

Supplier Advisory Committee Meeting – Follow Up

Update on FPT Sharing of PSPC Procurement Instruments

Background

In February 2015, an Order-in-Council was approved to permit Provinces and Territories (PT's) to use PSPC's procurement instruments and services at no additional cost to the Crown.

A Federal/Provincial/Territorial (FPT) Working Group was established in September 2015 and thirteen teleconferences have been held to-date to identify quick wins. The first commodity offered to the PT's is Office Supplies, with Laboratory Supplies, Tires, ATV's and Snowmobiles slated to follow shortly. Commodity Specification sheets have been shared with the PT's on all of these commodities.

The next new commodities expected to be offered are:

- Laboratory Supplies – Request for Information (RFI) expected out in June, 2016 and the Standing Offer expected to go live in Fall 2106.
- Portable Radio Equipment - Request for Standing Offer (RFSO) expected out in June, 2016.
- Tires – Request for Standing Offer (RFSO) expected out in Summer, 2016.
- Packaging - Request for Standing Offer (RFSO) expected out in Summer, 2016.

The Office of Small and Medium Enterprises and Strategic Engagement was tasked to find a quick win on one of the identified commodities as a proof of concept project. Office supplies was chosen as the commodity most likely to be of immediate interest to PT's.

PSPC shared its pricing and current Standing Offer (SO) for office supplies with PT's in September 2015. The current office supply SO will expand from 1,500 to approximately 2,500 core items. The new office supplies SO came into effect on June 1, 2016 and is the first proof of concept of collaborative procurement in Canada.

Master User Agreement

A Master User Agreement was recently finalized to assist provinces and territories in obtaining Cabinet approval to use PSPC's procurement instruments and to mitigate the risk to the Crown. It is completely voluntary for provinces and territories to use PSPC procurement instruments; however, each province and territory who wishes to use the procurement instruments must first sign a Master User Agreement. Master User Agreements have been signed with Prince Edward Island and the Northwest Territories.

Outcomes

Expected outcomes from this collaborative initiative are:

1. Reduced administrative costs to PT's by utilizing PSPC's existing procurement instruments;
2. Better value for citizens as we expect to obtain fair and reasonable pricing and economies of scale based on increased volume;
3. Sharing of commodity business intelligence, expertise and best practices on a range of commodities between federal and PT partners;
4. Reduced administrative costs for sellers as they would have access to several governments procurement instruments in one offering;
5. The office supply pilot will establish standard clauses that can be used by PT's should they choose to engage with the MASH sector in their Provinces and Territories; and
6. The office supply SO will be a multiple awards instrument. Suppliers can bid on specific regions without having to bid nationally, which will allow Small and Medium Enterprises (SMEs) who do not have a national presence to compete on an equal footing with larger national suppliers.

Buy and Sell Website – Standing Offer/Supply Arrangements (SOSA)

For the first time, PSPC has added a new SOSA component to the Buy and Sell website that will increase transparency about PSPC procurement instruments. This new SOSA provides information about PSPC procurement instruments such as name, expiry date and name of procurement contact so that suppliers, provinces and territories and other government departments can be better informed about procurement instruments and opportunities. <https://buyandsell.gc.ca/applications/standing-offers-and-supply-arrangements-application-SOSA-App>

Next Steps

Several other provinces and territories are currently in the approvals process and expect to sign Master User Agreements with PSPC over the summer and until the end of fiscal year 2016-17.

PSPC will continue to work with PTs to increase the number of commodities to be shared.