

Increased Delegation of Procurement Authorities for Federal Departments

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Presented by:
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Public Services and
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Procurement Modernization

- ◆ PSPC is working to make procurements simpler for its clients and suppliers, and to leverage procurement in support of Canada's economic, environmental and social policy goals.
- ◆ In support of this, PSPC is seeking to modernize its delegation of procurement authority by:
 - Extending the Minister's exclusive authority to services and construction procurements, in addition to goods; and
 - Delegating these authorities (goods, services and construction) to departments and agencies up to the limits set by Treasury Board.
- ◆ This will standardize federal procurements, make them simpler for suppliers, provide client departments with greater autonomy, and ensure social and environmental policies are applied consistently across federal procurements.

Procurement Authorities

- Exclusive authority to procure goods for the federal government is given to the Minister of PSPC under the *Department of Public Works and Government Services (DPWGS) Act*.
 - In 2007, the Minister of PSPC provided his counterparts with a delegation of goods procurement authority allowing them to contract up to \$25,000.
 - Since then, the Minister of PSPC has granted a higher delegation to a small number of Ministers.
- Certain entities can procure goods under their own legislative authorities (e.g. Canada Revenue Agency, Shared Services Canada).
- Separately, the Treasury Board (TB) *Directive on the Management of Procurement* sets out the upper limits at which departments can contract without TB approval.
 - Goods and construction: \$750k competitive / \$100k non-competitive;
 - Services: \$3.75M competitive / \$200k non-competitive

Exclusive Authority for Services/Construction

- ◆ As part of the *Budget Implementation Act* of 2005, the *DPWGS Act* was amended to provide the Minister of PSPC with the exclusive authority to procure services and construction.

- ◆ Section 9 of the Act is replaced by the following:

Other authorities

9. Subject to any conditions that may be imposed by the Treasury Board or any regulations that the Treasury Board may make for the purposes of this section, the Minister shall exercise the powers in relation to the acquisition and provision of materiel and services, including construction services [...], for the use of any department that are conferred on any minister or other authority under any Act of Parliament or any other law, except to the extent that those powers have been delegated by the Minister.

- ◆ This amendment has not been brought into force, but remains available

Proposal – Revised Delegation Instruments

- ◆ PSPC proposes to bring the amendment providing the Minister with the exclusive authority to procure services and construction into force.
- ◆ Subsequently, PSPC would issue new delegation instruments to departments and agencies that would:
 - ◆ Delegate goods, services, and construction authority in line with the limits as set out in the *Directive on the Management of Procurement*.
- ◆ The result for most departments will be an increase to their current goods procurement authority and no changes to their services and construction authority.
- ◆ As part of these revised delegation instruments, PSPC would require that departments make “best efforts” to use the Supply Manual and Standard Acquisitions Clauses and Conditions (SACC).

Anticipated Benefits

- ◆ Revising the delegation instruments to ensure alignment with the limits in the *Directive on the Management of Procurement* will:
 - improve efficiency by encouraging departments to use procurement tools created by PSPC;
 - provide departments with greater autonomy and increased management oversight over a larger volume of low-value goods procurements.
- ◆ Government-wide use of the Supply and SACC Manuals will enable departments and agencies to better leverage procurement to achieve the Government's policy objectives while ensuring a common standard for federal procurements.
- ◆ Decrease risks resulting from having multiple procurement standards and processes and make procurements easier to navigate and more predictable for suppliers.

Next Steps

Submit a recommendation to the Minister of PSPC that she approve:

- ◆ Delegating goods, services, construction, exceptional, and emergency contracting authorities to departments and agencies in alignment with the contracting limits set by Treasury Board;
- ◆ Incorporating language in delegation instruments to encourage client departments and agencies to make “best efforts” to use the Supply and SACC Manuals.
- ◆ Seeking an Order in Council to bring into force the amendments to the *DPWGS Act*.