

**As Developed by the
Canadian General Standards Board**

1.0 SCOPE

This standard provides a definition of Canadian content and explanations and examples of the terms used in the definition. "Canadian Content", frequently an important aspect of the procurement process, is here defined so that it can be considered from a common understanding.

2.0 DEFINITIONS

2.1 Canadian Content is the value of the portion of a product or service that is related to the Work performed in Canada. Canadian Content may be calculated as the selling price less the cost of directly and indirectly imported materials, labour, services and overhead.

2.1.1 Selling price is the net selling price to the Buyer after all discounts. It includes all applicable federal and provincial sales taxes, excise taxes and tariffs.

2.1.2 Cost of Direct Imports (materials, labour, services and overhead) included tariffs and the cost of transportation to the Canadian port of entry.

2.1.3 Cost of Indirect Imports is that portion of those costs for materials, labour and services, which while obtained through a Canadian supplier in fact originated outside of Canada.

Reasonableness and materiality should apply when apportioning the above costs for foreign and domestic sources.

Calculation of Canadian content should be based on information derived through generally accepted accounting principles.

3.0 EXAMPLES

To aid in the interpretation of several of the terms, the following examples are provided:

3.1 Cost of Direct Imports

3.1.1 Directly Imported Material Cost

The cost of an electric motor bought directly from a foreign firm producing it outside Canada. All duties paid and transportation cost to the Canadian Port of Entry are included in the cost of import.

3.1.2 Directly Imported Labour Cost

The cost of labour performed outside of Canada.

3.1.3 Directly Imported Service Cost

The cost of services imported directly from outside Canada.

3.1.4 Directly Imported Overhead Cost

The cost of expenses classed as overhead that are directly imported from outside Canada, for example, royalties paid directly to foreign firm.

3.2 Cost of Indirect Imports

3.2.1 Indirectly Imported Material Cost

The cost of an electric motor produced outside of Canada and incorporated into a product assembled or manufactured in Canada.

3.2.2 Indirectly Imported Labour Cost

The cost of the non-Canadian portion of services procured from within Canada. For example a firm (supplier) providing computer services and consulation uses a computer located outside of Canada in the provision of the services, and senior consulting staff brought in from outside of Canada.

NOTE: A further breakdown of Alberta/Regional/Aboriginal content is requested.

CANADIAN CONTENT FORM

	CANADIAN	NON-CANADIAN
Engineering		
Labour		
Material		
Direct Imports (including Material, Labour, Service and Overhead)		
Indirect Imports (including Material and Labour)		
Other		
Total		
% Net Selling Price		
Corporate Ownership		
No. of Employees		
Net Selling Price:		
Name of Bidder:		
Representative:		
Title		
Date:		

Seller is advised that Suncor is fully committed to the support of Regional business and that Seller's regional content may be considered during the evaluation.

"Regional Business" means a local business or Aboriginal Business "Established" within the Regional Municipality of Wood Buffalo and for the purposes of this definition "Established" means:

- a) retains a manned office within the Regional Municipality of Wood Buffalo, other than a Post Office box address.
- b) retains an employment base within the Regional Municipality of Wood Buffalo; and
- c) retains a valid Fort McMurray business license.

Seller price includes the following percentages of content:

Regional Content	%
Other Alberta Content	%
Other Canadian Content	%
Foreign Content	%