

*Government  
Purchasing Agency*

*Business Plan  
2008-11*



*The Government Purchasing Agency is continued as a branch of the public service of the province. GPA Act Section 3.(1)*



# *Message From the Minister*



**The Honorable Kevin O'Brien, MHA**

**Minister Responsible for the Government  
Purchasing Agency**

It is my pleasure to present the Government Purchasing Agency's (Agency) 2008-2011 Business Plan. When formulating this plan careful consideration was given to the strategic directions of Government. The result is a three year plan aimed at streamlining business processes to increase efficiencies, access for suppliers and transparency within the procurement process. Highlighted throughout 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.

As the central procurement unit for Government, the Agency is continuously seeking ways to improve service delivery while maintaining an open and transparent business process. This is reflected in the Vision statement which is "of an informed public sector and supplier community participating in a transparent and equal opportunity procurement environment".

The strategic directions, outlined in Appendix "A", will enable the Agency to build upon successes achieved in prior years while working towards future goals. The annual objectives, measures and indicators will allow both the public and Government to measure its success in meeting its commitments.

As Minister responsible for the Government Purchasing Agency I am accountable for the preparation of this plan and achievement of its goals and objectives. I look forward to the results of these initiatives and the benefits it will provide the province.

A handwritten signature in black ink that reads "Kevin O'Brien". The signature is written in a cursive, flowing style.

KEVIN O'BRIEN, MHA  
Minister



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# Plan at a Glance

Business Plan 2008-11

## ***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 2011, the Government Purchasing Agency will have improved internal business processes to enhance efficiencies in the procurement process.

## Goals and Objectives

### **Goal 1:**

By 2011, the Government Purchasing Agency will have implemented revisions to improve internal business processes and enhance efficiencies in the procurement and tendering process.

### **Objectives:**

By 2009, the Government Purchasing Agency will have compiled comparative data for its internal business process review

By 2010, the Government Purchasing Agency will have evaluated data to highlight any inefficiencies within the existing processes.

By 2011, the Government Purchasing Agency will have implemented changes to improve internal business processes and enhance the efficiency and effectiveness of the procurement and tendering processes.

## Goals and Objectives

### **Goal 2:**

By 2011, the Government Purchasing Agency will have implemented a complete reporting system providing the public service and supplier community with greater access to government procurement information.

### **Objectives:**

By 2009, the Government Purchasing Agency will have identified reporting and monitoring requirements.

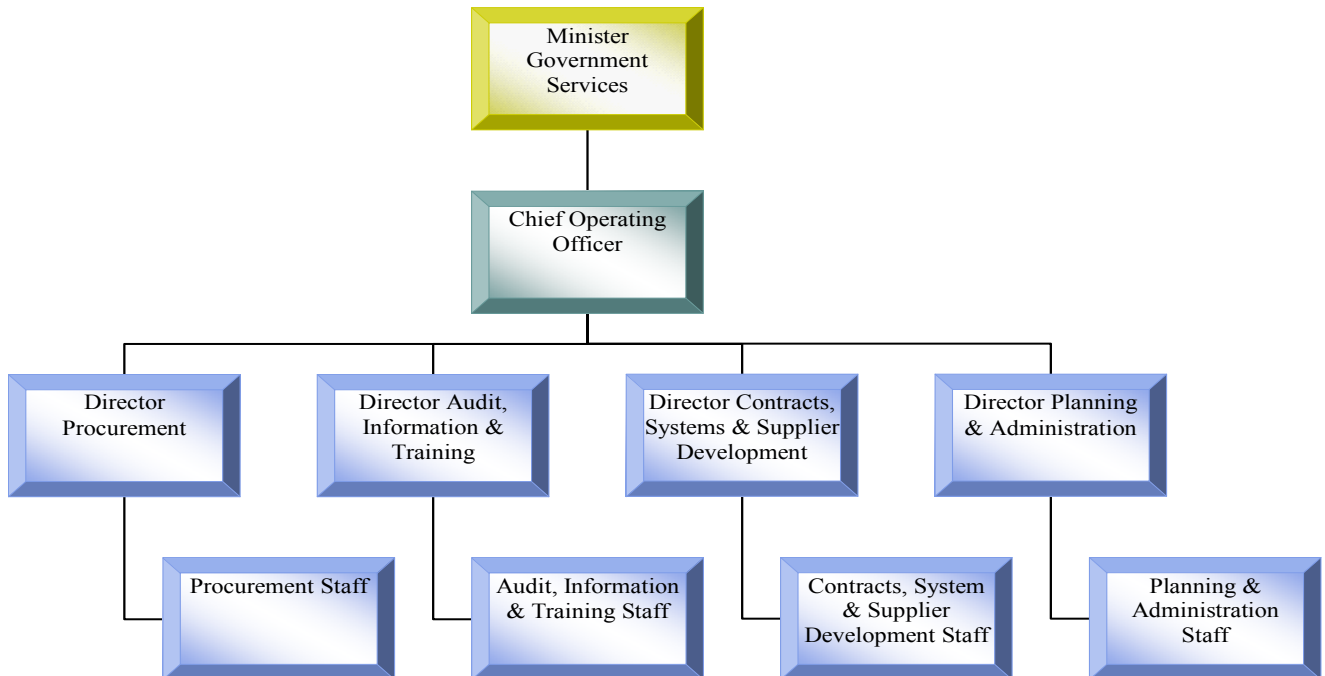
By 2010, the Government Purchasing Agency will have initiated implementation of reporting and monitoring tools.

By 2011, the Government Purchasing Agency will have implemented a reporting and monitoring system to provide greater access to procurement information to the public service and supplier community.

# Agency Overview

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The Government Purchasing Agency is an independent branch of the public service with 31 staff positions under the management and control of a Chief Operating Officer. It provides procurement, information and training services to departments of the public service and government funded bodies. The Agency operates under the authority of both the Public Tender Act and Government Purchasing Agency Act.



The Public Tender Act 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 assists in ensuring government obtains the best price for goods and services required. The Act also offers the flexibility to issue a Request for Proposals when criteria other than price are to be considered. The Public Tender Regulations provide guidance on issuing tenders and requests for proposals to maintain an open and competitive process.

The Government Purchasing Agency Act provides for the operation of the Agency. It states the Agency is responsible for the acquisition of goods and services required by departments of the public service in accordance with the Public Tender Act. 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 across government departments and government funded bodies.



The Agency also works in cooperation with other departments to promote the supplier development initiative of the Province. This involves providing information sessions to suppliers to inform them of Government's procurement methods and the goods and services required. Tenders awarded inside and outside the province are monitored on an on-going basis to further support supplier development.

The Agency is further tasked with ensuring compliance with the Atlantic Procurement Agreement and the Agreement on Internal Trade when applicable. 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 by departments or government funded bodies.

The Agency has a female to male ratio of approximately 1.8:1 and has four divisions carrying out its services;

1. Purchasing
2. Audit
3. Contracts, Systems and Supplier Development
4. Planning and Administration

The Agency services all clients from the Petten Building, 30 Strawberry Marsh Road, St. John's. It maintains a website 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 its website [www.gpa.gov.nl.ca](http://www.gpa.gov.nl.ca)

***Applicable Legislation:***

1. *Government Purchasing Agency Act*
2. *Public Tender Act*
3. *Public Tender Regulations*
4. *Atlantic Procurement Agreement*
5. *Agreement on Internal Trade*

# Mandate

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The Agency's mandate is derived directly from the Government Purchasing Agency Act. It is responsible for the acquisition of all goods and services required by departments of the public service. This authority may be delegated in full or in part to departments where it is deemed by the Chief Operating Officer to be 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 also responsible for a joint purchasing advisory board, currently the Central Purchasing Authority (CPA). The CPA is responsible for the coordination of a number of contracts for use by departments and government funded bodies.

The Agency is responsible for reporting exceptions to the Public Tender Act, awards to other than the preferred bidder and information respecting a tender invitation and tender award. The Chief Operating Officer has the authority to express an opinion with respect to the sufficiency of the grounds for exceptions to the Public Tender Act.

Audits of departments and government funded bodies are carried out to ensure compliance with procurement legislation. Training is provided to all members of the public service to ensure awareness of applicable legislation and purchasing policies and procedures. A portion of this training is provided in partnership with the Centre for Learning and Development.

The Agency, in cooperation with the Department of Industry, Trade and Rural Development, is also tasked with the supplier development initiative for the province.

# *Lines of Business*

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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 departments. It also includes the provision of corporate charge cards to government employees. In accordance with the Public Tender Act, goods and services in excess of \$10,000 are publicly tendered unless special circumstances exist. Acquisitions less than or equal to \$10,000 require three quotes or a fair and reasonable price. The Agency has delegated purchasing authority to provincial government departments within specified limits.

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, supplier awareness of government's requirements, policies and administration is required. Through partnership with the Department of Innovation, Trade and Rural Development the Agency provides forums for the public to gather information on the public procurement process.

Tender and award information is also collected from government funded bodies across the province. This data allows the Agency to monitor procurement patterns across the province and the success of Newfoundland and Labrador companies when bidding on Government tenders.

## ***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, and purchasing policies and procedures. Training sessions for government departments and government-funded bodies focus on the requirements of procurement legislation, and standard purchasing practices. The Government Purchasing Agency also has an auditing function, which promotes accountability and the proper application of procurement legislation.

# Values

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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.
Dedication	Each person completes all tasks efficiently and effectively.
Honesty	Each person treats clients in a non-discriminatory manner.
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***

The mission statement identifies the focus of both the Minister and the Agency over the current planning cycle. It represents the key results both will be working towards as they move forward on the strategic directions of Government. The statement also identifies the measures and indicators that will assist the Agency and the public in monitoring and evaluating success.

The Province purchases in excess of \$320 million of goods and services annually. Given the volume of purchases coordinated through the Agency it is continuously seeking to increase efficiencies. Over the next three years the Agency will focus on streamlining the procurement process and establishing performance and reporting standards to ensure the needs of the public service and supplier community are being met. As a result, the mission of the Government Purchasing Agency has been defined as;

**By 2011, the Government Purchasing Agency will have improved internal business processes to enhance efficiencies in the procurement process.**

**Measure:** Improved Internal Business Processes to Enhance Efficiencies

**Indicators:**

- work flow processes are clearly defined and communicated to staff
- policies and procedures are clearly defined and communicated to staff
- improved turn-around times for processing of requisitions
- consolidation of purchasing activity for volume buying opportunities
- increased access to procurement information

In consideration of Government's strategic directions, mandate and financial resources of the Agency, the following areas have been identified as key priorities of the Minister over 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: Review of Internal Procurement Processes***

The Government Purchasing Agency administers several programs in delivering its services. The collection of select baseline data to assess efficiencies throughout the procurement processes is continuing. This has been a lengthy process due to the required manual data extraction. This process has also required the development and implementation of new reporting software and the subsequent training of end users.

The resulting data analysis will allow Government to eliminate inefficiencies, improve volume buying opportunities and ensure compliance with procurement legislation.

**Goal: By 2011, the Government Purchasing Agency will have initiated the implementation of priority recommendations resulting from a review of internal procurement processes.**

**Measure:** Initiated implementation of priority recommendations.

### **Indicators:**

- Workflow processes are clearly defined and communicated to staff
- Clear policies and procedures are communicated
- Learning and growth opportunities are identified and availed of by staff, where appropriate.

### **Objectives:**

1. By 2009, the Government Purchasing Agency will have reviewed existing internal procurement processes.

### **Measure:**

Reviewed existing internal business processes.

### **Indicator:**

Report is developed to identify multi-year comparative data.

2. By 2010, the Government Purchasing Agency will have analyzed data to identify potential opportunities to enhance the procurement process.
3. By 2011, the Government Purchasing Agency will have begun the implementation of priority recommendations.

### ***Issue 2: Access to Procurement Information***

The Agency continues to manually collect and analyze procurement information. Timely access to relevant data will greatly assist the Agency in meeting Government's commitment to reform procurement and capital works tendering policies.

**Goal: By 2011, the Government Purchasing Agency will have implemented a complete reporting system providing the public service and supplier community with greater access to government procurement information.**

**Measure:** Improved reporting and monitoring system

**Indicators:**

- Reporting and analysis tools implemented and utilized
- Increased access to procurement information

**Objectives:**

1. By 2009, the Government Purchasing Agency will have identified reporting and monitoring requirements.

**Measure:**

Reporting and monitoring requirements identified.

**Indicator:**

Report compiled outlining the reporting requirements.

2. By 2010, the Government Purchasing Agency will have initiated implementation of enhanced reporting and monitoring tools.
3. By 2011, the Government Purchasing Agency will have implemented a reporting and monitoring system to provide greater access to procurement information to the public service and supplier community.

# Strategic Directions - Appendix A

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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.

## 1. Compliance with the Public Tender Act

### Outcome Statement:

Enhanced transparency and accountability in the procurement process.

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
Enhanced compliance with respect to the Public Tender Act as it relates to goods and services through auditing, reporting, challenging of exceptions and training initiatives.				√
Improved access to Tender Award information as it relates to tenders awarded by the Government Purchasing Agency.				√
Improved reporting capabilities to monitor procurement trends across the province.				√



## 2. Supplier Development

### Outcome Statement:

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 a Work Plan of the Entity
Participation in intergovernmental 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.				√
Determination of potential bidding opportunities for local suppliers in large public works contracts.				√
Increased emphasis on contract management to monitor product / service quality and to further exploit volume buying opportunities.			√	

### 3. Procurement

#### Outcome Statement:

Improved efficiencies in the procurement process.

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
Review of additional opportunities for the use of strategic volume buying for government department requirements.		√		
Assessment of the delegation of purchasing authority to determine achieved efficiencies and opportunities for volume buying.		√		
Review of Government's procurement legislation, policies and procedures to identify recommendations for improvements.		√		





