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99/003

**Materiel
Management
Function
(Authority
No. 99/003)**

**Fonction de la
gestion du
matériel
(Autorisation
n^o 99/003)**

**Records Disposition
Authority No. 99/003**

issued to

**Government Institutions subject to the
National Archives of Canada Act
for
Common Administrative Records
related to
the Materiel Management Function**

The National Archivist of Canada, pursuant to subsection 5(1) of the *National Archives of Canada Act*, consents to the disposal of all records described in the appended Functional Profile when institutions subject to the Act decide that these records have no remaining operational or legal value. All records subject to this Authority may be destroyed or otherwise disposed of upon the expiry of the retention periods established for them within federal government institutions.

Appendices: Terms and Conditions
Functional Profile

**Autorisation de disposition des
documents n^o 99/003**

délivrée aux

**institutions fédérales assujetties à la
Loi sur les Archives nationales du Canada
pour
les documents administratifs communs
se rapportant à
la fonction de la gestion du matériel**

Conformément au paragraphe 5(1) de la *Loi sur les Archives nationales du Canada*, l'Archiviste national du Canada accorde son consentement à l'élimination de tous les documents décrits dans le Profil fonctionnel qui figure en annexe lorsque les institutions assujetties à la Loi jugeront que les documents ne possèdent plus de valeur administrative ou juridique. Les institutions fédérales peuvent détruire ou se départir des documents visés par la présente autorisation à l'expiration des délais de conservation qu'elles leur auront assignés.

Annexes : Modalités de transfert
Profil fonctionnel

Original signed by / Original signé par

Ian E. Wilson

National Archivist / Archiviste national

20001001

Date

APPENDIX I
TERMS AND CONDITIONS
for the Disposition
of
Common Administrative Records
in support of
the Materiel Management Function
of the Government of Canada

A. KEY DEFINITIONS

Common Administrative Records Records created, collected, or received by a federal government institution to support and document broad internal administrative functions and activities *common to or shared by all institutions* (for example, finances and the management of human resources).

Operational Records Records created, collected, or received by a federal government institution to support and document business functions, programmes, processes, transactions, services, and all other activities *uniquely or specifically assigned to that particular institution* by legislation, regulation, or policy.

Office of Primary Interest The federal government institution - department, agency, board, office, or commission - to which the authority, responsibility, and accountability to perform a particular function on behalf of the Government of Canada has been specifically assigned by legislation, regulation, policy, or mandate.

Materiel Management Function (of the Government of Canada) Encompasses the functions, sub-functions, processes, activities, and transactions of administrative business concerning the management of movable assets, such as furniture, furnishings, equipment, supplies, vehicles, and other materiel used or acquired by an institution, commonly conducted in and across all government institutions to facilitate the delivery of programmes and services. The main legislation underpinning the Materiel Management Function includes the *Department of Public Works and Government Services Act*, *Defence Production Act*, *Surplus Crown Assets Act*, and the *Financial Administration Act*. For the purpose of identifying and explaining records disposition requirements, the Materiel Management Function, as set out in the Treasury Board Secretariat's *Materiel Management Policy*, can be applied conceptually to any government institution and is divided into four phases of the life-cycle management of movable assets within which are listed eight sub-functions (in bold type) as follows:

- Phase 1. **assessing** and **planning** requirements,
- Phase 2. **acquiring** materiel assets and related services,
- Phase 3. **operating**, **using** and **maintaining** materiel, and
- Phase 4. **replacing** and **disposing** of materiel assets.

(For a more complete description of each sub-function, see The Functional Profile in Appendix II).

B. SCOPE OF THE AUTHORITY

- Authority No. 99/003 applies to all common administrative records in support of the Materiel Management Function of institutions subject to the *National Archives of Canada Act* (i.e., records documenting common administrative business Functions, sub-functions, programmes, transactions, and activities) regardless of how the records are organized or internally controlled within each institution. It entirely supersedes Schedule 3 (Equipment and Supplies) of the GRDS (PAC 86/001).
- Authority No. 99/003 applies to **all** institutions subject to the *National Archives of Canada Act*, whether or not their Materiel Management functional activities follow Treasury Board or other central agency policies and guidelines. For example, some institutions, like Crown corporations, may not be required to follow central agency policies concerning the Materiel Management Function, yet these institutions are subject to the Act.
- Authority No. 99/003 applies to electronic records, databases, and office systems —and any related technical documentation or contextual metadata information — created in support of the Materiel Management Function in all government institutions. This Authority does not apply, however, to electronic records, databases, or office systems — or any related technical or contextual metadata information — created by government institutions in support of any function uniquely or specifically assigned to them by legislation, policy, or mandate within their operational context or as an Office of Primary Interest.
- The scope of Authority No. 99/003 has been reduced from the coverage under Schedule 3 (Equipment and Supplies) of the GRDS (PAC 86/001). A number of elements and categories of subjects, record types, and records which may have formerly been covered (under the “Consult the Public Archives” clause) have now been excluded because they potentially involve disposition decisions for records which are created, collected or received by the institution to support and document policies, programmes, and services related to its operations. Specifically excluded in this Authority from the former Schedule 3 are the four subject record groups: Aircraft; Clothing - Dress regulations and change of uniforms, etc.; and Ships - Large; Ships - Ocean-going and ice breakers, etc., including drydocks. The subjects and records descriptions contained in Schedule 3 of the GRDS (PAC 86/001) under the “Consult the Public Archives” clause, and excluded from Authority No. 99/003, will be appraised separately within their specific common administrative or operational functional context.
- Institutions with specific operational mandates as Offices of Primary Interest for aspects of the Materiel Management Function shall not apply Authority No. 99/003 to their operational records regarding those aspects of the Materiel Management Function. If, for any reason, an institution subject to the *National Archives of Canada Act* creates, collects, or receives Materiel Management functional records that are not common or administrative, the institution must seek a separate authority (for operational records) to dispose of such records. All government functions, subjects, record types, and records excluded from the scope of Authority

No. 99/003 or any other Multi-Institutional Disposition Authority must be covered by Authorities granted to individual institutions in the course of the Multi Year [Records] Disposition Plan. For example, Authority No. 99/003 does not apply to the operational records of institutions which have specifically assigned legislative mandates in the function of Materiel Management (for instance, the Treasury Board Secretariat, the Department of Public Works and Government Services Canada, Common Service Organizations, and the Department of National Defence for military missions) nor does it apply to the materiel assets acquired and used for Major Crown Projects.

- Authority No. 99/003 does not apply to records series or groupings or collections which mix common administrative and operational records.
- Authority No. 99/003 does not supersede other Records Disposition Authorities requiring the preservation of archival records. It should be applied *after* the Transitory Records Authority, any operational Records Disposition Authority (also referred to as an Institution-Specific Disposition Authority or ISDA), and any Multi-Institutional Disposition Authority (MIDA) for generic groups of records such as posters, records from a minister's or deputy head's office, and records generated by imaging systems. Some operational records Authorities (for example, ISDAs) also include the disposition of some common administrative records. The Terms and Conditions for the application of these ISDAs remain in effect.
- It is incumbent upon each government institution to understand and apply generally any legislation regarding the retention and disclosure of information and more specifically its own extant legislation. Each government institution is therefore required to determine the appropriate retention periods for its records, including those common administrative records covered by Authority No. 99/003.

C. AUTHORIZATION TO DESTROY RECORDS

All records created, collected, or maintained in any medium by a federal institution in support of the Materiel Management Function of the Government of Canada may be destroyed *provided that*:

- the records are not operational in nature;
- the records are not of a mixed operational and administrative character;
- the records do not support an administrative function in an Office of Primary Interest;
- the records are not otherwise excluded from the application of Authority No. 99/003 by virtue of the definitions and scope statement contained in this Appendix;
- the records are not anterior to 1946; and
- the retention periods of the records — established by the institution according to its legal and operational requirements — have expired.

A strict application of the above definitions and exclusions, and the prioritized use of the various Records Disposition Authorities will ensure that there are no records of archival value amongst the remaining common administrative records in support of the Materiel Management Function in institutions subject to the *National Archives of Canada Act*.

APPENDIX II
FUNCTIONAL PROFILE
of
the Materiel Management Function
of
the Government of Canada

The purpose of the Functional Profile is to facilitate the application of the Terms and Conditions (Appendix I) relating to the disposition of common administrative records created, collected or maintained by government institutions subject to the *National Archives of Canada Act* in support of the Materiel Management Function. It consists of a template describing the eight major sub-functions associated with Materiel Management, each sub-function further subdivided into tasks, activities and processes, as appropriate.

MATERIEL MANAGEMENT

The function of Materiel Management, as a broad conceptual description of a common or shared function within and across all government institutions, is the management of movable assets, such as furniture, furnishings, equipment, supplies, vehicles and other materiel used or acquired by an institution for the purpose of administratively supporting its mission and mandate. This function involves how an institution manages its movable assets to ensure it meets its operational requirements for effective program delivery, and achieves value for money when planning, acquiring, using and disposing of materiel assets. Materiel Management as a life-cycle approach to the management of the materiel assets of an institution, as set out and described in the Treasury Board Secretariat's *Materiel Management Policy*, can be applied to any institution whether or not it is subject to federal central agency policies and guidelines. Materiel Management and its various sub-functions, as it is understood here, are governed by Federal, Provincial or other Acts, Statutes, Regulations, and Circulars and all other Appendices and Sections which consist of either mandatory or optional requirements as specified. Materiel Management in this functional profile is divided into four Phases of the life-cycle of materiel assets within which are listed eight sub-functions (in bold type) as follows:

- Phase 1. **assessing** and **planning** requirements,
- Phase 2. **acquiring** materiel assets and related services,
- Phase 3. **operating**, **using**, and **maintaining** materiel, and
- Phase 4. **replacing** and **disposing** of materiel assets.

This Functional Profile **does not** apply in respect to assets belonging to Real Property Management, where "Real Property" refers to fixed or immovable assets (in contrast to materiel assets which are movable) and, under the *Federal Real Property Act*, means, ". . . land, whether within or outside Canada, including mines and minerals, and buildings, structures, improvements and other fixtures on, above or below the surface of the land, and includes an interest therein." Records related to the Real Property Management function are covered by another Records Disposition Authority. This Functional Profile **does not** apply to the Materiel Management functions such as planning,

procuring or maintaining materiel assets which are part of Major Crown Projects. According to the current Treasury Board policy, *Management of Major Crown Projects*, "A project is deemed to be a Major Crown Project when its estimated cost will exceed \$100 million and the Treasury Board (TB) would assess the project as high risk. However, Treasury Board may require any project exceeding the sponsoring minister's delegated project approval authority to be managed as an MCP." Records relating to the Materiel Management or Real Property Management of Major Crown Projects should be covered by an Institution Specific Records Disposition Authorities as these MCP's normally have an operational character or a mixed operational/administrative character for the sponsoring institution.

This Functional Profile **does not** apply to any function or sub-functions directly related to the financial management or the Controllership of financial transactions which may take place with or by an institution during the process of acquiring materiel assets by means of contracts, purchase orders or documented in any other financial records.

The Materiel Management functional profile applies to the following eight sub-functions:

- **Assessing Requirements**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while evaluating existing assets and resources, assessing current and future organizational needs, and reviewing alternative means of satisfying materiel needs including re-engineering business processes; monitoring and providing feedback on the implementation and effectiveness of Materiel Management policies; promoting the acceptance and use of environmentally sound products and practices by institutional managers; ensuring that Materiel Management complies with institutional policies and standards; and ensuring the effective and efficient management of all inventories and inventory cost distribution.

- **Planning Materiel Requirements**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while developing purchasing strategies, participating in procurement strategy reviews, short-term and long-term logistics planning, and life-cycle costing of acquisition alternatives; coordinating the development of materiel and logistics objectives and operational plans that are consistent with corporate goals, including environmental objectives, policy and legislation; and keeping inventories of materiel purchasing and holding costs using automated information systems¹ and supporting technology when these systems are cost-effective and can improve the Materiel Management Function (MMF).

¹ For example, the Assets Information Management system (AIM) is a current materiel management data base used for such tracking and accounting purposes.

- **Acquiring Materiel Assets and Related Services**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while procuring, purchasing, contracting, leasing, making, buying, reusing, and as much as possible selecting and ordering products which should be reusable and contain reusable parts, recyclable, and have a long service life or be economical to repair; putting in place an acquisition process that encourages competition, reduces costs and improves productivity; and ensuring delegation of Materiel Management acquisition authorities, as fully as possible, to line managers and other employees so that they can carry out their work in the most efficient and effective manner, including issuing acquisition cards to purchase materiel resources. This sub-function includes contracting for and procurement of services related to the management of moveable assets, for example, on maintenance services for vehicles or for moving, shipping and storage of furniture, equipment and supplies. However, contracts for the procurement of services related to other common administrative functions — for example, property acquisition, maintenance of facilities or office design — belong more appropriately to the Real Property Management Function and should always be disposed of according to the appropriate functions-based Records Disposition Authority. For the purposes of MIDAs the terms “contracts” and “contracting” are considered to be a subject in itself and not a function, or at most they may be considered an activity which must be related to a particular common administrative function. The activities related to contracting are governed primarily by Treasury Board Secretariat's *Contracting Policy* and its Appendices, *Financial Administration Act*, *North American Free Trade Agreement (NAFTA)*, *World Trade Organization - Agreement on Government Procurement (WTO-AGP)*, *Agreement on Internal Trade (AIT)*, and by other extant policies used by institutions subject to the *National Archives of Canada Act*.

Whereas this sub-function includes the management of the MMF common administrative activities and processes involved in contracting, bidding, tendering, preparing standing offers, and use of purchase orders, it **does not** include the financial management sub-functions nor Controllershship of financial transactions related to acquisitions. Records kept for the dual purpose of documenting materiel management and financial transactions, whether these record are originals or copies kept by Materiel Management or Financial Management program areas for convenience, are also covered by the Records Disposition Authority for the Financial Controllershship function. In this case, the Terms and Conditions document attached to the MIDA No. 99/003 describes the sequenced application of Records Disposition Authorities under the heading **Scope of the Authority** and shall be adhered to.

- **Operating Materiel Assets**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while solving daily operational problems related to manual, mechanical or technological equipment, vehicles and other machinery or devices which form part of an institution's materiel assets used to carry out and support its functions.

- **Using Materiel Assets**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while ensuring that materiel is used to the fullest extent possible, by encouraging the transfer, sharing, leasing, sale or barter of materiel within and between institutions; managing a materiel resources inventory to identify, measure, and distribute inventory; keeping track of materiel in use, loaned or transferred; and effectively using facilities to stock materiel assets.

- **Maintaining Materiel Assets**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while ensuring that materiel resources are properly maintained and used to extend the service life of the product; repairing, refinishing and reusing equipment and furnishings when economically feasible; shipping, storing and handling hazardous materiel in accordance with applicable federal, provincial, and other applicable statutes and regulations.

- **Replacing Materiel Assets**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while replacing parts or complete items when these assets are beyond cost-effective repair, and where complete replacement is a better investment.

- **Disposing of Materiel Assets**

This sub-function generally encompasses the business processes and activities which produce records created by government institutions while disposing of and writing-off all materiel that has been purchased, produced or acquired, irrespective of whether it is recorded in an inventory data base or is an intangible asset, due to inventory shortage, destruction, fire, theft, loss or other reasons; disposing of hazardous waste through a specialized waste management company; donating the asset when the cost of selling an item exceeds the probable proceeds; disposing in a manner that obtains best value, including trade-ins where fair market price must be negotiated, and with consideration to disposal alternatives, such as reusing, recycling or recovering.