

CANEX DISCOUNT PROGRAM

IDENTIFICATION

Date of issue: 11 December 2007

Application

1. This is an order that applies to members of the Canadian Forces (CF) and a directive that applies to employees of the Department of National Defence (DND) and to the Staff of the Non-Public Funds, Canadian Forces involved in the management or administration of the CANEX Discount Program (CDP).

Approval authority

2. This policy is issued under the authority of the Chief of the Defence Staff (CDS).

Enquiries

3. Enquiries may be directed to the Director Corporate Programs at the Canadian Forces Personnel Support Agency (CFPSA).

DEFINITIONS

Discount

4. A discount is defined as a discounted rate established by a vendor that will give authorized patrons a meaningful point-of-sale reduction off the retail price of selected goods and services during normal business hours upon presentation of reasonable evidence of affiliation with the defence community when purchasing a product or service. To be evaluated as a “meaningful” a discount must represent a reduction off the usual selling price, and not a mere discount off the manufacturer’s suggested retail price (MSRP).

Vendor

5. A vendor is defined as an eligible business entity that is in compliance with applicable laws and CDP policies and regulations, including certification requirements applicable to the provision of a particular service or product, and who has agreed in writing to participate in the CDP by offering a discount.

Non-Public Property (NPP)

6. NPP means a Non-Public Property organization or activity including, without limiting the generality of the foregoing, CFPSA, SISIP FS, CANEX, and PSP activities.

Donation

7. A donation is the provision by contribution, gift or bequest by a person, group or organization external to NPP, DND and the CF of funds, goods, facilities or services without cost to a NPP, DND or the CF and without expectation of any benefit in return (other than public acknowledgement, if agreed to by both parties) which may or may not support a particular event or activity.

Sponsorship

8. A sponsorship is a collaborative arrangement between NPP and persons, groups or organizations external to NPP, DND and the CF. In such an arrangement, funds, goods, facilities or services are provided to support a particular NPP event or activity, in exchange for some appropriate non-monetary benefit of approximately equal value.

Local and National sections of the discount program

9. The discount program is comprised of two components defined as follows:
- a. National: agreement between a vendor and more than one major DND Base or Wing;
 - b. Local: agreement between a vendor and one DND Base or Wing.

POLICY

General

10. The NPP Board of Directors has authorized CFPSA to manage a discount program that would permit certain designated vendors to offer products and services to military personnel and their families, as well as to DND and NPF employees and their families, at a discounted rate under the provisions of the CANEX Discount Program (CDP) referred to as the “discount program” in this document.

Purpose of the discount program

11. The purpose of the discount program is to give authorized patrons access, at discounted rates, to a wide range of commercially available goods and services that will complement the CANEX, PSP, and SISIP FS offerings.

Responsibility for NPP-managed discount programs

12. CANEX is mandated by the CDS to manage NPP retail activities and therefore has the responsibility and competence to evaluate offerings from the private sector to ensure that they are in the best interest of the military community. CANEX has therefore been tasked to implement a low maintenance program that will satisfy the needs of military personnel and their families while providing the controls that are necessary to protect the revenue-generating entities that have been operating for decades to fund the CF Morale and Welfare program.

Independence from Sponsorship, Donation, and Newspaper advertising programs

13. In order not to create expectations of any additional benefit in return for their participation in the NPP Sponsorship or NPP Donation program, a requirement exists to manage and administer the discount program separately from these programs. Because they are not in a position to assess the compatibility of CANEX and SISIP FS offerings with discounts proposed by vendors, other NPP entities, including the Canadian Forces Newspapers, are not permitted to operate or support a discount program.

Administration of Local and National Programs

14. Local programs will be administered by the CANEX Store Manager in their capacity as Discount Program Coordinators for their Base or Wing. The National program will be administered by the CANEX National CDP Coordinator at CFPSA HQ.

Guiding Principles

15. All discounts offered must be:
- a. in accordance with ethical, legal and financial guidelines contained in this policy;
 - b. complementary and not in direct competition with NPP offerings;
 - c. in the overall interest of the military community, DND, and NPP while ensuring that the interests of vendors are appropriate;
 - d. for purposes consistent with the promotion of the NPP and CF mandate;
 - e. politically neutral (i.e., vendors involved with political or controversial objectives who would seek NPP, DND or CF legitimacy or endorsement must be avoided);
 - f. able to stand the test of public scrutiny;
 - g. well documented to demonstrate transparency and honesty;
 - h. free from any expectation or perception of preferential treatment from NPP or DND regarding the discounts offered to the DND community;
 - i. visible to, and subject to review by, higher authority to ensure objectivity and openness; and
 - j. such that they do not imply NPP, DND, CF or federal government endorsement of any products or services;
 - k. communicated in accordance with the NPP Official Languages policy.

Procedures for Participation as a Vendor

16. Vendors must agree to adhere to the following procedures to participate in the CDP:
- a. The discount program will be administered via the Internet.
 - b. Application for participation as a vendor will be made, upon invitation, on the approved *Application to Participate in the CANEX Discount Program Form* (see attached). Interested vendors must complete the CDP *Application Form* describing their products or services, the proposed discount rate and all other requested information.
 - c. Once completed, the form is reviewed by the applicable CDP Coordinators to determine compliance with provisions of the program policy;
 - d. If the Applicant's request is not approved, the vendor will receive appropriate notification. All decisions will be solely within the discretion of the CDP Coordinators and final. There are no appeal rights associated with the CDP.
 - e. If approved, the applicable CDP Coordinator will authorize the vendor's information to be displayed on the discount program Web site;
 - f. An approved application and discount offer will be effective for a 12-month period subject to the provisions of paragraph 21;
 - g. Vendors understand that exclusivity clauses cannot be offered.

Participation Guidelines for Authorized Patrons

17. The CDP Web site and all information concerning the discount program will contain a link to this policy and the following disclaimers:
- a. CANEX will endeavor to invite reputable vendors to offer meaningful discounts to the defence community. However, authorized patrons are reminded that they are completing personal business transactions with the vendors over which CANEX has no control or responsibility;
 - b. Authorized patrons are therefore encouraged to compare prices, services and products before purchasing and/or signing any purchasing agreement with the vendor;
 - c. Authorized patrons must discuss directly with the vendor any questions or concerns that they have with the vendor's products, services and warranties;
 - d. Participation by an individual or a business in the CDP does not constitute an endorsement by DND or NPP of the individual or business or the products or services offered by the participating vendor;
 - e. Inclusion of a product or service in the CDP is not a guarantee by DND or NPP of the quality or performance of a product or service;
 - f. DND or NPP is not responsible for any disputes arising between a participating vendor and an authorized patron as the result of an agreement or transaction entered into between such a vendor and the authorized patron;
 - g. Products and services of the CDP are available on the same basis to all authorized patrons;

- h. Specific products and services, as well as the CDP itself, are subject to discontinuation at any time.

Vendor Eligibility and Responsibilities

18. To participate in the discount program, the vendor must:

- a. Require the authorized patron to present a valid identification card or other reasonable evidence of affiliation with DND or membership in the defence community such as the NPF Passport when the authorized patron purchases the product or service.
- b. Provide a valid physical mailing address and telephone number.
- c. Not offer discounts to products or services such as cigarettes or other tobacco products, gambling services or venues, sexual services or adult entertainment, alcohol, or firearms.
- d. Agree to keep its Web site information up to date if it uses a Web site to communicate information to employees regarding prices, products, services and dates discount is being offered.
- e. Immediately notify the applicable CDP Coordinator in writing regarding any discount items that have been discontinued or withdrawn.
- f. Not solicit on base or contact military personnel or DND/NPP employees in person, via email or by written materials during the workday except as authorized by the CDP Coordinator in compliance with any DND or Non-Public Property (NPP) policies concerning solicitation;
- g. Not disclaim knowledge of or responsibility for the authenticity or legality of their product or service.
- h. Comply with applicable DND and NPP policies, and applicable federal, provincial, and municipal laws including any licensing or certification requirements applicable to the provisions of a particular service.
- i. Will not use the DND or CFPSA logos or seals or otherwise imply that participation in the CDP is an endorsement of the vendor's product by DND or CFPSA.

No Contract, Agent Relationship, Legal Duty, or Liability

19. A vendor's participation in the discount program does not constitute or create a contract or an agent relationship between the vendor and DND or CFPSA and participation as a discount service or product vendor is separate and distinct from the provision of any services through a vendor contract with DND or CFPSA.

Cancellation of Program; Discontinuance of Participation or Products and Services

20. DND may discontinue the discount program anytime or discontinue a vendor's participation in the program or the vendor's ability to offer a particular product or service without advance notice.

21. CFPSA may remove a vendor from the program based on complaints from employees or for any other reason deemed to be in the best interest of the defence community, which determination may be made within the sole discretion of the CDP Coordinators.

AUTHORITIES

22. The following identifies the authorities responsible for implementing this policy:

- a. CFPSA / CEO is responsible for the management of the CANEX Discount Program (CDP) policy and issues instructions to implement the policy;
- b. CFPSA / President CANEX administers the CDP policy and instructions;
- c. CFPSA / DCP develops the CDP policy and instructions;
- d. Local and National CANEX Discount Program Coordinators approve the participation of vendors in accordance with the provisions of the program policy subject to any restrictions or constraints that may be imposed by the chain of command; and
- e. VP IA&R develops and implements an internal audit and compliance plan on the CDP.

REFERENCES

NPP Policy on Sponsorship and Donations