representative.

Participation in this program has resulted in substantial business for some Canadian producers. Canadian companies are urged to give it thorough consideration. As a registered planned producer the Canadian company is assured of receiving any RFP issued for the part he has registered. Additional detailed information can be obtained from the CCC/ESC (telephone: (819) 997-5265).

2.1.6 U.S. Defense Acquisition Regulation (DAR)

To end this section, DAR paragraphs 6-504 and 6-505, dealing with purchases from Canada by U.S. military acquisition agencies, agencies are reproduced for reference.

6-504 Procedures for Canadian Purchases.

6-504.1 Bidding Procedures.

a) Solicitation of Canadian Firms.

- (1) Except as provided in (2) below, Canadian firms shall be included on bidders mailing lists and comparable source lists only upon request by the Canadian Commercial Corporation. Such requests shall be forwarded by the Canadian Commercial Corporation to the activity having acquisition responsibility for the supplies or services involved.*
- (2) Canadian planned producers under the Industrial Readiness Planning Program shall be included on bidders mailing lists for their planned items.*
- (3) Solicitations shall be sent directly to Canadian firms appearing on the appropriate bidders mailing lists. A complete copy of the solicitation and a listing of all Canadian firms solicited shall be sent to the Canadian Commercial Corporation Export Supply Centre.*
- (4) Upon request by the Canadian Commercial Corporation, solicitations shall be furnished to it even though no Canadian firms were solicited.*
- (5) Small purchases, as defined in Section III, Part 6*, (of the DAR) normally should be handled directly with Canadian firms and not through the Canadian Commercial Corporation.*

*MAINLY MEANS PURCHASES OF LESS THAN \$10,000.

b) Submission of offers

- (1) As indicated in 6-504.2 below, the Canadian Commercial Corporation should normally be the prime contractor. In order to indicate its acceptance of bids or proposals by individual Canadian companies, the Canadian Commercial Corporation issues a letter supporting the Canadian offer and containing the following information: name of the Canadian offerer; confirmation and endorsement of the offer in the name of the Canadian Commercial Corporation and a statement that the Corporation shall subcontract 100 per cent with the offerer.*