



Provincial Treasury
Procurement Services
Office of the Comptroller

A Supplier's Guide to Goods Procurement in the Government of Prince Edward Island

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Disclaimer

This booklet summarizes the steps involved in goods procurement in the Government of Prince Edward Island; and although it describes the mechanics involved, it is not all-inclusive.

Vendors should also recognize that this publication is a reference document of, and not intended to be a replacement for, the *PEI Public Purchasing Act* and Regulations. It is intended to be used by suppliers for ***guideline purposes only***.

In the event of any conflict between the advice given in this brochure and the *Public Purchasing Act* and Regulations, the act and regulations shall prevail.

Table of Contents

General

Introduction	1
Procurement Services Section	2
Getting Started	3
Electronic Tender Opportunities	3
Tendering Policies	3
Interprovincial Trade Agreements	4
Joint Tendering	5

The Tender Process

Completing Tender Documents	5
Tender Specifications	5
Delivery Dates	6
Tender Pricing	6
Submitting Tender Documents	7
Withdrawals and Amendments	8
Late Tenders	9
Tender Openings	9
Evaluation of Tenders	9
Award Notifications	10
Purchase Orders	10
Goods Delivery and Receipt	11
Payments	12
Vendor Performance	12

Summary

Tender Conditions Checklist	13
Closing Notes	18
The Final Word	18

<i>Primary Contacts</i>	19
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General

Introduction

The Province of Prince Edward Island, through the Provincial Treasury, purchases approximately \$25 million worth of goods each year. These purchases are made through the Procurement Services Section of the Office of the Comptroller, which is responsible for the administration of the *Public Purchasing Act*. Acquisition of most services and contracts for construction projects are administered directly by the appropriate government departments and agencies.

The intent of this publication is to provide suppliers, who seek to do business with the Province, an understanding of our purchasing policies and procedures. We believe being informed of the purchasing process will enable you to conduct business more effectively.

We have included sections of special interest, such as those describing how to identify tender opportunities, obtain tender documents, the tendering policies and procedures, vendor file records, the evaluation of tenders, and who may place orders.

The staff of the Procurement Services Section is always available for assistance and provides a convenient access to suppliers wishing to compete for public business. Our aim is to provide service quality to all our contacts, both internal and external, and strive continually to improve our skills and processes. We are offering the proper support system, providing enhanced service and at the same time not losing sight of our goal, which is to discover and implement the most cost-effective solutions for our customers – the government departments and agencies.

Any individual, company or organization, who can supply goods that the Province requires, is eligible to compete for Prince Edward Island Government business. The Province of Prince Edward Island operates on the basis that open competition will establish a fair market price. Whenever possible, maximum competition is sought through the tendering process. It is intended that all businesses that show a desire to compete be given an opportunity to do so, subject to guidelines established in the *Public Purchasing Act* and Regulations.

Procurement Services Section

The Procurement Services Section is under the direction of the Office of the Comptroller, Department of the Provincial Treasury, with the Procurement Services manager as section head. The Procurement Services Section staff consists of procurement officers, and administrative support staff.

The Procurement Services Section was established under the *Public Purchasing Act* of Prince Edward Island to purchase all goods and supplies required by government departments located throughout the province. Other than Local Purchase Orders (LPOs) for emergency goods to a value of \$500, or certain exemptions provided for in the *Public Purchasing Act*, the Procurement Services Section is the sole body authorized to purchase supplies for the Provincial Government. In excess of \$25 million of goods covering a variety of commodities are purchased each year. The Province purchases everything from laundry soap to lab supplies. Included in these commodities are office equipment, cleaning supplies, vehicles, construction materials, heavy equipment, office supplies, food, lumber, tools, paint, etc.

The section is located in Room 27, 2nd Floor Shaw Building, 95 Rochford Street, Charlottetown, PEI. The office winter hours are Monday to Friday from 8:30 a.m. to 5:00 p.m. with the summer hours being Monday to Friday from 8:00 a.m. to 4:00 p.m. The general telephone number is (902) 368-4040 and the fax number (902) 368-5171.

The Procurement Services Section adopts an open door policy for company representatives, and contact between suppliers and the section is supported and encouraged. To enable staff to maintain effective use of their time, it would be appreciated if visits could be kept brief.

Getting Started

Electronic Tendering Opportunities

Effective June 2002, the Province began advertising and distributing tenders for goods and services using its own Web site: www.gov.pe.ca/tenders. This is an Internet-based system, and all suppliers with access to the Internet may view and download tender information free. All Prince Edward Island tenders will be advertised on this system. This site provides links to Nova Scotia, New Brunswick and Newfoundland and Labrador electronic tendering services.

Tendering Policies

The policy of Procurement Services is to obtain written competitive tenders or quotations for all supplies over \$5,000. Purchases are generally made on the basis of the lowest over-all total price that meets the specifications of the competition. In emergency or urgent situations, tenders may be issued by telephone or facsimile. They adhere to the normal terms and conditions of formal tenders.

Tenders issued by telephone or facsimile must be followed up by written confirmation from the suppliers contacted. Most tenders are for the supply and delivery of specific goods to specific locations at a certain time, however, some tenders are called for contracts/standing offers. These Standing Offer Tenders are issued for items to be purchased over a specified period of time on an "as and when required" basis and could require delivery to various locations. These agreements enable departments to order supplies at pre-arranged prices and delivery conditions. Invitations to tender indicate the conditions of purchase, specifications, delivery schedules, closing dates, contact persons and all other necessary information.

Interprovincial Trade Agreements

Public tenders are issued in accordance with the Atlantic Procurement Agreement (APA) and the Agreement on Internal Trade (AIT). The APA, signed in September 1992 among the Atlantic Provinces, was introduced to reduce interprovincial trade barriers regarding government procurement and applies to tenders above the following thresholds: Goods – \$25,000; Services – \$50,000; Construction – \$100,000. In 1996 it was extended to Atlantic Canada academic institutions, school boards, and the health sector.

The AIT opens up procurement in Canada for goods valued at over \$25,000, services over \$100,000, and construction over \$100,000 by the federal, provincial and territorial governments.

These agreements are intended to reduce interprovincial trade barriers and provide for the development of electronic systems for sharing tender information.

Joint Tendering

From time to time, the Province of PEI participates in joint tendering opportunities with the other Atlantic Provinces. These joint tenders follow the public tendering process. In addition, many Province of PEI tenders are also extended to PEI municipalities, academic institutions, school boards, and health regions.

The Tender Process

Completing Tender Documents

Although each tender specification is different and some terms and conditions may vary, the fundamental principles of the tendering process are employed in all situations. Details given for each tender should be read carefully before completing the form. Conditions governing the PEI Government tendering process are contained in this publication under Tender Conditions Checklist. The procurement officer responsible for the tender, whose name and phone number appears on each tender form, should be contacted for explanations, interpretations and information.

Tender documents can be obtained from the government Web site at ***www.gov.pe.ca/tenders***. This site also links all vendors who have requested tender documents.

Tender Specifications

Each individual tender has its own general specifications and those provided obligate the tenderer to meet the requirements of the specifications. The use of brand names and/or manufacturer's makes or models is for description only and not intended to be restrictive unless otherwise specified as "No Substitute." Brand names are proposed only to indicate the character, quality or dimensions of the item or component requested.

When replying with substitutions for supplies other than those specified, the alternate must be clearly indicated. Goods supplied should be of "equal or better" quality than those originally tendered. Suppliers must be prepared to make available samples, data and literature, if required, to verify that the items are equal in all respects to those specified. Unless otherwise specified, all goods are to be new, and all electrical equipment must be CSA approved.

Delivery Dates

The date goods are required is generally stated on the Invitation to Tender form. Suppliers must indicate the number of days after receipt of a Purchase Order that the goods will be delivered. All tenders are to be FOB destination, freight prepaid, unless specified otherwise. Shipping charges, if any, must be shown on the tender form. Goods are to be shipped by the most economical means available to meet the specified delivery date.

Tender Pricing

Net unit prices are to be quoted. Any extra charges must be itemized. Do not show GST or PEI Sales Tax. All tenders must be extended and totalled. Discounts, if any, must be clearly defined. Do not quote on a lump-sum basis unless specifically requested to do so.

Cash discounts without limitations must be indicated and are considered when prices are compared. As the PEI *Public Purchasing Act* and Regulations does not maintain a provision to handle price increases subsequent to a tender closing or a contract award, tenders with firm prices may be given preference over those with condition and escalation prices. Price changes to awarded tenders are rare and suppliers requesting such must submit, in writing, the full details of the claim.

Following receipt of the request, the Procurement Services Section will determine if the solicitation is in fact valid.

The number of days for which the tender is effective, if accepted, should be shown. It is understood that "Prices firm for 30 days" means that if a Purchase Order is issued within 30 days of the tender closing date, the price tendered will stand.

Tendering can be a highly competitive process and vendors should acquaint themselves with all aspects of the tender requirements. Keep in mind that once a tender is received and accepted, it is assumed that all costs are included and the supplier is expected to perform as indicated on the tender. Overeagerness to be competitive may result in omissions of compliance requirements or special conditions which could affect the price tendered.

It is always advisable to check the tender for accuracy and completeness before submitting it. If unsure of any tender aspect, please feel free to contact Procurement Services for clarification, prior to submitting the bid.

Submitting Tender Documents

Tenders should be typewritten or carefully and clearly hand printed. All documents concerned must be included and the tender must be signed by an authorized official of the tendering firm. If the tender response is returned by mail, the envelope should show on the face, the tender number and the tender closing date.

Tenders ***must be received no later than 12 noon*** Charlottetown time on the date of tender closing. Delays due to transport, customs, courier, etc., will not be considered. Tenders may be hand delivered to Room 27, 2nd Floor Shaw

Building, 95 Rochford Street, Charlottetown, PEI, mailed to Procurement Services Section, PO Box 2000, Charlottetown, PE C1A 7N8, or by fax at (902) 368-5171. Tenders will be time and date stamped to show the hour and date received. They are then placed in a locked repository until the date of tender closing.

Vendors are reminded that when submitting a tender by fax, the **complete** tender package **must be received by 12 noon** on the tender closing date. Delays due to fax availability, etc., will not be considered.

Withdrawals and Amendments

Tenders may be withdrawn, at any time prior to the date a Purchase Order has been issued, by letter or facsimile from the person signing the original tender, and received by the section before the order is issued. The tender being withdrawn must be clearly identified on the face of the communication.

Tenders may be amended in the same manner as described above, however prior to the date and time of the tender closing. As well as stating the tender number and the word "Amendment," requests for amendments should show:

- A. the revision to the bid price to be amended in the case of a unit price contract;
- B. the amount to be added to or subtracted from the tender price in the case of a lump sum tender; or
- C. shall supply information that is missing from the tender on deposit.

Tenders withdrawn before the closing date do not prohibit a supplier from submitting another bid on the same tender. Bid withdrawal by a supplier at any time does not affect inclusions on any future tenders.

Late Tenders

Tenders received after the date and time of tender closing are not accepted. Tenders received after the stated closing time shall be date and time stamped and returned to the supplier with a letter advising the tender was received too late to be considered. Tenders submitted by fax that do not comply with the conditions stated above will be deemed to be late.

Tender Openings

All tenders are opened publicly and any supplier that has submitted a bid may be present when the tenders are opened. A phone call to the procurement officer issuing the tender to determine the time and location of the tender opening is recommended.

At a tender opening the procurement officer will announce only the names of the bidders and the total price bid by each. No decision or award on any tender shall be made at a tender opening.

Evaluation of Tenders

After tenders are opened, they are reviewed for compliance by the procurement officer. Those tenders which do not qualify for one or more of the reasons mentioned previously are rejected, with explanation provided to the vendor.

Each item in any tender may be considered as a separate tender and all or any part of the tender may be accepted or rejected. In doing so, the tender award may be distributed to

more than one vendor. In instances where there is only one acceptable tender received, or when there is only one known source of supply, the price of goods to be purchased may be established by negotiation or by tendering to a "Single Source".

Although price is an important element, and generally a tender is awarded to the bidder who can supply the goods required at the lowest total cost, other factors which may be considered when evaluating a tender include: quality, delivery time, operation cost, training costs, after sales service, etc.

The past performance of a supplier may also be taken into consideration when evaluating a tender. Tender documents may be returned to the originating department for their review and recommendation on tender award. Also, if a joint tender is issued on behalf of the Atlantic Provinces, a copy of each bid received and other relevant tender information is provided to the appropriate government departments or agencies of the other Atlantic Provinces for their review and recommendations.

The Procurement Services Section, during tender evaluations and for clarification purposes, reserves the right to consult with any vendor, prior to awarding a tender, without prejudice to any award or decision not to award.

Award Notifications

Tender awards will be updated on the government Web site: ***www.gov.pe.ca/tenders***.

Purchase Orders

All of the goods acquired by the Province are by Purchase Order generated from requisitions originating in the

government departments and agencies. Delivery of items by suppliers, prior to receiving an Official Purchase Order or Purchase Order number, is discouraged.

In order to control the purchase of tendered items from a Standing Offer, numerous Purchase Orders may be issued for each requirement. Standing Offer contracts are generally at set pricing arrangements for specific periods of time.

Purchase Orders to cover emergency or urgent situations may be assigned by telephone or facsimile, followed by the mailing of an Official Purchase Order stating "Confirmation Only".

No changes should be made to a Purchase Order unless prior approval from the Procurement Services Section has been obtained. Departments and agencies throughout government are issued Local Purchase Order (LPO) books. LPOs are used to purchase goods, within PEI, on an emergency basis and are limited to a maximum value of \$500 for each order.

Goods Delivery and Receipt

Completing the procurement cycle, the shipping, delivery and receipt are inherent components to the supply of goods. Items offered on a tender at an excellent price but sitting undelivered by the required date are ineffectual to the end-user.

Suppliers should ship by the most efficient means consistent with that indicated on their tender response, unless instructed otherwise. To ensure that this is accomplished, suppliers should familiarize themselves with local delivery situations and conditions.

Goods must be supplied as ordered and in accordance with the terms and specifications shown on or accompanying a Purchase Order.

Unless specifically stated otherwise on a Purchase Order, all shipments are to be made FOB Destination, freight prepaid. Inspection of goods should be, and usually is, performed upon delivery. The end-user is responsible to ensure that the right product was delivered to the right location at the right time.

Payments

Prompt payment is made after the specified goods are delivered in good condition to the receiving department. Payments are issued by the Payment Processing Section of the Department of the Provincial Treasury. Initial queries on payments should be directed to the government department or agency receiving the goods.

Instructions on invoicing are shown on the Purchase Order and you are advised to follow these instructions carefully, as failure to do so could result in payments being unnecessarily delayed.

Vendor Performance

Procurement Services maintains, and reviews periodically, vendor information files. The information contained in these files is obtained from procurement officers, suppliers, departments and agencies.

Suppliers are evaluated on compatibility, competitive price, quality of product, and after-sales service. Suppliers who show a history of unsatisfactory performance in any of the above areas are subject to being restricted from participating in further tender opportunities.

Cause for removal and the terms for reinstatement are covered in detail in the *Public Purchasing Act* and Regulations.

Vendor Evaluation reports, on suppliers who have received Purchase Orders, are received from time to time by the section from user departments. These reports may include information on specifics such as delivery (as promised or late), service and supply of the goods as ordered and under the conditions stated.

Summary

Tender Conditions Checklist

The Procurement Services Section reserves the right to accept, in whole or in part, any or all tenders. The following are the conditions which are considered when qualifying tenders:

1. Tenders must be received by the Procurement Services Section, no later than the local time and date indicated in the tender document, in Room 27, 2nd Floor Shaw Building, 95 Rochford Street, Charlottetown, PEI.
2. Mail, hand-delivered or courier tenders must be in a sealed package clearly showing the Tender Number and Tender Closing Date on the outside so as to be clearly visible.
3. Tenders must be submitted on official forms obtained from a tender distribution service authorized by the minister unless otherwise stated in the tender documents.
4. The name of the vendor must appear on the tender form and all information required must be stated.

5. Tenders must be signed by the appropriate official of the firm.
6. All prices must be extended and totalled. Unit prices shown on the tender shall be the price per unit of sale (e.g., gal., cs., doz., ea., etc.) as stated on the tender. For any given item, the quantity multiplied by the unit price shall establish the extended price. If an apparent mistake exists in the extended price, the unit price shall govern in the bid evaluation and contract administration.
7. Unless otherwise indicated, all prices quoted are to be NET prices in Canadian funds, including Canadian Custom Duties, Excise Taxes and are to be FOB, including all delivery charges to the destination(s) indicated. Shipping charges, if extra, must be shown and included in the total.
8. Procurement Services reserves the right to accept or reject any or all tenders, to waive any technicality in any tender submitted, and to accept any part of a tender as deemed to be in the best interest of the Province.
9. Unless otherwise indicated, it is understood a tender offered will remain open for acceptance until a Purchase Order is issued and that prices are firm for the duration of the contract.
10. All information stipulated in the tender documents shall be provided by the vendor. Tenders not containing this information shall be rejected.
11. Facsimile or other telegraphic messages, containing the complete information required in the tender document,

will be accepted provided such message is received in its entirety by Procurement Services prior to the tender closing.

12. Unless otherwise indicated in the tender, all material shall be first quality. Items which are used, demonstrators, obsolete, seconds or which have been discontinued are unacceptable.
13. The vendor warrants that there are no patents, trademarks or other rights restricting use, repair or replacement of the material furnished or any part thereof and hereby agrees to indemnify and save harmless the Prince Edward Island Government from and against all claims, demands, losses, costs, damages actions, suits or other proceedings by whomsoever made, filed or prosecuted in any manner by reason of such use, repair or replacement of the materials being a violation of any patent, trademark or other right.
14. All prices are subject to any increase or decrease in applicable taxes.
15. Do not include any Sales Tax in unit or extended prices on items quoted.
16. The Prince Edward Island Government will seek to purchase recycled and environmentally sensitive products where practical and effective.
17. The Government of Prince Edward Island tenders are subject to the terms and conditions of interprovincial trade agreements relating to procurement, including the Atlantic Procurement Agreement and Chapter 5 of the

Agreement on Internal Trade unless specified otherwise in the tender.

18. No right or duty in whole or in part of the vendor under this contract may be assigned or delegated without the prior written consent of the Procurement Services Section.
19. Procurement Services reserves the right to cancel any contract in whole or in part without penalty due to non-appropriation of funds or for failure of the vendor to comply with any terms, conditions or specifications.
20. The specifications in this tender are the minimum acceptable. When specific manufacturer and model numbers are used, it is to establish a design, type construction, quality, functional capability and/or performance level desired. When substitutions are bid, they must be identified by manufacturer, stock number, and other descriptive information to establish equivalency. The Department of the Provincial Treasury shall be the sole judge of equivalency.
21. Deviations and exceptions from terms, conditions, or specifications shall be described fully. In the absence of such statement the tender shall be accepted as in strict compliance with all terms, conditions, and specifications. Vendors are cautioned to avoid making deviations and exceptions to the specifications which may result in rejection of their tender.
22. These Standard Terms and Conditions shall apply to all tenders and orders awarded except where special requirements are stated elsewhere in the tender and in such cases the special requirements shall apply.

Further, the written contract and/or order with referenced parts and attachments shall constitute the entire agreement and no other terms and conditions in any document, acceptance, or acknowledgment shall be effective or binding unless expressly agreed to in writing by the Procurement Services Section.

23. Vendors may be requested to supply information which will clarify their capability to satisfy the specifications, terms, and conditions of tenders and purchase orders.
24. Failure to comply with the Standard Terms and Conditions or any other terms and conditions listed in the tender document may result in rejection of the tender. The Department of the Provincial Treasury shall be the sole judge as to whether a tender is accepted or rejected. A decision to reject a tender is final.
25. Information obtained from any source other than Procurement Services should be considered as **unofficial** and may not be correct.
26. Not all tenders are subject to the provisions of the Interprovincial Procurement Agreements. In addition to the Government of Prince Edward Island's standard terms and conditions, the government reserves the right to give preference to tenders received from suppliers based in Prince Edward Island or other Atlantic Provinces, and the right to reject any or all tenders, in each case without giving notice. In no event will the Government of Prince Edward Island be responsible for the costs of preparation or submission of a tender.
27. For further information refer to the *Public Purchasing Act* and Regulations of Prince Edward Island.

Closing Notes

The Procurement Services Section purchases goods for government departments with public funds and in effect, for the people of the Province of Prince Edward Island. As do all consumers, we want to be smart shoppers and ensure taxpayers receive the maximum value for their purchasing dollar. Also, to function productively, departments must be supplied with their required goods as quickly, economically and efficiently as possible.

To accomplish this, we seek the active involvement and support of our suppliers. Competitive, top-quality suppliers are required to execute many of the day-to-day operations of government and attempts are made to present these suppliers equal opportunity and consideration.

It is our intention to offer open and fair treatment to all suppliers who demonstrate an honest effort to supply the required quality and quantity of goods. The Procurement Services Section depends on this relationship between itself and its suppliers.

The staff of the Procurement Service Section looks forward to meeting you or your representatives, and will be happy to answer any questions you may have concerning how to do business with Procurement Services and A Supplier's Guide to Goods Procurement in the Government of Prince Edward Island.

The Final Word

We hope that you have found this publication helpful and useful.

Additional Prince Edward Island Public Sector Procurement Contacts

Organization	Telephone	Fax
<i>Municipalities</i>		
PEI Federation of Municipalities	566-1493	566-2880
City of Charlottetown	566-5548	566-4701
City of Summerside	432-1220	436-4255
<i>Academic Institutions</i>		
UPEI	566-0624	566-0420
Holland College	566-9634	566-9697
<i>School Boards</i>		
Western School Board	888-8430	888-8449
Eastern School Board	368-6815	368-6834
La Commission scolaire de langue française	854-2975	854-2981
<i>Health Sector</i>		
Health Association of Prince Edward Island	368-7487	368-3231
East Prince Health	432-2636	888-8458
West Prince Health	859-8700	859-8776
Queens Region Health	368-6233	368-5608
Southern Kings Health	838-0945	838-0940
Eastern Kings Health	687-7150	687-7175



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