



2014-17 Business Plan
Government Purchasing Agency



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Message from the Minister



It is my pleasure to present the Government Purchasing Agency's (Agency) 2014-2017 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 the provincial government the Agency is continuously seeking ways to enhance service delivery while maintaining an open and transparent business process. Throughout the framing of this plan, consideration was given to the strategic directions of Government. Reflection on the Agency's achievements during the previous three years also supported its formulation. The result is a three year plan aimed at ensuring the Agency continues to implement process improvements while taking advantage of opportunities for best value procurements. Highlighted throughout this report are the key goals and objectives to be accomplished during the next three fiscal years to meet both the provincial government 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, appearing to read "Dan Crummell". The signature is fluid and cursive.

HONORABLE DAN CRUMMELL, MHA

Minister Responsible for the Government Purchasing Agency

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

The Mission of the Agency has been expressed as follows;

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

Goal 1

By March 31, 2017 the Government Purchasing Agency will have reformed procurement processes throughout the public sector.

Objectives

By March 31, 2015 the Government Purchasing Agency will have made enhancements to its internal business processes.

By March 31, 2016 the Government Purchasing Agency will have initiated implementation of procurement enhancements to the greater public sector.

By March 31, 2017 the Government Purchasing Agency will have completed its enhancements to the greater public sector procurement process.





Goal 2

By March 31, 2017 the Government Purchasing Agency will have put into practice a training and development program supporting procurement professionals throughout the public sector.

Objectives

By March 31, 2015 the Government Purchasing Agency will have rolled out an internal training and development program.

By March 31, 2016 the Government Purchasing Agency will have begun the roll-out of a training strategy to public sector entities.

By March 31, 2017 the Government Purchasing Agency will have fully implemented the training and development program.

Agency Overview

The Government Purchasing Agency (Agency) is an independent branch of the public service. There currently exist 38 staff positions, with a female to male ratio of 3.8:1. It's current operating budget is approx. \$2.2 million which includes revenues of approximately \$258,000. 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, 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 currently 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* 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 provincial government business. The existence of a competitive process ensures 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 the *Public Tender Act* 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 to inform the business community of the Provincial Government's procurement methods and goods and service requirements.

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. Agency representatives continuously monitor tender award results to ensure local suppliers remain competitive with their counterparts across Canada.

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 information and training to members of the public service to ensure awareness of applicable legislation, 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. 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. The Agency has delegated specific purchasing authority to various government departments.

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, Business 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 within 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 provincial government business.

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 general purchasing policies and procedures. This information is available to departments, government-funded bodies and the supplier community. The audit function 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 promises to provide quality service to its partners and stakeholders.

Loyalty

Each person is committed to enhancing the reputation of the Agency and upholding its traditions.

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

The rules surrounding public procurement are governed by legislation. The Agency has the ability to modify its policies within the confines of this legislation to ensure continuous improvements. Throughout the previous three years the Agency began the process of transforming public sector procurement. During the next planning cycle it will continue to build on this success by incorporating new procurement tools and techniques and expanding training opportunities. This is in direct support of the Strategic Direction "Procurement Reform", specifically, modernizing procurement practices, enhancing procurement across the public sector and enhanced stakeholder communication.

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 the Provincial Governments' strategic direction applicable to the Agency, and the Agency's mandate, the following has been identified as the key priorities of the Agency 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: Procurement Reform

Increasing efficiencies in procurement has become a priority for Governments across Canada. New and evolving techniques are continuously being proposed. During the previous business cycle the Agency reviewed several opportunities for modernizing and reforming its current procurement processes. Some changes are possible within the legislative framework, while other changes will require amendments to legislation.

Goal: By March 31, 2017 the Government Purchasing Agency will have reformed procurement processes throughout the public sector.

Measure: Reformed procurement practices.

Indicators:

- Modernized procurement tools and processes.
- Increased use of strategic procurement techniques.





Objectives:

1. *By March 31, 2015 the Government Purchasing Agency will have made enhancements to its internal business processes.*

Measure: Internal business process enhanced.

Indicator: Reduced administrative process and cost of low-dollar procurements.

2. *By March 31, 2016 the Government Purchasing Agency will have initiated implementation of procurement enhancements to the greater public sector.*
3. *By March 31, 2017 the Government Purchasing Agency will have completed its enhancements to the greater public sector procurement process.*

Issue 2: Access to Training and Development Opportunities

As procurement reforms continue access to appropriate information and training will be vital. All public sector procurement staff will require training to ensure they are aware of the new processes and are able to use them to their fullest potential.

Goal: By March 31, 2017 the Government Purchasing Agency will have put into practice a training and development program supporting procurement professionals throughout the public sector.

Measure: Procurement personnel throughout the public sector participating in the training and development program.

Indicator: Training and development program implemented.

Objective:

1. *By March 31, 2015 the Government Purchasing Agency will have rolled out an internal training and development program.*

Measure: Internal training and development program implemented.

Indicator: Agency staff participating in the training program.

2. *By March 31, 2016 the Government Purchasing Agency will have begun the roll-out of a training strategy to public sector entities.*
3. *By March 31, 2017 the Government Purchasing Agency will have fully implemented the training and development program.*



Appendix

Strategic Directions

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

1. Procurement Reform

Outcome: Improved Government procurement by incorporating best practices to achieve best value.

Components of Strategic Direction	Applicable to Other Entities Reporting to Minister	This direction is addressed:		
		In the entity's business plan	In the entity's operational plan	In a work plan of the entity
Legislative Reform				✓
Modernized Procurement Practices		✓		
Enhanced procurement practices across the public sector			✓	
Enhanced stakeholder communications			✓	
Increased monitoring and training of procurement practices				✓

