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The Procurement Chapter threshold is periodically converted from US \$25,000 to the equivalent in Canadian currency. The conversion value of the threshold will be fixed initially for one year starting January 1, 1989 and thereafter, beginning January 1, 1990, for two-year periods. This will bring the timing of changes in line with those of the GATT Code threshold, which was fixed for a two-year period as of 1988.

The top limit of the threshold is tied to the GATT Code threshold, which is expressed in terms of Special Drawing Rights (SDRs) and then converted into each country's national currency. As part of the changes negotiated in the GATT Code that became effective February 14, 1988, the GATT Code threshold has been lowered from 150,000 SDRs to 130,000 SDRs (CDN \$213,000 and US \$156,000).

### **National Treatment and Transparency**

The Government Procurement Chapter sets out procedural obligations, broader than those in the GATT Code, for the procurements it covers. Potential suppliers are ensured equal access to pre-solicitation information and an equal opportunity to respond to the requirements of the procuring department or agency in the tendering and bidding process. Criteria for the qualification of potential suppliers, the evaluation of bids and the awarding of contracts to best meet the requirements specified in the tender documentation, are to be free of domestic preference and clearly specified in advance. Information on contracts awarded is to be made available as a means of promoting competition.

The Free Trade Agreement specifies that each party will give eligible products treatment that is no less favourable than the most favourable treatment given to the party's own products. Supply and Services Canada reserves its most favourable treatment for Canadian manufacturers as well as for certain products designated as supporting national objectives. This most favourable treatment is then, under the Free Trade Agreement, also accorded to the eligible products of U.S. suppliers.

### **Bid Challenge Principles**

Jointly agreed principles governing bid challenge procedures are set out in Annex 1305.3 of the Procurement Chapter. These will ensure equitable and effective treatment for potential suppliers of goods eligible for coverage under the chapter who feel they have been treated unfairly. Recourse will be available through a Canadian or U.S. impartial reviewing authority, depending on the country where the procurement originates. This reviewing authority will ensure a timely decision and will also be able to recommend changes in procurement practices, if this is felt necessary, in accordance with the Procurement Chapter. In Canada, the Procurement Review Board of Canada was established as the reviewing authority. In the United States, recourse will be available through the General Accounting Office.