

Departments' and Agencies' Frequently Asked Questions

Changes to the use of Standing Offers

Q.1 In what circumstances do departments have to use a standing offer for their purchases?

A.1 As of April 1, 2005, to buy the goods and services listed below, if PWGSC has issued a standing offer that covers the requirement, departments must use the standing offer:

- ground effect vehicles, motor vehicles, trailers and cycles
- telecommunications equipment and accessories
- general purpose automatic data processing equipment (including firmware), software, supplies and support equipment
- furniture
- office machines, text processing systems and visible recording equipment
- office supplies and devices
- clothing, accessories and insignia
- fuels, lubricants, oils and waxes
- information processing and related telecommunications services, and
- professional, administrative and management support services

Q.2 Are there any exceptions to using a standing offer to purchase goods or services in these 10 categories?

A.2 If no standing offer exists for a specific good or service that falls within these 10 categories, then departments can proceed using the same practices currently in use. Departments will be expected to inform PWGSC in these instances so that future Standing Offers may be put in place or adjusted accordingly.

Departments can seek an exception for any of the following reasons:

- 1) Product/service offered does not meet justifiable, specific requirements including specifications or delivery dates.
- 2) A lower price is available for a confirmed (by PWGSC) equivalent product or service, by means other than the mandatory standing offer, and that the standing offer in question has not been established as the "exclusive Supplier for the GoC".
- 3) The call-up limitation of a standing offer is exceeded by the value of the requirement.

- 4) An existing, open order contract is in place, which guarantees another supplier this work.
- 5) The purchaser's department has it's own standing offer in place which better meets needs/price. Note, however, that departments do not have the delegated authority to put new standing offers in place, for a commodity where a mandatory SO already exists.
- 6) If a department has access to the GoCM and the commodity is available upon it, use of the GoCM is mandatory.

Q.3 What is the process to seek an exception?

A.3 The appropriate steps to follow before using an alternate purchasing method are:

- 1) Identify reason for exemption. Purchaser to confirm the exception rationale with the purchaser's departmental material manager.
- 2) Contact the PWGSC contracting officer responsible for the standing offer. The contracting officer will make the decision as to whether the exception rule applies.
- 3) If the exception is approved, proceed with alternate procurement means. If not approved, you must use the standing offer, or submit a formal requisition to PWGSC.
- 4) Should the Contracting Officers decision be disputed, call the SO Arbitrator for an immediate resolution.

Q.4 If a department has been using a supplier in the past, but the supplier does not have a standing offer, can the department continue to use that supplier?

A.4 If no standing offer exists for the specific good or service being provided by a supplier, the department can proceed using the same practices currently in use.

However, if the good or service falls within the 10 categories, and a standing offer exists for the good or service, the department would need to seek an exception as outlined above.

Q.5 If a department has its own standing offer in place, such as a Departmental Individual Standing Offer (DISO), and it is in one of the 10 categories, can that department continue to use it as opposed to using a PWGSC-established standing offer?

A.5 If a standing offer that a department has established for its own use represents better value, then the departments may use it.

Q.6 Will PWGSC offer support to departments to help them determine if a standing offer exists for their requirement?

A.6 Yes, a range of new tools and services will be in place to help departments identify whether a Standing Offer exists for the product or service that they are seeking.

These tools include a web-enabled, searchable index of Standing Offers, a national help desk which can provide assistance from 07:00 - 19:00 each day, and a service call centre open 24 hours a day that will answer questions by the following business day.

Q.7 What percentage of all goods and services is covered by these 10 categories?

A.7 These 10 categories represent the most commonly purchased goods and services, with an average annual procurement value of \$5.7 billion.

Overall, PWGSC currently has standing offers in place for more than 95 percent of commonly procured goods and services. Studies have demonstrated that when Departments do not acquire goods and services from a Standing Offer, they fail to obtain the lowest cost more than 80 percent of the time and take more time to receive the commodity.

Q.8 What is a standing offer? Is it the same as a contract?

A.8 A standing offer is not a contract. A standing offer is an offer from a potential supplier to provide goods and/or services at pre-arranged prices, under set terms and conditions, when and if required. No contract exists until the Government issues an order or "call-up" against the standing offer and there is no actual obligation by the Government to purchase until that time.

Q.9 Why is PWGSC making mandatory to use these standing offers?

A.9 As announced in the 2005 federal budget, PWGSC is making major changes to deliver services smarter, faster and at a reduced cost. Achieving savings for taxpayers is good business; and delivering a simpler, more organized procurement system is good for business.

The changes include mandatory use by departments for these specific standing offers. This is an initial step to capture savings that are already available to the government and to help develop a better base of information for the government and suppliers for further decisions.

Overall, the changes to purchasing will result in:

- better prices for goods and services through consolidation of requirements and increased competition among suppliers;
- reduction of administrative costs;
- reduction in lead time;
- reduction in inventory investment; and,
- pre-arranged access to suppliers.

Q.10 Will PWGSC make more standing offers mandatory?

A.10 Since making better use of existing standing offers allows the government to capture savings that are already available, other standing offers may be made mandatory. In the future, new tools developed for government-wide use will also be mandatory.

Q.11 Will departments still have a say in what supplier is chosen to meet their requirement?

A.11 Departments will be consulted in establishing government-wide tools.

Q.12 Am I still allowed to use my acquisition card?

A.12 Yes. If you use your acquisition card to buy goods and services from a standing offer holder (for example, a retail outlet of a standing offer holder for office supplies), make sure you are getting the standing offer price.

Use of an acquisition card is not a sufficient reason for not using a standing offer. However, if an exception has been granted, or if no standing offer exists, the same rules and provisions for use of acquisition cards still apply.