

Selling to the Government of Newfoundland and Labrador

Supplier **DEVELOPMENT** Guide



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INTRODUCTION

The Government of Newfoundland and Labrador purchases a wide range of goods and services each year. We purchase office supplies, cleaning products, equipment parts and a variety of other goods. We purchase training and maintenance services as well as professional services. We also build roads and bridges. Your company may be a potential government supplier.

This guide will help you capitalize on supply opportunities within the provincial government by answering the following questions:

- What is the purchasing process for government?
- How can I market to government?
- How can I increase my chance of success?

THE PURCHASING PROCESS

The government purchasing process is guided by legislation, the estimated value of the requirement, the nature and type of requirement, and the purchasing authority that exists within a government department.

The *Public Tender Act*

The *Public Tender Act* is the legislation that governs purchasing by government. The purpose of the *Act* is to ensure that purchasing is conducted in an open and competitive environment, while maintaining fair and equitable opportunities for suppliers to compete for government business. The method used by government to purchase a good or service, or to execute a public work, depends on the

Did you know?

Purchases made by government may exceed \$400 million annually.



estimated value of the requirement. The *Public Tender Act* identifies thresholds for public tendering and outlines general rules where the acquisition or work requirement is below the applicable threshold.

When is a public tender issued?

A public tender is generally issued where the estimated value is greater than \$10,000 for goods or services, or greater than \$20,000 for a public work. Certain exceptions are outlined in the *Public Tender Act*. The *Public Tender Regulations* provide supplementary information on the public tender process, including guidance on calling for tenders and on the public opening of tenders.

When are quotations obtained?

Where the estimated value of a requirement is less than or equal to \$10,000 (goods or services) or less than or equal to \$20,000 (public work), quotations are obtained directly from suppliers.

What services are excluded?

Professional services are excluded from the *Public Tender Act*. Examples of professional services include legal, engineering, architectural, accounting, land surveying, banking or insurance services, and voice telephone services. As well, other services that require the giving of an opinion, creativity, or the preparation of a design or technical expertise may be considered a professional service.

Did you know?

The Public Tender Act and the Public Tender Regulations may be viewed at:
www.gpa.gov.nl.ca

Purchasing Authorities

Goods and Services

The Government Purchasing Agency is responsible for the acquisition of goods and services required by government departments. The Agency has delegated purchasing authority to departments for low dollar value acquisitions and for immediate operational requirements.

Low Dollar Value - Departments may purchase goods and services with an estimated value of up to \$2,500 directly from suppliers. Quotations are usually obtained from known suppliers by telephone, fax or e-mail. You can become a known supplier by marketing your goods or services to purchasing officials in government departments.

Immediate Operational Requirements - Departments may also purchase goods and services that are urgently required in accordance with the policies of the Government Purchasing Agency. Quotations are usually obtained from known suppliers by telephone, fax or e-mail.

Higher Dollar Value - The Government Purchasing Agency generally acquires goods and services that are estimated to be greater than \$2,500. These bidding opportunities are normally posted at www.gpa.gov.nl.ca.

Standing Offer Agreements - The Government Purchasing Agency also establishes Standing Offer Agreements, which are contracts for the supply of goods or services for a specified period of time. These agreements enable departments to order directly from suppliers on an “as and when required” basis and at prearranged pricing and terms and conditions. A Standing Offer Agreement is beneficial because it reduces administrative costs and better pricing is obtained through bulk purchasing. Office supplies, fuel, paint, as well as tires and tubes are examples of items available under Standing Offer Agreements. Public tenders are generally called for Standing Offer Agreements. These public tender opportunities are available at www.gpa.gov.nl.ca.

Hint

Bookmark the
Government Purchasing
Agency website
www.gpa.gov.nl.ca for
easy reference.



Public Works

Some departments are responsible for the execution of public works in accordance with their mandate. A public work could include the construction, maintenance, repair or upgrading of roads, buildings, bridges, wharves, causeways, airstrips and water and sewer infrastructure. The departments that are primarily responsible for public works are the departments of Transportation and Works; Municipal Affairs; Education; Natural Resources; and Fisheries and Aquaculture. These departments execute public works in accordance with the *Public Tender Act*. Departments obtain direct quotations where the estimated value of the work is less than or equal to \$20,000. A public tender is issued where the estimated value is greater than \$20,000 (certain exceptions apply).

Professional Services

Departments also purchase professional services which are not subject to the *Public Tender Act*. Departments generally invite or publicly issue Requests for Proposals for professional services in accordance with the Guidelines Covering the Hiring of External Consultants.

MARKETING TO GOVERNMENT

Marketing to government is similar to marketing to any other customer. You will need to research the market and evaluate your resources.

Research the Market - Start by determining which departments are purchasing your goods or services, at what price and how often. Also, identify your competitors and any trends that could affect future demand. Inquire about the purchasing practices of a department, especially for lower dollar value acquisitions. Does

Did you know?

Departments may have a supplier registration process for some professional services.



Hint

Conduct an analysis of your company's strengths and weaknesses and any opportunities and threats (SWOT) to determine your positioning with respect to provincial government bidding opportunities.

the department have a source list and a supplier registration process? If so, determine how you can be placed on this list. If there is no source list, it is even more important to make direct contact with a purchasing representative within the department.

A department may have more than one purchasing representative depending on its organizational structure. Visit www.tw.gov.nl.ca/TelephoneDirectory and search "Organization Structure" within a department to obtain the appropriate contact information. A good starting point might be a department's financial division.

Evaluate Your Resources - Your company's financial, human, physical and technical resources should also be considered. Are you able to supply the good or service and provide after-sales service to all departments of government or just to a single department within your region? Perhaps you could assess the feasibility of forming strategic alliances with other suppliers to increase your capacity and serviceability.

Considering all of these factors will help you to determine your positioning with respect to provincial government bidding opportunities.

THE BIDDING PROCESS

Understanding the different types of bid solicitations and when they are used, the general structure of a bid solicitation and the importance of carefully preparing your response will assist you in the bidding process.



Types of Bid Solicitations

There are a number of different names for bid solicitations. The most common include:

- Request for Quotations
- Invitation to Tender
- Request for Proposals

Request for Quotations

A Request for Quotations is generally used to solicit bids from known suppliers, except where policy dictates public advertising. This document is often used for the acquisition of goods, but may also be used for services. It is typically issued for lower dollar value acquisitions.

Invitation to Tender

An Invitation to Tender is generally used to solicit bids from potential suppliers through public advertising. This type of document is typically issued for higher dollar value acquisitions where a public tender call is required.

Request for Proposals

A Request for Proposals is generally used to seek solutions to a particular issue or situation that has been identified by the procuring entity. It is most often issued for professional services. However, it may also be issued for a product or work requirement. The Request for Proposals identifies the issue or

Did you know?

When a public tender is called in accordance with the Public Tender Act, a public tender opening is held at the time indicated in the call for tenders.



Hint

Prepare your response well in advance of the closing time to prevent last-minute delays and a potential late bid.

situation, any terms and conditions, and the evaluation criteria (which are generally assigned weighted values). Examples of evaluation criteria are the bid price or rates, experience of a bidding entity and its staff, creativity of the solution, and completeness of the proposal. A Request for Proposals provides an opportunity to assess other criteria, in addition to price, in order to obtain the best value.

Structure of a Bid Solicitation

A bid solicitation document may contain many sections. Some of the common sections, although not contained in all documents, include:

- *Instructions to bidders* - includes background information and provides instructions on how responses should be submitted.
- *Specifications* - describes in detail the product, service or work required.
- *Terms and conditions* - indicates any terms and conditions that must be accepted by the bidder and will be incorporated into any resultant contract.
- *Evaluation and award process* - outlines the process that will be used to evaluate responses and to award the contract.

Preparing a Response

Your attention to detail is critical when preparing a response to a bid solicitation. A misinterpretation of a mandatory term or condition could result in the disqualification of your bid. Therefore, it is important to:

- Carefully review the solicitation document to identify what is required and any mandatory terms and conditions.
- Provide detailed information on your company's experience and qualifications where requested.



- Complete and sign all requested certifications.
- Submit all required documentation (i.e. product literature, licenses, bid securities, etc.).
- Contact the purchasing or contracting officer noted in the solicitation document if you have any questions.
- Ensure that your bid is submitted by the closing date and time indicated in the solicitation document.

TIPS FOR SUCCESS

In summary, there are a number of things you can do to increase your chances of becoming a government supplier.

Make Contact

It is important to contact the purchasing representative within the appropriate department. Arrange a time that you can meet to discuss your goods or services. Prior to your meeting, ensure that you are properly prepared. Consider the following:

- Develop a list of questions about the goods or services the department purchases, its purchasing practices and whether there is a supplier registration process.
- Prepare a presentation about your company and its products or services.
- Ensure that you have business cards and promotional materials available.

Did you know?

Although most major bidding opportunities are advertised publicly, smaller ones may be filled using source lists maintained by individual departments.

Hint

Short-term and long-term follow-up are important to successful purchasing contracts.

During the meeting, you may wish to consider offering:

- An on-site demonstration or presentation of your product or service at a time that would be convenient for the purchasing representative.
- A tour of your facilities, if appropriate.

Be sure to take note of any suggestions made by the purchasing representative or any materials that have been requested.

Follow-up

It is suggested that you follow-up on any recommendations or requests of the purchasing representative and any commitments that you made during the meeting. Long-term follow-up may include forwarding company mailings, e-brochures and new product information on a regular basis to the purchasing representative.

Plan Ahead

When you are ready to submit a response to a bid solicitation, you should:

- Ensure that you understand the requirements of the procuring entity and the terms and conditions for supply.
- Review the evaluation and award criteria so that you can bid accordingly.
- Prepare a checklist to ensure that you have included all required documentation and certifications.
- Adhere to the closing date and time.
- Include an authorized signature on the bid submission.



Keep Informed

It is a good idea to maintain your knowledge of public sector purchasing practices. The Department of Innovation, Trade and Rural Development, in partnership with other public sector entities and industry associations, delivers supplier development information sessions throughout the province. These sessions provide current information on purchasing practices within the public sector and offer the opportunity to network with purchasing officials. Information on upcoming sessions will be posted at www.gov.nl.ca/intrd – look for a session near you.

ADDITIONAL BIDDING OPPORTUNITIES

In addition to the opportunities within the provincial government, there are opportunities for supplying goods and services to other government-funded bodies, the federal government and other provincial governments.

Government-funded Bodies

Provincial government-funded bodies, such as crown corporations, municipalities, school boards, post-secondary institutions and hospitals are also subject to the *Public Tender Act*. These entities publicly tender, where required, and obtain direct quotations for lower dollar value acquisitions. You can contact these entities directly or consult their websites for information on their purchasing practices.

Government of Canada

The Government of Canada advertises its public tenders at www.merx.ca. Business Access Canada is an initiative of the federal government to improve supplier access to the federal market and to support federal buyers in meeting their purchasing needs. Further information on this initiative is available by calling 1-800-811-1148 or at www.contractsCanada.gc.ca.

Did you know?

A website has been developed to help Canadian companies identify internet sites that may publish tender notices for procurement contracts within the Canadian public sector. Visit www.marcan.net.



Other Provincial Governments

The Government of Newfoundland and Labrador is a signatory to the Atlantic Procurement Agreement and the Agreement on Internal Trade, which have become a valuable means of reducing trade barriers among governments. These agreements were implemented to establish a framework that would ensure equal access to procurement for all suppliers. Tender opportunities, within established thresholds, are generally posted on the websites of the participating governments.

ABOUT THE GUIDE

This guide is a publication of the Department of Innovation, Trade and Rural Development in cooperation with the Government Purchasing Agency. While every effort has been made to ensure the accuracy of the information in this publication, neither the department, nor its agents, will be responsible for losses, no matter how incurred, as a result of using the information contained herein.

For more information about supplier development initiatives, or to obtain a copy of this guide, please contact:

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