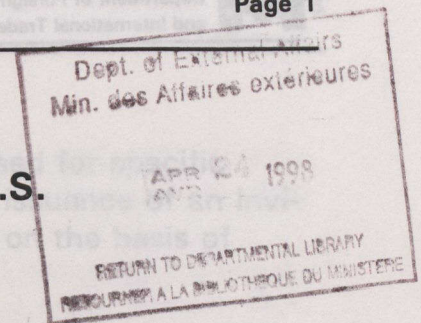




HOW TO DO BUSINESS WITH THE U.S. DEPARTMENT OF DEFENCE



Canada-U.S. Bilateral Agreement

The governments of Canada & U.S. concluded an agreement in the 1950's that has come to be known as the Defense Production Sharing Arrangement (DPSA). The DPSA defines Canadian defense contractors as an integral part of the U.S. industrial/mobilization base. The terms of this arrangement remain valid today. Canadian contractors are to be given the same consideration as domestic U.S. suppliers. "Buy American" is waived for all defense supplies made in Canada

Under the DPSA agreement, U.S. buyers contract with the Canadian Commercial Corporation (CCC) who in turn subcontracts the work to the Canadian defense suppliers. In the process, CCC guarantees the performance of the Canadian contractors and, if necessary, will re-procure at CCC's expense. The DPSA provides U.S. acceptance of all Canadian government contracting and contract management procedures. Furthermore, there are bilateral arrangements for quality assurance, in-plant inspection and security for classified programmes.

U.S. Department of Defense (DoD) Contracting Principles & Practices

One of the primary objectives of the Department of Defense (DoD) is the acquisition of weapons and materials which fully meet qualitative, quantitative and delivery criteria at the lowest overall cost. To achieve this objective, DoD places maximum emphasis on full and open competition with equal opportunity to all interested qualified suppliers to compete for defense contracts.

Sources of Information on Defense Procurement

The Military Services and Defense Agencies have contracting offices located throughout the U.S. *To better assist industry*, the DoD has a directory of military activities and their corresponding small business specialists by state. The directory of "Small Business Specialists" can be obtained for a fee from: