

CENTRALIZING PROCUREMENT
FACT SHEET – BROADER PUBLIC SECTOR (BPS) INTERIM MEASURES
Updated: September 23, 2019

BACKGROUND

CENTRALIZATION OF THE ONTARIO PUBLIC SERVICE AND BROADER PUBLIC SECTOR PURCHASING AND SUPPLY CHAINS

- The government is delivering on its commitment to centralize procurement.
- Centralization is expected to realize savings, protect the programs and services that support Ontarians, make procurement processes more efficient, drive innovation, enable comprehensive data collection, and encourage competition.
- The Interim Measures are a set of rules designed to support consistency in procurement-related decisions and collection of data during the transition to a centralized procurement system that addresses OPS and BPS procurement needs.

OVERVIEW

WHO HAS TO FOLLOW THE INTERIM MEASURES?

- The Measures apply* to the following select BPS organizations:
 - Hospitals; School boards; Universities; Colleges of applied arts and technology and post-secondary institutions; Children's aid societies; and, some Shared Services Organizations/Group Purchasing Organizations.
- **Mandatory compliance** with the Interim Measures is required where the funding ministry has existing legislative authority to provide this direction; where there is no legislative authority available, funding ministries will encourage the BPS organizations to **voluntarily comply**.

*Note that the Measures may apply differently to select BPS organizations, depending on existing legislative authority.

NEW PROCUREMENTS

INTERIM MEASURES FOR NEW PROCUREMENTS

- For all new in-scope procurements:
 - Use an existing available Vendor of Record arrangement, where available and appropriate; and,
 - Establish a contract term that does not exceed two years.
- In limited and exceptional circumstances where it is not possible to comply with these requirements, the organization must submit a Procurement Rationale Report to the funding ministry (i.e., the ministry that maintains the primary funding relationship with the select BPS organization) at least 45 days before the procurement is released to the vendor community.
- *Note that the organization's authority to proceed with the procurement remains unchanged. For clarity, once the report is submitted, the procurement can proceed.*

KEY DEFINITIONS

New Procurements

- A "new" procurement is any process of acquiring a good or service that begins (e.g. released to the vendor community) after the BPS Interim Measures come into effect, and where there is no pre-existing commitment to acquire the good or service on the part of the buyer, including options to extent pre-existing contracts.

In-Scope procurements

- Any procurement of goods and/or services valued at \$100,000* or higher except procurements that:
 - Are for goods acquired solely for resale; and/or,
 - Relate to construction.

*This was previously set at \$25,000 or higher.

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REGULAR REPORTING

INTERIM MEASURES FOR REGULAR REPORTING

- New documents are required to support the Interim Measures:
 - Procurement Rationale Report
 - Planned Procurement Report
 - Activity Update Report
- Report submission process:
 - Select BPS organizations must provide requested information/reports directly to their funding ministry.
 - The funding ministry must submit the report to MGCS within 10 days of receipt.
 - Funding ministries are not required to review the reports but may do so at their discretion.
 - MGCS will provide supporting templates and instructions for all reports for ministries to share with their BPS organizations.

PROCUREMENT RATIONALE REPORT

- This new report is required in the limited and exceptional circumstances where it is not possible or appropriate to comply with the Measures for new procurements.
- The Procurement Rationale Report must be submitted to the funding ministry at least 45 days before the procurement is released to the vendor community.
- The Procurement Rationale Report can also be submitted with the Planned Procurement and/or Activity Update Reports procurement as long as the 45-day requirement is met.
- The organization's authority to proceed with the procurement remains unchanged.

PLANNED PROCUREMENT REPORT

- This new report will collect information on procurements planned for 2019, 2020 and 2021, to the extent that this information is available.
 - The report is intended to capture any future procurements which the organization is able to forecast at the time, with any level of detail.
- MGCS will prompt funding ministries to issue a request for this report in the future.
- The BPS organization will submit this report to the funding ministry.

ACTIVITY UPDATE REPORT

- This report collects information on:
 - All procurements completed in the last six months;
 - Any changes to planned procurements that were reported in the Planned Procurement Report or a previous Activity Update Report; and,
 - Any new planned procurements that were not reported in the Planned Procurement Report or a previous Activity Update Report.
- MGCS will prompt funding ministries to issue a request for this report six months after the Planned Procurement Report is submitted, and every six months thereafter.
- The BPS organization will submit the report to the funding ministry.

RESOURCES AND QUESTIONS

ADDITIONAL RESOURCES AND CONTACT INFORMATION

- Additional information will be made available on the [Doing Business with the Ontario Government](#) internet site.
- BPS partners can use the email address BPSsupplychain@ontario.ca for any questions related to this process.