KPMG

ITA
ITALIAN TRADE COMMISSION
DELEGATION COMMERCIALE D'ITALIE

Embassy of Italy
Ottawa

Government Procurement guide

Accessing the Canadian procurement market – a brief overview

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Welcome from the Ambassador

Canada is the tenth largest economy in the world, with one of the highest pro-capita incomes. It is even the second largest Country by geographical extension with immense natural resources.

In order to maintain a high standard of efficiency all over the country, there is a continuous need for advanced and solid infrastructure as well as public works, maintenance, services and supplies.

In Canada, public contracts are mostly filled through an articulated set of bidding rules at the local and federal level. These procedures are fairly transparent and are based on a dynamic business environment.

In this context, there are many chances for Italian enterprises to easily access the vast range of opportunities that the Canadian procurement system can offer.

Although this guide does not intend to be exhaustive, it has been designed as a first look at the Canadian procurement system. Its aim is to provide Italian businesses with a short and useful tool that highlights the main steps to succeed in bidding, as well as practical advice aimed at enhancing the level of knowledge required by the procurement procedures.

This work completes a series of guides that the Italian Embassy has designed in collaboration with the Italian Trade Commission to provide operational instruments for helping Italian companies better understand the Canadian economy, its environment and the opportunities the country can offer.

Claudio Taffuri

Ambassador of Italy to Canada

Embassy of Italy
Ottawa

A message from Elio

New opportunities to expand your international footprint – Canada's broad trade network is opening doors for positive preferred access and joint collaboration.

At KPMG, we believe that collaboration is the key to success. KPMG's commitment to enhancing value through partnership is particularly important and through an ever changing global business environment – we are leveraging opportunities to foster growth and expansion together with our clients.

Through the use of various sources we have taken care to assemble this guide in a way that is helpful to those organizations that are interested in learning about the Government of Canada procurement process.

Our relationship and commitment to collaboration with the Italian Embassy and the Italian Trade Commission has made this guide possible. We wish to acknowledge and thank the Italian Embassy and the Italian Trade Commission for their contributions throughout this guide.

Elio R. Luongo

Chief Executive Officer and Senior Partner

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Foreword

The Canadian Procurement market is an attractive option for Italian companies looking to expand business opportunities. We have assembled this guide, which contains high-level information on markets, procurement criteria, and key procedures, designed to assist Italian companies in bidding for Canadian Government contracts. It provides context around Canadian procurement, outlines the various steps in the bidding process, and guides the reader in developing a procurement bid and finding additional information.

Collaboration between KPMG, the Italian Embassy and the Italian Trade Commission has made this guide possible.

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Government Procurement in Canada

Throughout Canada, government entities at all levels purchase well over C$130 billion worth of goods and services annually. Whether it's aircraft, bridges, vaccines or computers, governments at the federal, provincial and municipal levels use procurement to ensure their ability to continue functioning effectively.

Similar to the EU, Canadian government procurement involves a public body issuing a bid solicitation or contract notice. The contract notice typically describes the work required (e.g. company background, scope of work, timelines, location of work, etc.), the qualifications required to perform the work, and the process by which to bid. Detailed notices also contain criteria for selecting the winning bid, scoring and evaluation, and terms and conditions under thecontract.

Following the requirements of the contract notice, interested bidders prepare their best proposal and send it to the government body that issued the contract in the format requested and via the delivery vehicle outlined in the contract notice (e.g. hand-delivered hard copy, email, online submission platform). Once all bids are received, the government body may select a winner based on submission evaluation alone. However, many contract notice issuers conduct interviews with short-listed bidders as an interim step. Once a contract is awarded, the government body and the successful bidder begin the process of executing contractual agreements (e.g. Master Services Agreement, Statement of Work, Non-Disclosure Agreement, etc.).

Overall, processes may vary from one government entity to another. Regardless of the process employed, government bodies follow a standard set of rules to avoid any perception of inappropriate or corrupt practices. Strict procedural rules also apply to bidders. Information provided in these notices should be thoroughly reviewed well in advance of preparing a response to ensure successful compliance with these rules.

The term "government procurement" refers to the purchase of goods and services by governments and public authorities. Government procurement is a major source of economic activity and is highly regulated to prevent corruption and foster the efficient use of public resources.

According to the World Trade Organization (WTO), government procurement accounts for an average 10-15% of a country's Gross Domestic Product (GDP). Based on the latest available data from the Organisation for Economic Co-operation and Development (OECD), Canada's procurement expenditures represent approximately 13% of its GDP.

This guide will describe Public Services and Procurement Canada's processes for contracting with the Federal government.

More information on selling to non-federal governments and other organizations can be found on buyandsell.gc.ca.

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PROVINCIAL PROCUREMENT OPPORTUNITIES

Provincial tenders and awards are published on the following websites[1]:

Province	Site	
Alberta	Alberta Purchasing Connection (APC)	http://www.purchasingconnection.ca
British Columbia	BC Bid	http://www.bcbid.gov.bc.ca
Manitoba	MERX	http://www.gov.mb.ca/tenders
New Brunswick	New Brunswick Opportunities Network	https://nbon-rpanb.gnb.ca/welcome?language=En
Newfoundland	Government Purchasing Agency	http://www.gpa.gov.nl.ca/index.html
Northwest Territories	Contract Registry	http://www.contractregistry.nt.ca/Public/PublicHome.asp
Nova Scotia	Procurement Services	http://www.novascotia.ca/tenders/
Nunavut	Tenders	http://www.nunavuttenders.ca/
Ontario	Ontario Tenders Portal	https://ontariotenders.bravosolution.com/esop/nac-host/public/web/login.html
Prince Edward Island	Tender Opportunities	http://www.gov.pe.ca/finance/index.php3?number=1041973
Quebec	Le Système Electronique d'Appel d'Offres	http://www.seao.ca
Saskatchewan	SaskTenders	www.sasktenders.ca
Yukon	Tender Management System (TMS)	http://www.hpw.gov.yk.ca/csb/fr/tms.htm

Bid opportunities (including federal, provincial and municipal tenders) can also be found on the MERX portal (www.merx.com), a private website. Businesses can view high level info on tenders at no charge, but will need a subscription to submit bids online or access detailed information.

[1] Source: CETA Annex 19-8, Section B.

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CETA and Government Procurement

The Comprehensive Economic and Trade Agreement (CETA) has provisionally entered into force in September 2017. Within the framework of this agreement, it is possible for businesses to take advantage of several opportunities including better access to Government Procurement at certain conditions. Under CETA, Canada and the EU have committed to reciprocal non-discrimination in government procurement for federal entities, provincial and territorial ministries, most government agencies, Crown corporations (i.e. state-owned corporations that are administered at arm's length from the government) as well as regional and municipal governments and entities. Canada has also granted access to procurement for public utility companies operating in the sector of drinking water, electricity, airports, maritime or inland ports, railways, automated systems, tramway, trolley bus, bus and cable.

EU businesses are the first foreign companies to get this level of access to the Canadian public procurement markets.

This is extremely important because Canada's provincial and municipal public contract markets are much larger than the federal one. Procurements by Canadian municipalities only was recently estimated at C$112 billion – almost 7% of Canadian GDP. By comparison, the federal government purchases approximately C$22 billion of goods and services annually.

In the sectors that Canada has opened to the EU, contract notice issuers must award the contract to the company with the highest scoring submission regardless of the bidding firm's country of origin. Canada has also agreed to make the tendering process more transparent by publishing all of its public tenders through an online Single Point of Access (SPA) platform, which, at the time of this publication of this guide, is currently under construction.

Similar to other trade agreements Canada has signed, there are still some exceptions built into CETA's government procurement rules (e.g. for healthcare and social services, cultural industries, aboriginal businesses, security and defense, research and development, financial services, etc.).

CETA Procurement Thresholds

The Government Procurement chapter of CETA applies only to high-value procurement contracts in order to ensure that government bodies can continue to use procurement to support local businesses, especially small and medium-sized enterprises. Contract issuers are not obligated to consider bids from EU countries if they fall below a certain value or threshold.

The thresholds levels for European companies bidding on government procurement projects of the Canadian government are shown below and updated every two years.

Thresholds Canada-European Union Comprehensive and Economic Trade Agreement (CETA)[2]

(January 1, 2018 – December 31, 2019)

Procurement type	Central Government Entities (CDN$)	Sub-central Government Entities (CDN$)	Other entities* (CDN$)	
			Section A	Section B
Goods	$237,700	$365,700	$649,100	$731,400
Services	$237,700	$365,700	$649,100	$731,400
Construction	$9,100,000	$9,100,000	$9,100,000	$9,100,000

**Such as Crown Corporations, Public Utilities etc. For more information on the Canadian entities covered by the agreement, please refer to Annex 19-A of CETA.*

[2] Source: https://www.canada.ca/en/treasury-board-secretariat/services/policy-notice/2017-6.html and https://buyandsell.gc.ca/policy-and-guidelines/supply-manual/section/1/25/11.

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Opportunities for Italy

Italian companies now have extensive access to Canadian public procurement markets. Some of the key industry sectors where Italy's competitive exports can benefit the most from access to government contracts are: (i) Infrastructure; (ii) Transportation; (iii) Energy and power generation; and (iv) Waste management.

Italian companies have the opportunity to bid to supply goods and services for tenders at all levels of government in Canada (federal, provincial and municipal). In these sectors, Canada's provincial procurement market offers significant opportunities, as considerable investments in new infrastructure are anticipated.

Infrastructure

In 2017, infrastructure investments in Canada amounted to C$78.5 billion or 24.1% of all non-residential investments in Canada. The infrastructure sector offers numerous opportunities, in particular for companies who specialize in large-scale projects and who have the capacity in participating in Public-private partnership (PPP) projects.

Transportation[3]

Transit, including equipment such as buses, subways, light rail and other rolling stock, represents a significant portion of total annual government spending. In fact, the needs of Canada's transit infrastructure continue to grow alongside greater urban density, traffic congestion, population growth and environmental concerns. The agreement includes access to the Ontario and Quebec markets, which had so far enforced high local content requirements, meaning it was not viable for potential suppliers from outside the provinces to participate in provincial or municipal tenders for public transport vehicles.

Energy and power generation

In Canada, hydroelectricity represents 58% of total electricity production. In this sector, provincial procurement offers new opportunities for companies providing hydro-mechanical equipment as well as engineering and maintenance services for hydroelectric plants. In addition, the oil and gas sector offers numerous opportunities for Italian companies. Large Italian engineering and plant construction companies have already been successfully integrated into Alberta and British Columbia, and as a result, components and services companies have also entered the market.

Italian companies in this sector produce turbomachinery, gas turbines, compressors, pumps, mechanical components and provide important pipeline construction and maintenance expertise. As this market continues to grow, opportunities for Italian companies are also growing. Large oil and gas pipeline projects are in the planning stages to transport oil and natural gas from the extraction / processing areas to the refineries in the US and eastern Canada. Several projects have been launched to expand existing fields and develop new ones.

Waste management[4]

According to Statistics Canada, the amount of non-hazardous total waste sent to disposal in 2016 was 35 million tonnes. This waste is expensive to manage, increases demand on natural resources and represents a missed opportunity to extract valuable materials in the waste stream. Increased Canada-wide collaboration between governments and industry stakeholders is vital to achieve changes upstream. This collaboration could occur by encouraging Italian companies from the waste management sector to enter and bid on provincial and municipal tenders. Recent editions of Italian waste treatment expos have attracted many top companies and municipalities in the research of technologies and solutions.

[3] Source: http://trade.ec.europa.eu/doclib/docs/2017/september/tradoc_156062.pdf

[4] Source: https://www.ccme.ca/files/Resources/waste/wst_mgmt/State_Waste_Mgmt_in_Canada%20April%202015%20revised.pdf

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Examples of successful bids by Italian companies

A large number of Italian companies have already won public contracts in Canada, either by submitting a bid from their headquarters in Italy, as part of a joint-venture or consortium with a Canadian partner, or through a Canadian subsidiary. Below are some examples of Italian companies that won public contracts in Canada.

Prysmian develops new submarine cable system in New Brunswick[5]

Prysmian Group (Italy), world leader in the energy and telecom cable systems industry, has been awarded, in January 2019, a new contract worth EUR 17 million by New Brunswick Power Corporation (NB Power) for the development of a new submarine cable link in the Bay of Fundy.

Astaldi Canada | Southland Mole wins $300 million contract for Construction of New Outfall at Ashbridges Bay Treatment Plant [6]

The Joint Venture Southland Mole of Canada / Astaldi Canada Design & Construction was awarded the Ashbridges Bay Treatment Plant Outfall (ABTP) contract by the City of Toronto in November 2018. This CAD 300 million project for will replace the current outfall tunnel, which is at the end of its service life. The ABTP is the largest of four wastewater treatment plants in Toronto and treats wastewater from a combined sewer system. The project is slated for completion in 2023.

BC Hydro awards contract for Site C hydromechanical equipment to Italian firm ATB Riva Calzoni [7]

In June 2018, BC Hydro has signed a contract with ATB Riva Calzoni Hydro Canada Inc. for the supply of hydro mechanical equipment for the Site C dam, a 1100 megawatt hydroelectric plant currently under construction in Fort St John, British Columbia.

ATB (Italy) is an internationally-renowned company that specializes in designing, manufacturing and supplying hydro-mechanical equipment for hydroelectric projects all over the world.

With the CAD 68 million contract, ATB will be responsible for the equipment supporting the waterworks of the dam, including the design, supply, and commissioning of gates, hoists, and other parts association with the generating station and spillways.

[5] Source: https://www.prysmiangroup.com/en/press-releases/prysmian-to-develop-a-new-submarine-cable-system-in-canada

[6] Source: https://www.toronto.ca/legdocs/mmis/2018/ba/bgrd/backgroundfile-121447.pdf

[7] Source: https://www.bchydro.com/news/press_centre/news_releases/2018/bc-hydro-awards-site-c-hydromechanical-equipment-contract.html

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Selling to the Canadian Federal Government

Public Services and Procurement Canada (PSPC) – formerly Public works and Government Services Canada (PWGSC) – is the main purchasing agent of the federal government and is responsible for managing the procurement of most goods and services purchased by Canada's federal departments.

PSPC uses several methods to solicit bids for high-value contracts. The following are the four most common types:

- **Invitation to tender (ITT):** Often used for construction or purchase of goods when a buyer has a straightforward need. Award is typically based on the lowest priced that meets all mandatory requirements.
- **Request for proposal (RFP):** RFPs are used for contracts with complex requirements where the selection of a supplier cannot be made solely on the basis of the lowest price. It is used to procure the most cost-effective solution using established evaluation criteria that often includes experience providing the required goods/services.
- **Request for Standing Offer (RFSO):** Standing Offers are used to meet recurring needs when departments or agencies are repeatedly ordering the same goods or services. If you qualify in the RFSO process, you agree to provide your good or service for a fixed price over a certain time frame. It is not a contract until the government issues a "call-up" against the standing offer. The government is under no actual obligation to purchase until that time.
- **Request for Supply Arrangement (RFSA):** This method is used to solicit bids from a pool of pre-qualified suppliers for specific requirements. The intent is to establish a framework to permit expeditious processing of individual bid solicitations that results in legal binding contracts for the goods and services described. Supply Arrangements are used when goods or services are bought on a regular basis but a standing offer is not suitable because of variables in the resulting call-ups. Like standing offers, it is not a contract and neither party is legally bound as a result of signing a supply arrangement alone.

Accessing federal government opportunities

Currently, all Canadian federal government tenders and related documents are available at www.Buyandsell.gc.ca/tenders. Buyandsell.gc.ca is an open information service giving businesses easy access to Government of Canada opportunities free of charge and without registering. With just a few clicks, businesses can also find related procurement information to help them identify potential partners and their competition across the country. Buyandsell.gc.ca includes data onactive tenders, previous contracts, or current standing offers and supply arrangements. Businesses can also subscribe to a web feed and email notification to automatically receive notifications when opportunities are published or updated.

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Registering as a Supplier

While you can access opportunities for free and without registration, it is recommended that you register as a supplier for the Government of Canada through the Supplier Registration Information (SRI) system. By registering in SRI, you make your company's name and supply capabilities known to federal departments and agencies who may use the system to search for companies to supply the goods and services they need.

More importantly, the SRI registration process allows you to obtain a **Procurement Business Number (PBN)**. A PBN is a unique identifier to sell to the federal government and is required in order to receive any payments from PSPC.

In order to obtain a PBN, you must first have a Business Number (BN) or non-resident Goods and Services Tax/Harmonized Services Tax number from Canada Revenue Agency (CRA). Resident businesses that have simple registration requirements can get a business number using the Business Registration Online (BRO) service on the CRA website.

To register as a supplier, visit Buyandsell.gc.ca, click the "Register as a supplier" link under Help for Businesses and follow the steps provided.

Non-resident businesses that require a BN, can contact CRA's Non-resident GST/HST Registration and Security Enquiries office at the following address and phone number.

Non-Resident Registration & Security,
Nova Scotia Tax Services Office
Canada Revenue Agency
Post Office Box 638,
Station Central Halifax NS
B3J 2T5
T: 902-426-5150
TF: 1-877-728-0012

Joining a List of Interested Suppliers (LIS)

Join a List of Interested Suppliers (LIS) to show your interest in an active tender notice and/or review the list to understand the competition's interest in a particular opportunity. An LIS allows businesses to add their company name and contact information to a publicly available list of parties who have expressed an interest in a tender published on Buyandsell.gc.ca.

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Preparing a Winning Bid

The solicitation document will explain to you exactly how to format your bid and how it will be evaluated. While most federal government bid solicitation documents contain standard, and therefore similar, procedural and submission requirements as well as terms and conditions, every opportunity is unique. It is important to thoroughly review the bid solicitation document early in the process so as not to miss key deadlines and requirements.

Typical steps involved in preparing a bid are as follows:

1. Review the scope of work, qualifications required, and evaluation criteria to ensure that this opportunity is a good fit for your company to pursue. Many organizations that respond to bid solicitations have a set of go/no-criteria to follow for this purpose.
2. Consider a legal review of the terms and conditions as part of your go/no-go decision-making process.
3. Review the bid solicitation document as a whole. Important items to note onyour first pass through a bid solicitationdocument include:
   - Is there a proponent meeting? If so, is it mandatory?
   - Is there a requirement to indicate your intent to bid prior to the submission deadline (e.g. Intent to BidForm)?
   - What is the due date, both day and time?
   - Are hand-delivered hard copies required and do they need an original signature?
   - What is the deadline for submitting clarification questions?
   - Is there a blackout period where communication with the issuing body is not permitted?
   - How are addenda issued?
   - Is there a defined budget (cap) to stay within?
4. Obtain security clearances (if required), complete submission forms and prepare any requested certificates (e.g. Insurance certificates are often part of the submission package).
5. Prepare your bid considering mandatory requirements, point-rated criteria and requests related to the submission document format. Make it easy for buyers to evaluate your bid by following the order of information laid out in the bid solicitation and using the same numbering system and headings (if applicable).
6. Submit your bid: Submit on time, with the right number of copies and signatures, use any envelope labelling provided by the issuing body and follow all instructions to the letter. Failure to do so can result in the disqualification of your bid.
7. Whenever possible, obtain confirmation of receipt with a timestamp.

Project Management is an important aspect when preparing a bid. Set milestones, assign responsibilities for content, and conduct status meetings to ensure you will submit the best bid within the timeframe allowed.

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Components of a bid submission

You may be asked to provide your bid in separately bound packages. A two-envelope bid submission (i.e. Technical and Financial) is common practice in government procurement when the evaluation team is mandated to evaluate qualifications separately from pricing. Separately bound components can include:

- Technical section: Describe your understanding of the bid solicitation objective and how you would do the work if you were awarded the contract, including specific tasks and deliverables and the schedule for completion or delivery.
- Resources section: Describe team members, their role and experience, and how many hours or days they will be assigned to the tasks. Do not include any pricing information in this section.
- Management section: Introduce your team and demonstrate how they meet the required qualifications. Include any corroborating information requested, such as resumes. If you will be subcontracting part of the work, the same information should be provided for each subcontractor.
- Financial section: In this section you would typically be asked to provide a detailed breakdown of the quoted price in terms of its cost elements. The solicitation document will tell you what cost items will be considered in the financial evaluation.

Employing Best Practices

- Know your differentiators. Put them up front in a cover letter or Executive Summary and try to weave those differentiators throughout the document.
- Tailor your responses in accordance with rated criteria, if provided. In other words, don't dedicate two pages to a requirement that is worth five points and a paragraph to a requirement that is worth 20 points.
- Have a third-party within your organization conduct a compliance review of your submission to ensure that all requirements are met and the information provided is clear, concise and easy to find.
- Put your logo or company name on each page so the buyer can identify it if the proposal is taken apart to compare similar sections in different proposals.
- Follow all directions to the letter. If there is a page limit, adhere to it. If certain information is requested, provide it. When in doubt, check with the designated contact within the allowable period for questions and answers. Above all, respect the process.
- If your products are environmentally friendly, you should mention this to prospective departments and agencies. Governments are being encouraged to buy green and are looking for goods and services that help or do not harm the environment.
- In your up-front planning, aim to deliver your submission one day in advance of the deadline.

Frequent reasons for non-responsive bids

- **Mandatory requirements not met**
- **Minimum required points in a specific section not achieved**
- **Bid exceeds level of funding for the project**
- **Mandatory documentation not included in the bid**

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Bid Selection and Evaluation

Bids are normally evaluated on relevant technical merit and overall best value. As mentioned previously, financial information is often assessed separately from the technical information to ensure a fair process. The evaluation team must evaluate the technical bid in accordance with the methodology and evaluation criteria outlined in the solicitation document.

Three methods of evaluation may be used:

Selection on the basis of the lowest-priced bid

Only those bids that meet the mandatory technical criteria will be considered responsive. Within this category of responsive bids, price is the determining factor in selection.

The difference between the successful and unsuccessful bidder could be as little as 5 cents, which is why you should be as competitive as possible in your pricing.

Selection on the basis of best overall value

Bid solicitations usually include mandatory and point-rated technical criteria. A point rating scale is developed and selection is often based on the lowest evaluated price per point. This is determined by dividing the bid price by the total points achieved in the technical evaluation of the bid.

Other methods, besides price per point, may also be used to determine best overall value. The method being used will be set out in the solicitation document.

Selection on the basis of the highest technical bid within a stipulated budget

Selection is based on the highest rated technical bid within a stipulated budget. Bidders are invited to propose a solution to a problem or a method of achieving an objective within a stipulated budget.

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Follow-up and Remedies

Requesting a Debrief

Once you have been notified of the bid evaluation results or that a contract has been awarded to someone else, you should request a debriefing from the contracting officer. A supplier debriefing can help you understand the decision-making criteria used in the evaluation process and identify the strengths and weaknesses of your bid. This can result in valuable feedback to consider when preparing your next bid.

A supplier debriefing can vary depending on the nature of the process as well as the number of bidders involved. The debriefing can be done in person, by telephone or in writing. Before the debriefing, you should review the contents of your bid, and prepare questions to ensure you get the most out of your debriefing.

Key information to obtain from a debriefing includes:

- The name of the successful supplier;
- The value of the contract awarded or the supply arrangement or standing offer issued; the overall evaluation result of the successful supplier;
- An outline of the reasons your organization was not successful, making reference to the evaluation criteria and selection methodology; and
- Where appropriate, very general information on the relative strengths of the successful bid, ensuring that any such statements do not provide any confidential commercial information.

Remedies

Canada has agreed to provide EU suppliers with equal opportunity to compete with Canadian suppliers for contracts involving goods and services bought by the government departments, agencies and enterprises covered by the agreement. Potential suppliers who believe that they have been unjustly treated in connection with the solicitation or award of a contract can contest a procurement procedure by the taking the contracting authority to court.

Complaints concerning federal government procurement may be directed to the Canadian International Trade Tribunal (CITT). A potential supplier may file a complaint with the CITT concerning any aspect of the procurement process that relates to a designated contract and request that the CITT conduct an inquiry into the complaint.

Once a complaint is filed, the Tribunal decides whether the federal government broke its procurement obligations. For example, the Tribunal may consider issues such as whether bids were evaluated fairly and according to the stated terms of the procurement process itself. A supplier may have recourse with the CITT if:

- The procurement is covered by a relevant trade agreement;
- There is a perceived breach to an obligation; and
- The complaint is filed with the CITT no more than 10 working days after the day on which the basis of the complaint became known or reasonably should have become known.

As a result of a determination, the Tribunal may recommend remedies and award costs. In addition, the Tribunal has the authority to write to the senior management of federal government institutions to bring to their attention important observations about their procurement processes in general.

For more information on CITT and its rules and procedures, please refer to the website of the Canadian International Trade Tribunal at www.citt.gc.ca.

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Investing in Canada

International expansion is an important part of a company's growth strategy and a facilitator for winning bids in a foreign country. As far as foreign investments are concerned, Canada is part to various agreements that offer a range of opportunity for investors, which can, in turn, open the way for winning public procurement contracts.

The European Union is a key investor in Canada—second only to the United States—and the Canada-EU agreement is designed to further enhance cross-Atlantic investment by providing European and Canadian investors greater certainty, stability, transparency and protection for their investments in each other's territories. Investor protection rules ensure that foreign investors will not be treated worse than similarly situated domestic investors or other foreign investors, nor will they have investments expropriated without prompt and adequate compensation.

Why Invest in Canada?[8]

Despite the global slowdown, Canada's economic prospects are strong. According to the OECD, Canada's average annual real GDP growth from 2015-2018 ranked high among G7 countries.

- Long-term real GDP growth statistics from the OECD place Canada at the top of the G7 over the last decade.
- Unparalleled market access – By investing in Canada, foreign companies can gain duty-free access to both the North American and the European market.
- Canada's has a highly educated workforce with half of its working-age population having a tertiary level education.
- Low business tax costs – Total business tax costs in Canada are low and 46 percent lower than those in the United States.
- Competitive R&D environment – Canada offers low business costs for R&D-intensive sectors, with a 15.8 percent cost advantage over the United States.
- Financial stability –, The World Economic Forum has declared Canada's banking system to be the soundest in the world.
- Canada is a multicultural country, with world- class universities, a universal health care system and clean and friendly cities

Canada is made up of 10 provinces and 3 territories with a total population of 36.71 million people.

In 2017, Canada's GDP amounted to USD $1.653 Trillion.

According to the World Bank, Canada's is the tenth largest economy in the world.

[8] Source: https://www.international.gc.ca/economist-economiste/invest/invest-Canada.aspx?lang=eng

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Conclusion

Global tax and customs policy reforms, international trade uncertainties, and challenging customs audits are now front and center in the global trade arena. With forces like these driving change and heightening complexity, Italian companies with global operations must ensure their functions can manage the huge volumes of transactions and cash flows needed for compliance while contributing strategic value. Establishing and maintaining cross-border operations can present a host of challenges for companies.

KPMG Trade and Customs practice works with multinationals to develop strategies that will help them effectively manage their global trade operations. In addition, the ItalianTrade Commission - Canada office assists Italian companies in their internationalization efforts to Canada.

The Italian Trade Commission in Canada produces a newsletter containing major opportunities in the Canadian procurement market and updates on large-scale public projects across Canada. To sign up to the distribution list, please send an e-mail to montreal@ice.it or toronto@ice.it.

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The Italian Trade Commission in Canada has opened an Observatory on Public Procurement, whose aim is to facilitate the access to public contracts for Italian companies in Canada. The observatory identifies open tenders and upcoming projects and publishes new opportunities on ITA databases, as well as in a bi-monthly Newsletter.

This guidebook comes to support the research and reporting activities of our observatory by presenting an overview of the Canadian procurement market. The aim is to provide practical information on procurement practices in order to facilitate access to Canadian public contracts for Italian companies.

In 2018, Italian exports to Canada increased by more than 10%, reaching a total of CAD 9 billion, and Italy ranks 8th among Canada's suppliers of goods.

Several Italian companies are already present on the Canadian market with investments worth CAD 1.5 billion. Many of these companies have won public contracts in recent years. Our objective is to keep supporting this trend and more specifically to assist companies in accessing the opportunities offered by the Canadian public procurement market, estimated at 13% of the country's GDP.

I therefore invite businesses interested in exploring procurement opportunities in Canada to contact our team to sign up for regular updates on upcoming projects and tenders as well as information on expected strategic investments by local and central governments.

The publication of this guide is the result of a fruitful collaboration between KPMG Canada, the Italian Embassy and the Italian Trade Commission. It was made possible thanks to the dedication and expertise of our partners at KPMG.

Matteo Picariello

Italian Trade Commissioner for Canada

ITA
ITALIAN TRADE COMMISSION
DELEGATION COMMERCIALE D'ITALIE

About the Italian Trade Commission

Established in 1926, the Italian Trade Agency promotes the development and internationalization of Italian companies abroad and supports the attraction of foreign investments in Italy. It operates a worldwide network of offices from its headquarters in Rome, and its Canadian branch, known as the Italian Trade Commission – Délégation commerciale d'Italie (ITC), has two offices located in Toronto and Montréal. The ITC provides information, assistance and consulting services to Italian companies involved in international trade and investments.

About KPMG

At KPMG our communities matter. As one of Canada's leading professional services firms, we have an incredible opportunity to help our communities thrive by engaging our skills, knowledge, passions and financial resources to make a real difference.

As a firm with locations in more than 35 cities across Canada, we are actively connected to the communities where we operate – as a business, as an employer – in every sense.

The issues that impact our communities are the same issues that impact our people and their families, our clients and our operations. So making a commitment to having a positive impact is how we recognize the significance of our relationship with the communities where we operate and live.

At KPMG, being engaged in the community is part of the job. We are passionate about strengthening our relationships with our communities and we recognize that our opportunity to have a positive impact extends beyond our client work.

Community Leadership provides the mandate, the opportunities and the support for how we will contribute to the success of our communities as an organization and as individuals.

By leveraging our personal expertise we can affect social change. This is core to our business strategy and drives what we do every day.

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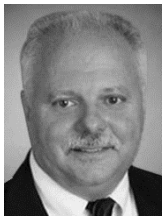

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Government Procurement guide

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