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Federal-Provincial-Territorial Collaborative Procurement

Canadian Institute for Procurement and Material Management
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Office of Small and Medium Enterprises and Strategic Engagement
Public Services and Procurement Canada



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada

Purpose

- To inform and educate procurement and material management experts about the Federal-Provincial-Territorial (FPT) Collaborative Procurement Program and related Initiatives



PSPC Minister Mandate Letter

“Improved partnerships with provincial, territorial, and municipal governments are essential to deliver the real, positive change that we promised Canadians.”

“Modernize procurement practices so that they are simpler, less administratively burdensome, deploy modern comptrollership, and include practices that support our economic policy goals, including green and social procurement.”

- Justin Trudeau
Prime Minister of Canada



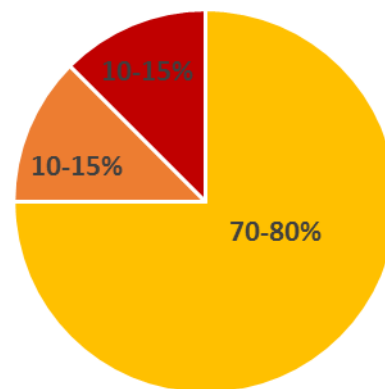
Background

- Order In Council (OIC) approved in February 2015 to permit Provinces and Territories (PT) use of PSPC's procurement instruments and services (i.e. Standing Offers and Supply Arrangements)
- In 2014-2015 and 2015-16, at the Annual Meeting of FPT Deputy Heads of Public Works and the FPT ADM Procurement Sub-committee supported advancing the FPT collaborative procurement agenda
- Why? \$200B is spent on procurement in Canada by all levels of government of which \$21B is procured by Acquisitions Program and there are scarce procurement experts across Canada
- KPMG PT Collaborative Procurement Study completed in April 2015, identified 12 opportunity commodities (i.e. office supplies, vehicles, fuels, IT hardware & professional services) and results shared with all PT
- Shared Services Canada (SSC) received their OIC approval to share their procurement instruments with the PT in July 2015



Public Procurement in Canada

- Various estimates suggest that public procurement expenditures contributes significantly to the Canadian economy, amounting to **at least \$200B** annually. The amount will vary with the year and categories considered (social transfer and fixed capital)
- Municipal, Academic Institution, School, and Hospital (MASH) sectors are responsible for the majority (approximately **70-80%**) of public procurement in Canada, followed equally by federal and provincial/territories (**10-15%**)



■ MASH ■ Provincial and Territorial ■ Federal

Sources: OECD and Brenda Sweck (2015), McCarthy Tetrault (2014), KPMG (2015)

What is FPT Collaborative Procurement?

- It is a Federal program that allows the PT and their respective MASH sectors to use PSPC procurement instruments – i.e. standing offers (SO) & supply arrangements (SA)
- Authority to use the procurement instruments is granted through Master User Agreements (MUA) between PT and the Federal Government
- PTs who have signed a MUA must further indicate which procurement instruments they wish to participate in
- Once established as an authorized user, PT and their MASH may begin issuing call-ups against Federal SOs & SAs



Why FPT Collaborative Procurement?

Benefits for Government:

- Leveraging the joint FPT/MASH buying power to obtain better prices and terms and conditions
- Reducing administrative and legal costs for all due to streamlining of procurement instruments (e.g. 1 not 13)
- Adopting standard business identification practices (such as the one proposed by the BN Hub) to crosswalk business intelligence and business identity between jurisdictions.
- Sharing business intelligence and best practices

Benefits for Business:

- Leveraging existing relationships to increase sales volumes
- Finding partners to scale your business
- Reduced Administrative Costs (one procurement proposal vs many)
- Diversifying risk by expanding client base



Pilot: Office Supplies

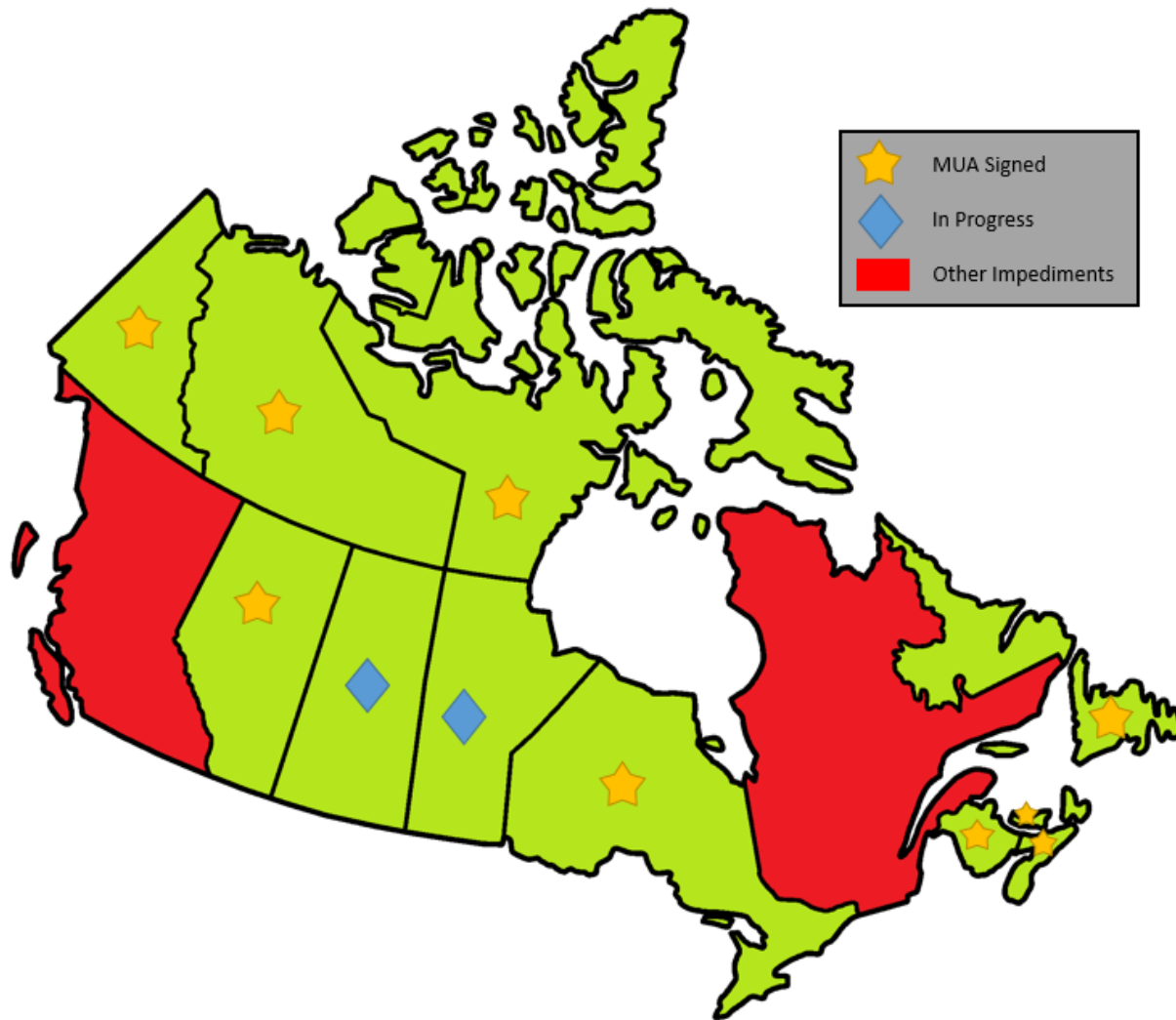
- Minister Judy Foote announces collaborative procurement progress with PT/MASH Jan 27, 2017
- First proof of concept – Office Supplies went live June 1, 2016 and PEI started using this instrument on Oct 11, 2016. PEI estimates that it will save 20 to 30 %, it received better terms and conditions, it is buying from a Small and Medium Enterprise (SME), and it is receiving better service and best value.
- As of May 2016, Authorized PT users can access Standing Offer price lists and issue a call-up via the secure SOSA web application- First time ever available to PTS
- Dec 21, 2015, consulted with office supply vendors and received favorable response – Posted office supplies Request For Standing Offer (RFSO) on BuyandSell.gc.ca
- August 2015, PSPC shared its current SO for office supplies with PT



Where Are We At?

- PT require Cabinet approval to utilize PSPC procurement instruments and require a PSPC signed MUA.
- Nine PT (Prince Edward Island, New Brunswick, Northwest Territories, Yukon, Nova Scotia, Ontario, Newfoundland and Labrador, Nunavut and Alberta) have officially signed MUAs. Two more PT (Manitoba and Saskatchewan) are expected to sign MUAs by end of summer 2017. **MUAs also create opportunity for MASH sector to use PT links to suppliers, procurement instruments, prices and terms and conditions.**
- Quebec and British Columbia currently have a legal impediment and therefore cannot participate at this time.
- Very positive feedback, at Sep 2016 Moncton meeting, from PT Deputy Ministers of Procurement on collaborative approach and progress to date.





Summary of Progress

Provinces and Territories	MUA Signed	FPT Collaborative Procurements															
		E. German Office Supplies	L Rouillard Tires	A. Roman Motorola Radios	L Rouillard All-Terrain Vehicles	L Rouillard Snowmobiles	A. Roman Digital Two-way Radios	E. German Laboratory Supplies	L Rouillard Packaging Materials	A. Roman P25 Subscriber Units	E. German Chemicals Supplies	E. German Paper (SO)	E. German Medical Equipment	E. German Office Seating (SA) Refresh	E. German Furniture work spaces	E. German Fitness Equipment	B. Covington Document Imaging
		(June 1, 2016)	(November 1, 2016)	(November 28, 2016)	(January 20, 2017)	(January 12, 2017)	(April 2017)	(April 2017)	(March 23, 2017)	(May 2017)	(Late Fall 2017)	(Fall 2017)	(February 2018)	(Winter 2018)	(Spring 2018)	(Spring 2018)	(January 2017)
G SIN #	N7510	N2610	N5820	N2320	N2350 (1 of 5)	5820	6640	8115			N7530MB	N6515	N7110	N7110	N7810	D312A	
SOSA Release Date	01-Jun-16	30-Nov-16	16-Dec-16	15-Feb-17	15-Feb-17	19-Apr-17	19-Apr-17	19-Apr-17									
Master User Agreement Status	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Bid Evaluation Stage	RFSO May	RFSO June 2017					Existing SA	
PEI	✓ 07-Jun-16	Completed June 1, 2016		Confirmed 04-Apr-17			Confirmed 22-Sep-16	Confirmed 22-Sep-16		Confirmed 22-Sep-16	Confirmed 13-Feb-17	Confirmed 23-Nov-16	Confirmed 23-Nov-16	Confirmed 23-Nov-16	Confirmed 23-Nov-16	Confirmed 23-Nov-16	Confirmed 23-Nov-16
NB	✓ 29-Aug-16		Confirmed 22-Sep-16	Completed 15-Feb-17	Confirmed 22-Sep-16	Confirmed 22-Sep-16	Confirmed 22-Sep-16	Confirmed 22-Sep-16		Confirmed 22-Sep-16		Confirmed 02-Dec-16	Confirmed 02-Dec-16	Confirmed 02-Dec-16	Confirmed 02-Dec-16	Confirmed 02-Dec-16	Confirmed 02-Dec-16
NWT	✓ 24-Jun-16		Confirmed 21-Sep-16	Confirmed 21-Sep-16	Confirmed 21-Sep-16	Confirmed 21-Sep-16	Confirmed 21-Sep-16	Confirmed 22-Sep-16	Confirmed 21-Sep-16	Confirmed 21-Sep-16	Confirmed 16-Feb-17	Confirmed 23-Nov-16	Confirmed 23-Nov-16		Confirmed 23-Nov-16		Confirmed 23-Nov-16
YK	✓ 22-Jul-16		Completed 16-Feb-17		Completed 08-Mar-17	Completed 08-Mar-17		Confirmed 21-Sep-16		Confirmed 21-Sep-16		?			?	?	
NS	✓ 12-Oct-16		Completed TBC	Completed Jan-10-2017			Confirmed 27-Sep-16	Confirmed 27-Sep-16		Confirmed 27-Sep-16		Confirmed 29-Nov-16					Confirmed 07-Feb-17
ON	✓ 29-Nov-16		Completed 22-Sep-16							Confirmed 22-Sep-16	Confirmed 08-Dec-16		Potential Interest				Confirmed 07-Feb-17
NFLD	✓ 01-Dec-16		Confirmed 22-Sep-16		Confirmed 22-Sep-16	Confirmed 22-Sep-16						TBC	TBC	TBC	TBC	TBC	TBC
NU	✓ 27-Mar-17							Confirmed 21-Mar-17									
AB	✓ 04-Apr-17	Confirmed 01-Jun-16	Confirmed 27-Sep-16		Confirmed 27-Sep-16	Confirmed 27-Sep-16						Confirmed 24-Nov-16		Confirmed 24-Nov-16	Confirmed 24-Nov-16		Confirmed 24-Nov-16
MB	Interested in signing MUA - Summer 2017						TBC	TBC	TBC	TBC		TBC	TBC	TBC	TBC	TBC	TBC
SK	Under Discussion - Summer 2017									Interest		Interest		Interest	Interest		
QC	Under Discussion																
BC	Policy and Legislative Impediment																
																	Updated 11/05/2017



Identifying Instruments to be Shared

- [Sixteen commodities](#) where PT interested in utilizing PSPC SOs
- Most divisions responsible for affected commodities held commodity-specific industry consultations before finalizing the procurement instrument. Industry response has been favourable overall.
- PSPC shared individual commodity plans, work plans, and an overall commodity tracker with all PT to ensure a common understanding
- PT are responsible for developing web links to PSPC FPT Collaborative Procurement Instruments (including linking to their MASH sectors); PSPC sharing a standard links process
- The Standing Offer and Supply Arrangement (SOSA) Web Application hosts both the public and private data for PSPC SOs & SAs. Private data access requires a secure login via GC Key.
- In May 2016, PSPC launched a [Snapshot page of the SOSA Web App](#) on Buyandsell.gc.ca; suppliers, other Government Departments and PT know when arrangements are up for renewal and PT can make informed decisions on upcoming goods and services – this is a first for PSPC

Communicating Changes to Stakeholders

- Supplier Advisory Committee (SAC) consulted on FPT/MASH Collaborative Procurement in June 2016; consultations now completed as over 60 supplier organizations were consulted in winter 2017
- Four FPT ADM Procurement Subcommittee meetings held in fiscal year 2016-2017
- Four FPT Director Working Groups were created (Collaborative Procurement, E-Procurement System, Performance Metrics, and Human Resources)
- 20 FPT Directors Collaborative Procurement Working Group meetings held to date
- First Federal-Provincial Procurement Human Resource Exchange Terms of Reference (PSPC Western Region and Service Alberta) signed
- Client Advisory Board (other Federal Government Departments) – two updates provided in 2016 and, as a result, SSC has adopted PSPC MUA to reach out to PT on IT commodities.



Additional Benefits of FPT Collaboration

- PSPC Western Region and Government of Alberta have signed a MOU and expect to start with one procurement officer exchange in Sept. 2018.
- The FPT Employee Rotation Program (ERP) aims to further procurement and policy officers learning and professional development through the sharing of best practices and lessons learned.
- Specific benefits for participating FPT-ERP members include:
 - Opportunity to learn best practices and lessons learned from other Government of Canada jurisdictions;
 - Opportunity to foster relations within the FPT community;
 - Enhance specialized procurement training programs through knowledge transfer vehicles;
 - Development of a larger, highly qualified, procurement candidate pool;
- Individual participant benefits include:
 - Opportunity to become a subject matter expert in procurement best practices; is a new jurisdiction
 - Ability to further network within the FPT community and within the home organization;
 - Development of procurement competencies, skills, experience, and knowledge;



Next Steps

- The building blocks for PSPC's FPT Collaborative Procurement Program are still being laid. Once this national procurement network is completed, it will position Canada to meet its Comprehensive Economic Trade (CETA) agreement commitments in establishing one Canadian single web portal with all public tender notices (Federal, PT, MASH, utilities, Crown Corps, etc.) above a certain threshold.
- Now that the majority of PT have signed MUAs there will be increased focus on outreach, particularly to the MASH sector which accounts for 70 percent of the procurement value in Canada.
- OSME will continue to seek solutions and continue to engage the PT, MASH sector, Acquisition Program colleagues in NCR and the Regions, and the supplier communities across Canada to gauge how we are serving clients and in order to provide the best value for all Canadians.



Questions?



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