

# Government Purchasing Agency

2011-2014 Business Plan



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## The Honorable Harry Harding

### Minister Responsible for the Government Purchasing Agency

It is my pleasure to present the Government Purchasing Agency's (Agency) 2011-2014 Business Plan. As Minister responsible for the Government Purchasing Agency I am accountable for the preparation of the Business Plan and achievement of the goals and objectives specified within. The Plan has been prepared in accordance with the requirements of a category 2 entity as stated in the *Transparency and Accountability Act*.

As the central procurement unit for Government the Agency is continuously seeking ways to enhance service delivery while maintaining an open and transparent business process. While formulating this plan careful consideration was given to the strategic directions of Government and the Agency's achievements during the previous planning cycle. The result is a three year plan aimed at ensuring the Agency maintains its operational effectiveness while taking advantage of opportunities to enhance its business processes. Highlighted throughout this report are the key goals and objectives to be accomplished during the next three fiscal years to meet both Government's and the Agency's commitments.



I would like to take this opportunity to thank the employees of the Government Purchasing Agency for their contribution to the preparation of this Plan and for their continued dedication and support.

A handwritten signature in black ink that reads "Harry Harding".

HARRY HARDING,  
Minister of Government Services

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## Plan at a Glance

### Vision

The vision of the Government Purchasing Agency is of an informed public sector and supplier community participating in a transparent and equal opportunity procurement environment.

### Mission

By March 31, 2017 the Government Purchasing Agency will have enhanced its business processes.

### Goal 1

By March 31, 2014 the Government Purchasing Agency will have begun implementing recommendations to enhance its business processes.

### Objectives

By March 31, 2012 the Government Purchasing Agency will have detailed transaction patterns associated with the various procurement thresholds.

By March 31, 2013 the Government Purchasing Agency will have reviewed procurement models utilized by other public bodies to identify opportunities for enhancing its processes.

By March 31, 2014 the Government Purchasing Agency will have begun implementing recommendations to enhance its business processes.

### Goal 2

By March 31, 2014 the Government Purchasing Agency will have created a training and development strategy.

### Objectives

By March 31, 2012 the Government Purchasing Agency will have identified training requirements.

By March 31, 2013 the Government Purchasing Agency will have completed a gap analysis comparing training needs to available programs.

By March 31, 2014 the Government Purchasing Agency will have created a training and development strategy.

## Agency Overview

The Government Purchasing Agency (Agency) is an independent branch of the public service. There currently exist 46 staff positions, with a female to male ratio of 2:1. Employees operate under the management and control of a Chief Operating Officer. The Agency provides procurement, information and training services to government departments and government funded bodies from its offices in St. John's. It also maintains a website, [www.gpa.gov.nl.ca](http://www.gpa.gov.nl.ca), where the public may access information about procurement within the Government of Newfoundland and Labrador. Bidding opportunities within the province and abroad may also be accessed through this website.

There are four divisions which carry out the services of the Agency:

- Purchasing
- Audit
- Contracts, Systems and Supplier Development
- Planning and Administration

Authority for Agency operations is granted through both the *Public Tender Act* and *Government Purchasing Agency Act*.

The *Public Tender Act* (and associated regulations) is the primary legislation governing procurement in the public sector. Its main goal is to ensure procurement is conducted in an open and competitive environment while maintaining fair and equitable opportunities for suppliers to compete for government business. The existence of a competitive process ensures government obtains the best price for goods and services.

The *Government Purchasing Agency Act* states the Agency is responsible for the acquisition of goods and services required by departments of the public service. It also provides the Agency with the authority to review and provide an opinion on exceptions to the *Public Tender Act*. This combined with the Agency's audit, review and training programs facilitate compliance with procurement legislation across departments and government funded bodies.

The Agency also works in cooperation with other departments to promote the Province's supplier development initiative. Information sessions are held across the Province to inform the business community of Government's procurement methods and required goods and services. As part of this initiative, information respecting government awarded tenders is also compiled to monitor the success of Newfoundland and Labrador suppliers when competing for government business.

The Agency is further tasked with ensuring compliance with the Atlantic Procurement Agreement and the Agreement on Internal Trade. These agreements permit local suppliers the opportunity to bid on tenders throughout the country within established thresholds. Likewise, suppliers from outside the province have an equal opportunity to bid on tenders issued on behalf of the Government of Newfoundland and Labrador.

## Mandate

The Government Purchasing Agency's mandate is derived directly from the *Government Purchasing Agency Act* and includes the following;

- Acquisition of goods and services required by departments of the public service. The Chief Operating Officer has the authority to delegate this authority, in full or in part, to departments where it is deemed efficient to do so.
- The Agency may acquire goods and services required by a government-funded body when deemed efficient to do so. This action requires direction from the Lieutenant-Governor in Council.
- The Agency is responsible for a joint purchasing advisory board, currently the Central Purchasing Authority (CPA). The CPA is responsible for the coordination of a number of high volume contracts for use by Departments and Government Funded Bodies.
- Report exceptions to the *Public Tender Act*, awards to other than the preferred bidder and information respecting a tender invitation and tender award to the House of Assembly.
- Where exceptions to the *Public Tender Act* are reported the Chief Operating Officer has the authority to express an opinion with respect to the sufficiency of the grounds for using the exception.
- Audit departments and government funded bodies to ensure compliance with procurement legislation.
- Provide training to members of the public service to ensure awareness of applicable legislation and purchasing policies and procedures.

## Lines of Business

The Government Purchasing Agency provides the following lines of business:

### Procurement

The procurement cycle includes the advertising, tendering, acquisition of goods and services and disposal of assets on behalf of government entities. It also includes the provision of corporate charge cards to government employees for travel related expenditures. In accordance with the *Public Tender Act*, goods and services in excess of \$10,000 are publicly tendered unless there exist special circumstances. Acquisitions less than or equal to \$10,000 require three quotes or a fair and reasonable price.

### Audit, Information and Training

The Agency provides information and training regarding the *Public Tender Act*, *Government Purchasing Agency Act*, Atlantic Procurement Agreement, Agreement on Internal Trade, purchasing policies and procedures. This information is available to departments, government funded bodies and the supplier community.

As a result of the Atlantic Procurement Agreement and the Agreement on Internal Trade local businesses can bid on tenders throughout the country within established thresholds. To compete for these opportunities suppliers must remain up-to-date with respect to the public procurement process. Through partnership with the Department of Innovation, Trade and Rural Development the Agency provides forums for the public to gather information on the policies and processes surrounding public procurement.

Tender and award information is also collected from government entities throughout the Province. This data allows the Agency to monitor procurement patterns across the province and the success of Newfoundland and Labrador companies when competing for Government business.

The Agency also has an auditing function which promotes accountability and the proper application of procurement legislation throughout the public sector.

## Values

The Government Purchasing Agency strives to provide professional, high quality services. Its ability to promote transparency and efficiency within the system requires the confidence and trust of the people it serves. To retain and build on this trust the Agency promotes the following key values;

#### Partnership

Each person is committed to working with departments, agencies, and government funded bodies to ensure the needs of all are met in an efficient and effective manner.

#### Commitment

Each person is committed to providing quality service to the Agency's partners and stakeholders.

#### Integrity

Each person treats clients with honesty and respect.

#### Cooperation

Each person is committed to working with co-workers and stakeholders to problem solve.

#### Accountability

Each person takes responsibility and ownership for the commitments of the Agency.



## Primary Clients

The Agency's primary clients are provincial government departments, government-funded bodies and suppliers.

## Vision

The vision of the Government Purchasing Agency is of an informed public sector and supplier community participating in a transparent and equal opportunity procurement environment.

## Mission

During the previous planning cycle the Agency made significant gains in improving its business processes and general access to procurement information. During the next six years it will continue with its efforts to advance Government procurement and service delivery. Access to and support of training and development opportunities will enable the Agency to enhance its operations as detailed in its strategic directions. As a result, the mission of the Government Purchasing Agency has been defined as;

**By March 31, 2017 the Government Purchasing Agency will have enhanced its business processes.**

**Measure:** Enhanced processes.

**Indicators:**

- Increased efficiencies in the procurement process;
- Increased access to public procurement training opportunities.

## Issues

In consideration of Government's strategic directions and the Agency's mandate the following areas have been identified as key priorities of the Minister for the next three years. The goals identified reflect the results expected in the three-year timeframe while the objectives provide an annual focus. Measures and indicators are provided for both the goal and the first year's objectives to assist both the Agency and the public in monitoring and evaluating success. Measures and indicators for subsequent years will be provided in subsequent year Annual Reports.

### **Issue 1: Enhanced Service Delivery.**

In the 2010-11 fiscal year the Agency experienced a substantial change to its operations. While departments were previously delegated authority for low-dollar procurement, in October 2010 this authorization was retracted. As such, all requests for goods and services were forwarded to the Agency for processing. This has resulted in a considerable increase in transaction volumes. As the Agency continues to transition into this new model it must ensure its processes remain efficient and effective to meet departments daily operational needs.

**Goal:** By March 31, 2014 the Government Purchasing Agency will have begun implementing recommendations to enhance its business processes.

**Measure:** Recommendations for enhancements identified and implementation initiated.

**Indicator:**

- Report completed identifying potential recommendations.

**Objective:**

1. By March 31, 2012 the Government Purchasing Agency will have detailed transaction patterns associated with the various procurement thresholds.

**Measure:**

- Transaction patterns detailed for the various procurement thresholds.

**Indicator:**

- Report completed detailing transaction patterns.
2. By March 31, 2013 the Government Purchasing Agency will have reviewed procurement models utilized by other public bodies to identify opportunities for enhancing its processes.
  3. By March 31, 2014 the Government Purchasing Agency will have begun implementing recommendations to enhance its business processes.

**Issue 2: Access to Training and Development Opportunities**

The Government Purchasing Agency is responsible for the acquisition of goods and services on behalf of Government Departments. The rules governing procurement are complex and susceptible to change. Access to appropriate training is key to ensuring staff continue to deliver quality services while operating within the boundaries of the *Public Tender Act*, trade agreements and contract law.

**Goal:** By March 31, 2014 the Government Purchasing Agency will have created a training and development strategy.

**Measure:** Training opportunities identified.

**Indicator:**

- Report developed identifying various training programs.
- Training strategy developed.

**Objectives:**

1. By March 31, 2012 the Government Purchasing Agency will have identified training requirements.

**Measure:**

- Training and development requirements identified.

**Indicator:**

- Report completed outlining training requirements.
2. By March 31, 2013 the Government Purchasing Agency will have completed a gap analysis comparing training needs to available programs.
  3. By March 31, 2014 the Government Purchasing Agency will have created a training and development strategy.

## Strategic Directions

Strategic directions state the desired outcomes of government and normally require action by more than one government entity. The directions of Government are generally communicated through platform documents such as Throne and Budget speeches and policy documents.

The directions of the Government Purchasing Agency are outlined below. Each strategic direction consists of various components which are addressed through the various planning stages.

## Procurement

### Outcome:

Enhanced service delivery through training and improved business processes.

Components of Strategic Direction	Applicable to Other Entities Reporting to the Minister	This Direction is addressed:		
		In the entity's business plan	In the entity's operational plan	In a work plan of the entity
Simplified low-dollar procurement process.				✓
Modernization of legislation.				✓
Increased access to public procurement training opportunities.		✓		

## Supplier Development

### Outcome:

Improved access to procurement opportunities for suppliers.

Components of Strategic Direction	Applicable to Other Entities Reporting to the Minister	This Direction is addressed:		
		In the entity's business plan	In the entity's operational plan	In the work plan of the entity
Participation in inter-governmental procurement agreements to improve access to Canada's \$100-billion public sector procurement marketplace.				✓
Review of procurement data to determine success of local companies with respect to government procurement to identify strategies for furthering supplier development.				✓
Improved reporting capabilities to monitor procurement trends across the province.				✓
Increased emphasis on contract management to monitor product / service quality and to further exploit volume buying opportunities.			✓	



  
Newfoundland  
Labrador