

RIGHT OF FIRST REFUSAL (RFR) POLICY

- The Right of First Refusal (RFR) Policy has been providing employment opportunities for Veterans for over 75 years and is still aligned with the Government of Canada's priorities to support the well-being of Veterans and their families.
- It is a procurement preference that requires federal government departments to request guard services from the Corps of Commissionaires (the Corps) before seeking services from other security guard suppliers.
- On April 1, 2023 VAC implemented the *Policy on Procurement of Guard Services* to continue the RFR until March 31, 2026.
- During this three-year period, VAC will re-assess the policy and its requirements, engage stakeholders, and evaluate the RFR's continued relevance in supporting Veteran employment.
- The re-assessment is being conducted within the context of the recently launched (June 2024) National Veterans Employment Strategy (NVES), a mandate letter commitment that has a goal of ensuring all Veterans find meaningful work upon release from the Canadian Armed Forces (CAF).

WHEN PRESSED:

Q1 – What are the terms or conditions of the Right of First Refusal (RFR) Policy?

The RFR Policy requires that:

- a minimum of 60% of all hours worked under RFR contracts in each fiscal year are to be worked by Veterans;
- the Corps provide Public Services and Procurement Canada (PSPC) with reports on its performance as it relates to Government contracts;
- VAC request a corrective action plan from the Corps if in non-compliance with the 60% requirement for Veteran-worked hours.

Q2 – Has the Corps been meeting the requirement that 60% of hours worked in each fiscal year be worked by Veterans?

The Corps met the policy requirements for the majority of the years since the RFR was put into place. In recent years (since 2013/14), the Corps has not been meeting the 60% requirement. However, the Corps remains one of the most significant employers of Veterans in Canada with approximately 4,200 Veterans currently working in various positions within the organization (according to the latest report provided by the Corps, 3,509 are working as guards under RFR contracts).

Q3 – Why is VAC continuing the policy if the Corps has not been meeting the 60% requirement?

The RFR Policy will continue to support the employment of Veterans through the procurement of guard services and encourage the Corps to continue prioritizing the hiring and retention of Veterans.

The Veteran workforce at the Corps is aging with the majority being over the age of 50. The Corps is providing meaningful employment to this demographic of Veterans who would likely be met with challenges in finding alternative employment if the RFR were to end.

The Corps is a non-profit organization with a stated social mandate to hire Veterans, in contrast with other private, for-profit security companies. In addition, the Corps has been a valued supplier of guard services to the Government of Canada for over 75 years while continuing its long-standing commitment to Veteran employment.

Q4 – Have there been any changes in the application of the RFR Policy?

The policy is being implemented in the same manner it has been with VAC now being responsible for its administration. There is a new requirement that VAC request that the

Corps submit a corrective action plan to explain how it will make progress towards improving its performance as it relates to Veteran hours worked.

Q5 – How will the new National Veterans Employment Strategy meet the Department’s mandate?

The Government of Canada is committed to the successful transition of Veterans from military to civilian life. This includes Veteran employment, a key factor in the overall well-being of Veterans and their families. In accordance with a Minister of Veterans Affairs [mandate letter](#) commitment, the NVES was launched in June 2024 to help Veterans find meaningful employment after their military service. As part of this strategy development, VAC engaged and will continue to engage with industry, Veterans and other stakeholders on how best to support Veteran employment opportunities within various industry sectors across the country.

BACKGROUND

The Right of First Refusal (RFR) Policy was established in 1945 to provide employment opportunities for Veterans while also meeting the security needs of Government.

Initially, the RFR was the responsibility of the Treasury Board Secretariat (TBS) under the Common Services Policy with administrative responsibilities under the *Financial Administration Act*.

This policy was rescinded and archived on March 31, 2023.

In February, 2023, Treasury Board delegated to the Deputy Minister of Veterans Affairs Canada, the authority under the *Financial Administration Act* to issue, administer, amend, or rescind an administrative policy to implement the RFR from April 1, 2023 to March 31, 2026.

The new RFR Policy is being implemented in the same manner it has been implemented historically.

VAC is now responsible for the administration of the new policy and will request a information from the Corps that includes measures being taken to improve the number of hours being worked by Veterans.

As the Government of Canada's central purchaser, Public Services and Procurement Canada (PSPC) continues to be responsible for contracting guard services on behalf of federal organizations in accordance with the requirements of the RFR.

To date, the new policy has been received in a neutral fashion by a number of internal and external stakeholders and negatively by the private security industry who is aware of the Corps' non-compliance with the Veteran-worked hours requirement. Consultations are ongoing with the security services industry to better understand concerns and generate ideas surrounding incentivization of Veteran employment.

The expectation is that the work completed under the National Veterans Employment Strategy (NVES) and the exploration of new tools may result in potential changes in how the RFR is administered following the three-year re-assessment period.