A SUPPLIER'S GUIDE TO GOODS PROCUREMENT IN THE GOVERNMENT OF PRINCE EDWARD ISLAND

Procurement Services
Office of the Comptroller

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This publication summarizes the steps involved in Goods Procurement in the Government of Prince Edward Island, and although it describes the processes involved, it is not all-inclusive. Vendors should also recognize that this publication is a reference document and is not intended to be a replacement for, the P.E.I. Public Purchasing Act & Regulations. It is intended to be used by suppliers for GUIDELINE PURPOSES ONLY. In the event of any conflict between the advice given in this brochure and the Public Purchasing Act & Regulations, the Act & Regulations shall prevail.

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Introduction

The Government of Prince Edward Island, through the Department of the Provincial Treasury, purchases approximately $100 million worth of goods each year. The Procurement Services Section, through the Office of the Comptroller, makes the purchases for all government departments, with the exception of the Department of Health. The Department of Health's, purchasing division, and the Group Tendering Coordinator, of the Health Association of PEI coordinate the purchases for each health facility throughout the province. The acquisition of most services and contracts for construction projects are administered directly by the appropriate government departments and agencies.

Procurement Services Section

The Procurement Services Section was established, under the Public Purchasing Act of Prince Edward Island, to purchase all goods and supplies required by government departments located throughout the province. Low dollar value purchases can be obtained by departments with a Local Purchase Order (LPO) or a government purchasing card (P-card). The Province purchases everything from laundry soap to lab supplies. Included in these commodities are office equipment, cleaning supplies, vehicles, construction materials, heavy equipment, office supplies, food, lumber, tools, paint, etc.

Any individual, company or organization, who can supply goods that the Province requires, is eligible to compete for Prince Edward Island Government business. The Province of Prince Edward Island operates on the basis that open competition will establish a fair market price. Whenever possible, maximum competition is sought through the tendering process. It is intended that all businesses that show a desire to compete be given an opportunity to do so, subject to guidelines established in the Public Purchasing Act & Regulations.

The Procurement Services Section is under the direction of the Office of the Comptroller, Department of the Provincial Treasury, with the Procurement Services Manager as Section head. The Procurement Services Section staff consists of Procurement Officers, and Administrative support staff.

The Section is located in Room 27, 2nd. Floor Shaw Building, 95 Rochford Street, Charlottetown, P.E.I. The office Winter hours are Monday to Friday from 8:00a.m. to 4:30 p.m. with the Summer hours being Monday to Friday from 8:00 a.m. to 4:00 p.m. The general telephone number is (902) 368-4040 and the fax number (902) 368-5171.

Electronic Tendering

The Province advertises and distributes tenders for goods and services using its own website: www.gov.pe.ca/tenders/ This is an internet based system, and all suppliers with access to the internet may view and download tender information free. All Prince Edward Island Government tenders will be advertised on this system. This site provides links to Nova Scotia, New Brunswick and Newfoundland electronic tendering services, and the Alberta Tendering Connection..

Tendering Policies
The policy of Procurement Services is to obtain written competitive bids or quotations for all supplies over $1,500. Purchases over $5,000 are publically tendered and ads posted on our tendering website. Purchases are generally made on the basis of the lowest over-all total price that meets the specifications of the competition. In emergency or urgent situations, tenders may be called by telephone or facsimile. They adhere to the normal terms and conditions of formal tenders. Tenders called by telephone or facsimile must be followed up by written confirmation from the suppliers contacted. Most tenders are for the supply and delivery of specific goods to specific locations at a certain time, however, some tenders are called for contracts/standing offers. These Standing Offer Tenders are issued for items to be purchased over a specified period of time on an "as and when required" basis and could require delivery to various locations. These agreements enable departments to order supplies at pre-arranged prices and delivery conditions. Invitations to tender indicate the conditions of purchase, specifications, delivery schedules, closing dates, contact persons and all other necessary information.

Interprovincial Trade Agreements
Public Tenders are issued in accordance with the Atlantic Procurement Agreement (APA) and the Agreement on Internal Trade (AIT). The APA, signed in September 1992, among the Atlantic Provinces, was introduced to reduce interprovincial trade barriers regarding government procurement and applies to tenders above the following thresholds: Goods - $10,000; Services - $50,000; Construction - $100,000. In 1996 it was extended to Atlantic Canada academic institutions, school boards, and the health sector.

The AIT opens up procurement in Canada for goods valued at over $25,000, services over $100,000, and construction over $100,000 by the federal, provincial and territorial governments. These agreements are intended to reduce inter-provincial trade barriers and provide for the development of electronic systems for sharing tender information.

Joint Tendering
From time to time, the Province of P.E.I. participates in joint tendering opportunities with the other Atlantic Provinces. These joint tenders follow the Public Tendering process. In addition, many Province of PEI tenders are also extended to PEI municipalities, academic institutions, school boards, and health regions.

Completing Tender Documents
Although each tender specification is different and some terms and conditions may vary, the fundamental principles of the tendering process are employed in all situations. Details given for each tender should be read carefully before completing the form. Conditions governing the PEI Government tendering process are contained in this publication under Tender Conditions Checklist. The Procurement Officer responsible for the tender, whose name and phone number appears on each tender form, should be contacted for explanations, interpretations and information.

Tender documents can be obtained from the government website at www.gov.pe.ca/tenders/ this site also links all vendors who have requested tender documents.

Tender Specifications
Each individual tender has its own general specifications and those provided obligate the tenderer to meet the requirements of the specifications. The use of brand names and/or manufacturer's makes or models is for description only and not intended to be restrictive unless otherwise specified as "No Substitute". Brand names are proposed only to indicate the character, quality
or dimensions of the item or component requested.

When replying with substitutions for supplies other than those specified, the alternate must be clearly indicated. Goods supplied should be of "equal or better" quality than those originally tendered. Suppliers must be prepared to make available samples, data and literature, if required, to verify that the items are equal in all respects to those specified. Unless otherwise specified, all goods are to be new, and all electrical equipment must be C.S.A. approved.

Delivery Dates
The date goods are required is generally stated on the Invitation to Tender form. Suppliers must indicate the number of days after receipt of a Purchase Order that the goods will be delivered. All tenders are to be F.O.B. destination, freight prepaid, unless specified otherwise. Shipping charges, if any, must be shown on the tender form. Goods are to be shipped by the most economical means available to meet the specified delivery date.

Tender Pricing
Net unit prices are to be quoted. Any extra charges must be itemized. Do not show G.S.T. or P.E.I. Sales Tax. All tenders must be extended and totalled. Discounts, if any, must be clearly defined. Do not quote on a lump sum basis unless specifically requested to do so.

Cash discounts without limitations must be indicated and are considered when prices are compared. As the P.E.I. Public Purchasing Act & Regulations does not maintain a provision to handle price increases subsequent to a tender closing or a contract award, tenders with firm prices
may be given preference over those with condition and escalation prices. Price changes to awarded tenders are rare and suppliers requesting such must submit, in writing, the full details of the claim.

Following receipt of the request, the Procurement Services Section will determine if the solicitation is in fact valid.

The number of days for which the tender is effective, if accepted, should be shown. It is understood that "Prices firm for 30 days" means that if a Purchase Order is issued within 30 days of the tender closing date, the price tendered will stand.

Tendering can be a highly competitive process and vendors should acquaint themselves with all aspects of the tender requirements. Keep in mind that once a tender is received and accepted, it is assumed that all costs are included and the supplier is expected to perform as indicated on the tender. Overeagerness to be competitive may result in omissions of compliance requirements or

special conditions which could affect the price tendered.

It is always advisable to check the tender for accuracy and completeness before submitting it. If unsure of any tender aspect, please feel free to contact Procurement Services for clarification, prior to submitting the bid.

Submitting Tender Documents

Tenders should be typewritten or carefully and clearly hand printed. All documents concerned must be included and the tender must be signed by an authorized official of the tendering firm. If the tender response is returned by mail, the envelope should show on the face, the tender number and the tender closing date.

Tenders **MUST BE RECEIVED NO LATER THAN 12:00 NOON**
Charlottetown time on the date of tender closing. Delays due to transport, customs, courier, etc. will not be considered. Tenders may be hand-delivered to Room 27, 2nd Floor Shaw Building, 95 Rochford Street, Charlottetown, P.E.I., mailed to Procurement Services Section, P.O. Box 2000, Charlottetown, P.E.I. C1A 7N8, or by FAX at (902) 368-5171. Tenders will be time and date stamped to show the hour and date received. They are then placed in a locked repository until the date of tender closing.

Vendors are reminded that when submitting a tender by FAX, the **COMPLETE** Tender package **MUST BE RECEIVED BY 12:00 NOON** on the Tender closing date. Delays due to FAX availability, etc. will not be considered.

Withdrawals and Amendments
Tenders may be withdrawn at any time prior to the date a Purchase Order has been issued, by letter or facsimile from the person signing the original tender and received by the Section before the order is issued. The tender being withdrawn must be clearly identified on the face of the communication.

Tenders may be amended in the same manner as described above, however prior to the date and time of the tender closing. As well as stating the tender number and the word "Amendment", requests for amendments should show:

A. the revision to the bid price to be amended in the case of a unit price contract;

B. the amount to be added to or subtracted from the tender price in the case of a lump sum tender; or

C. shall supply information that is missing from the tender on deposit. Tenders withdrawn before the closing date do not prohibit a supplier from submitting another bid on the same tender. Bid withdrawal by a supplier at any time does not affect inclusions on any future tenders.

Late Tenders
Tenders received after the date and time of tender closing are not accepted. Tenders received after the stated closing time shall be date and time stamped and returned to the supplier with a letter advising the tender was received too late to be considered. Tenders submitted by FAX that do not comply with the conditions stated above will be deemed to be late.

Tender Openings

All tenders are opened publicly and any supplier that has submitted a bid may be present when the tenders are opened. A phone call to the Procurement Officer issuing the tender to determine the time and location of the tender opening is recommended.

At a tender opening the Procurement Officer will announce only the names of the bidders and the total price bid by each. No decision or award on any tender shall be made at a tender opening.

Evaluation of Tenders
After tenders are opened, they are reviewed for compliance by the Procurement Officer. Those tenders which do not qualify for one or more of the reasons mentioned previously are rejected, with explanation provided to the vendor.

Each item in any tender may be considered as a separate tender and all or any part of the tender may be accepted or rejected. In doing so, the tender award may be distributed to more than one vendor. In instances where there is only one acceptable tender received, or when there is only one known source of supply, the price of goods to be purchased may be established by negotiation or by tendering to a "Single Source".

Although price is an important element, and generally a tender is awarded to the bidder who can supply the goods required at the lowest total cost, other factors which may be considered when evaluating a tender include: quality, delivery time, operation cost, training costs, after sales service, etc.

The past performance of a supplier may also be taken into consideration when evaluating a tender. Tender documents may be returned to the originating department for their review and recommendation on tender award. Also, if a joint tender is issued on behalf of the Atlantic provinces, a copy of each bid received and other relevant tender information is provided to the appropriate government departments or agencies of the other Atlantic provinces for their review and recommendations.

The Procurement Services Section, during tender evaluations and for clarification purposes, reserves the right to consult with any vendor, prior to awarding a tender, without prejudice to any award or decision not to award.

Award Notifications

Tender awards will be updated on the government website: www.gov.pe.ca/tenders/

Purchase Orders
All of the goods acquired by the Province are by Purchase Order, generated from requisitions originating in the government departments and agencies. Delivery of items by suppliers, prior to receiving an Official Purchase Order or Purchase Order number, is discouraged.

In order to control the purchase of tendered items from a Standing Offer, numerous Purchase Orders may be issued for each requirement. Standing Offer contracts are generally at set pricing arrangements for specific periods of time.

Purchase Orders to cover emergency or urgent situations may be assigned by telephone or facsimile, followed by the mailing of an Official Purchase Order stating "Confirmation Only". No changes should be made to a Purchase Order unless prior approval from the Procurement Services Section has been obtained. Departments and agencies throughout government are issued Local Purchase Order (LPO) books. LPO's are used to purchase goods, and government credit cards (p-cards) for low dollar value purchases.

Goods Delivery & Receipt
Completing the procurement cycle, the shipping, delivery and receipt are inherent components to the supply of goods. Items offered on a tender at an excellent price but sitting undelivered by the required date are ineffectual to the end-user.

Suppliers should ship by the most efficient means consistent with that indicated on their tender response, unless instructed otherwise. To ensure that this is accomplished, suppliers should familiarize themselves with local delivery situations and conditions.

Goods must be supplied as ordered and in accordance with the terms and specifications shown on or accompanying a Purchase Order.

Unless specifically stated otherwise on a Purchase Order, all shipments are to be made -FOB Destination-, freight prepaid. Inspection of goods should be, and usually is, performed upon delivery. The end-user is responsible to ensure that the right product was delivered to the right location at the right time.

Payments
Prompt payment is made after the specified goods are delivered in good condition to the receiving department. Payments are issued by the Payment Processing Section of the Department of the Provincial Treasury. Initial queries on payments should be directed to the government department or agency receiving the goods.

Instructions on invoicing are shown on the Purchase Order and you are advised to follow these instructions carefully, as failure to do so could result in payments being unnecessarily delayed.

CLOSING NOTES

The Procurement Services Section purchases goods for government departments with public funds and in effect, for the people of the Province of Prince Edward Island. As do all consumers, we want to be smart shoppers and ensure taxpayers receive the maximum value for their purchasing dollar. Also, to function productively, departments must be supplied with their required goods as quickly, economically and efficiently as possible.

To accomplish this, we seek the active involvement and support of our suppliers. Competitive, top quality suppliers are required to execute many of the day-to-day operations of government and attempts are made to present these suppliers equal opportunity and consideration.

It is our intention to offer open and fair treatment to all suppliers who demonstrate an honest effort to supply the required quality and quantity of goods. The Procurement Services Section depends on this relationship between itself and its suppliers.

The staff of the Procurement Service Section looks forward to meeting you or your representatives, and will be happy to answer any questions you may have concerning how to do business with Procurement Services and "A Supplier's Guide to Goods Procurement in the Government of Prince Edward Island".