

# Real Property Institute of Canada's Regional Workshop 8-9 June 2009, Halifax, NS

Procurement presentation to participants of workshop, with a Regional perspective.

Presented by Public Works and Government Services Canada (PWGSC), Atlantic



Public Works and  
Government Services  
Canada

Travaux publics et  
Services gouvernementaux  
Canada

Canada

## Presentation goals

- As requested/suggested will touch upon:
  - **Regional vs. National/HQ perspective**
  - **Typical contracting instruments – and MERX, Sole Sourcing, ACAN's**
  - **Influences from the Economic Action Plan (EAP) referred to Accelerated Infrastructure Program (AIP) within PWGSC Canada**
  - **Policy Notification 43R, Contracting for Construction and A&E by OGD's**



## Regional vs. National/HQ Perspective

- Regions are primarily operational offices, receiving requisitions from Regionally located clients (mostly) and issuing contracts
- Provide input on concerns National in nature
- Policy, computer systems (ABE), Quality Control ... etc. – are typically ‘driven’ from HQ
- Submissions higher than RDG (ADM Acquisitions, DM, Minister, TB) receive reviews in HQ



## Some PWGSC Background



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# Public Works and Government Services Canada (PWGSC)

- PWGSC is the common service organization for the Government of Canada.
- We support 140 federal departments and agencies.
- A principal service offered by PWGSC is procurement.
- PWGSC is the largest government buyer in Canada, purchasing \$12B to \$15B per year.



# Government Procurement

In Atlantic Canada...

- PWGSC organized procurement averages over \$1B per year
- Small and Medium Enterprises (SMEs) account for over 44% of the value of government purchases and more than 93% of government contracts
- Atlantic Region buying offices: Charlottetown, Moncton, Saint John, Halifax, St. John's



## Who is PWGSC buying for?

<b>Department of National Defence</b>	<b>\$1,985M</b>
<b>Public Works and Government Services Canada</b>	<b>\$637M</b>
<b>Fisheries and Oceans Canada</b>	<b>\$249M</b>
<b>Veterans Affairs Canada</b>	<b>\$97M</b>
<b>Correctional Service of Canada</b>	<b>\$43M</b>
<b>Canadian Commercial Corporation</b>	<b>\$34M</b>
<b>Royal Canadian Mounted Police</b>	<b>\$15M</b>
<b>Parks Canada</b>	<b>\$14M</b>
<b>Atlantic Canada Opportunities Agency</b>	<b>\$13M</b>
<b>Natural Resources Canada</b>	<b>\$11M</b>
<b>Transport Canada</b>	<b>\$11M</b>



## What are we buying? (Atlantic)

	Total (\$M)	SME %
Maintenance, Rebuilding & Install. of Goods/Equip.	1,273	7.8%
Construction	474	84.0%
Architect and Engineering Services	177	67.1%
Communications, Detection & Coherent Rad. Equip.	172	96.7%
Fuels, Lubricants, Oils, and Waxes	170	26.9%
Transportation, Travel and Relocation Services	99	84.7%
Financial and Related Services	87	7.9%
Custodial Operations and Related Services	64	93.2%
Ship and Marine Equipment	60	64.1%
Ships, Small Craft, Pontoons and Docks	53	16.0%
Food	52	74.0%
All Other	417	74.5%
<b>Total</b>	<b>3,144</b>	<b>44.6%</b>



# Comment on Typical Contracting Instruments



# Basic Contracting Instruments

- Contracts
- Standing Offers (SO's)
- Supply Arrangements (SA's)



## Contracts

- A contract is an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act.
- Results from solicitations (RFP, RFQ, ITT, T-Buy ... etc.) and resulting offers being accepted. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable.



## Standing Offers

- A Standing Offer is not a contract. It is an offer from a supplier to provide goods and/or services to clients at prearranged prices or pricing basis and under set terms and conditions for a specified period on an as-and-when requested basis.



## Standing Offers

- A separate contract is entered into each time a call-up is made against a Standing Offer. When a call-up is made, the terms and conditions are already in place and acceptance by Canada of the supplier's offer is unconditional.



## Standing Offers – Why?

- A convenient method of supply that saves time and money. Typically Departments: deal directly with offerors, have faster transactions, involve less paperwork and have pre-set prices and terms. Thus, lower government administrative costs and reduction in held inventory.



## Supply Arrangements

- Supply Arrangements are non-binding agreements between Government and suppliers to provide goods or services (more common) on an as-required basis, typically from the pre-qualified suppliers. These allow departments to solicit bids on their specific requirements.



# Supply Arrangements

- A set of pre-established terms and conditions are included that apply to any subsequent contracts. Many instances involve: a solicitation process, a bidding process, and an evaluation process.



## Supply Arrangements – Why?

- Save time and money by pre-qualifying suppliers and establishing terms that will apply, allow flexibility to departments to compete or negotiate for their specific requirements to obtain best value.



# Mandatory Standing Offers

**Departments and agencies must use standing offers as the first method of supply to buy these goods and services**

- N 23 - Ground Effect Vehicles, Motor Vehicles, Trailers and Cycles
- N 58 - Telecommunications Equipment and Accessories
- N 70 - General Purpose Automatic Data Processing Equipment, Software, Supplies and Support Equipment
- N 71 - Furniture
- N 74 - Office Machines, text processing systems and visible recording equipment



# Mandatory Standing Offers

**Departments and agencies must use standing offers as the first method of supply to buy these goods and services**

- N 75 - Office Supplies and Devices
- N 84 - Clothing, Accessories and Insignia
- N 91 - Fuels, Lubricants, Oils and Waxes
- D - Information Processing and Related Telecom. Services
- R - Professional, Administrative and Management Support Services



## Standing Offers & Supply Arrangements

- A file is included, which provides links to several of the SO's and SA's which are currently in place and available – Section 3.0
- Some of the instruments mentioned were Intergrated Support Services SA and the Risk SO – both are included



# MERX, Sole Sourcing, and Advance Contract Award Notices

- I was to discuss/mention MERX, Sole Sourcing and Advance Contract Award Notices (ACAN's)
- MERX is the conduit to the public for government procurement opportunities



# Sourcing Methods

## Three Primary Methods

1. Source Lists and Databases
2. **Public Advertisement (by using MERX)**
3. Non-Competitive Selection



# GETS/MERX

## Government Electronic Tendering Service (GETS)

**The service used by the Federal government to post notices ( e.g. Notices of Proposed Procurement, Advance Contract Award Notices and Contract Award Notices) and to distribute bid documents. This service is provided through MERX. For information about [MERX](#), call 1-800-964-MERX (6379) or visit its Website <http://www.merx.com/>**



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Construction Services	11	63	187

Goods	TODAY	LAST WEEK	LISTED
Aerospace	2	1	17
Air Conditioning and Refrigeration Equipment			1
Armament		3	11
Chemicals and Chemical Specialties	1	9	15
Communications, Detection and Fibre Optics	2	8	22
Construction Products		14	32
Cosmetics and Toiletries		2	2
EDP Hardware and Software	5	18	47
EDP and Office Equipment Maintenance			
Electrical and Electronics	3	15	51
-			

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<b>Search</b> - view bidding opportunities	Not required	Free
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<b>View</b> – previous awards	Required	Free
<b>Automatic Bid Matching</b> – to your provided profile(s)	Required	First one free



## Sometimes Only One Supplier - Sole Source

Public Posting on MERX may still be required

- An Advance Contract Award Notice (ACAN) may be needed
- ACAN advises of our intent to approach only one vendor to contract with



# Non-Competitive Sourcing

## Sole Source

\*May be posted as an  
Advance Contract Award  
Notice - ACAN

### Emergency

\* Not enough  
time

### Copyright or Prototype

\* Only one  
supplier

### Public Interest

\* National  
Security



## Non-Competitive Sourcing

- When a non-competitive (sole source) procurement strategy is chosen, the legal authority to use an exception to competitive bidding must be fully justified by the client department with a reference to all exceptions to competitive bidding which may apply under the Government Contracts Regulations (GCRs), and the limited tendering provisions of Canada's national and international trade agreements.



# Advance Contract Award Notice

An **Advance Contract Award Notice (ACAN)** allows departments and agencies to post a notice, for no less than **fifteen (15) calendar days**, indicating to the supplier community that it intends to award a goods, service or construction contract to a pre-identified contractor.

If no other supplier submits, during this posting period, a **Statement of Capabilities** that meets the requirements set out in the ACAN, then the competitive requirements of the government's contracting policy have been met.

Following notification to suppliers not successful in **demonstrating that their Statement of Capabilities meets the requirements** set out in the ACAN, the contract may then be awarded using the electronic bidding authorities.

If other **potential suppliers submit Statements of Capabilities** during the posting period which **meet the requirements** set out in the ACAN, (i.e. considered valid) then the contracting authority must **proceed to a full tendering process** (electronic or traditional).



# Economic Action Plan – Procurement Influences

- The Economic Action Plan (EAP) is referenced as Accelerated Infrastructure Program (AIP) within PWGSC
- New Policy Notification (PN) - 87 revises the common service acquisition authorities, associated conditions and related procedures in the Supply Manual
- Revised Policy Notification (PN) -43R allows PWGSC Acquisition Branch to assess client Dept capacity to perform/manage construction and A&E contracts



# Summary of Changes PN-87

## Procurement

### **The ADM's authority has increased to 100 percent of the Minister's authority**

All signing authorities, below the position of a Manager, now equal contract and amendment approval authorities of a position two levels higher. The authorities have been limited to align with the responsibilities of each position, and to link with approval authorities for ease of reference.

Some Manager and Supply Team Leader approval limits have been revised.

Position titles have been updated to reflect the current organization.

Specific authorities for:

- (a) Construction and A&E Services limits have increased. The limits are effective from April 1, 2009 until March 31, 2011.
- (b) A&E Services have been modified at the Supply Specialist and Supply Officer level: approval and signing authorities have been added where there previously were not any.
- (c) Telecommunication Services have been clarified





## PN-87

- The revised contract approval and signing authorities are applicable to all contracts and amendments awarded by Acquisitions Branch (not only AIP related contracts)
- These limits are effective from April 1, 2009 to March 31, 2011
- Lets see some typical authorities



# CONSTRUCTION

## Contract Approval and Signing Authority Limits

Unless otherwise approved by Treasury Board, these limits are effective from April 1, 2009 to March 31, 2011



# A&E SERVICES

## Contract Approval and Signing Authority Limits

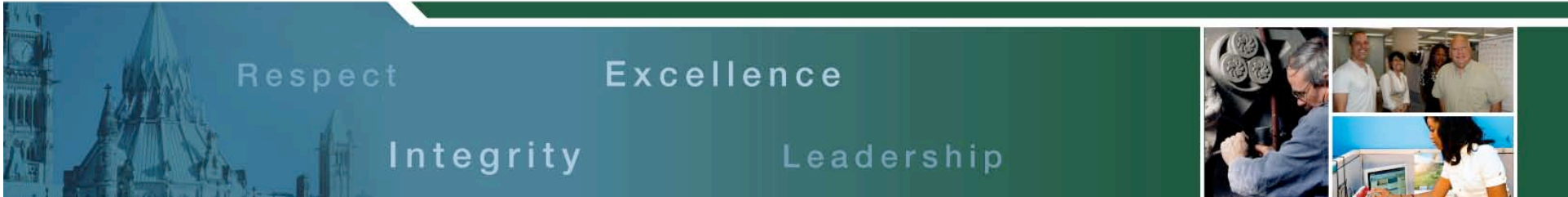
Unless otherwise approved by Treasury Board, these limits are effective from April 1, 2009 to March 31, 2011



# Comment on - Use of Construction and A&E Services Contracting Authorities

The purpose of Policy Notification (PN)-43R is to provide a clear and formal definition of the roles and responsibilities of PWGSC and client departments when a client department intends to serve as the technical authority/project manager for a construction or A&E services contract.





# PN-43R: Use of Construction and A&E Services Contracting Authorities

- As client departments increase their project management capacities and capabilities relating to construction and architectural and engineering (A&E) services, it is incumbent upon PWGSC to remove barriers to using our contracting services and recognize the willingness of client departments in accepting responsibility and accountability for their requirements





## PN-43R

- Memorandum of Understanding now used between Departments for construction and A&E contracts (was a certification previously)
- Will be reviewed on a case by case basis by PWGSC
- Copy of policy will be included in conference notes



## Did Not Comment On

- Leases – another Division of PWGSC
- EPA/PPA authority changes – Real Property Branch
- Prudence and probity still key during AIP - OAG



## Questions – Herb Gibson – Telephone # 902-496-5051

