

# The Way Forward

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### Take part in PWGSC's Year-End Volume Discount Purchase Program

Last year, in collaboration with 24 departments, PWGSC achieved significant savings through its Request for Volume Discount Year-End Purchase Program. The Program yielded more than \$44 M in incremental savings in comparison with savings achieved in previous years.

PWGSC is inviting departments to once again participate in this successful initiative to consolidate government purchasing on a wide-scale and achieve significant volume discounts at the end of the coming fiscal year. This year, new categories of goods and services have been added and the initiative is being launched earlier to help strengthen the Program and achieve even greater savings. New items include: software (all types), laboratory equipment, audiovisual equipment, copiers, IT consulting projects and computer storage devices.

By leveraging the government's buying power, volume discounts have demonstrated that by working together, departments and agencies achieve significant savings for Canadian taxpayers. For example, departments that participated in last year's consolidated buy realized a price reduction of approximately 35 percent over and above the already discounted standing offer prices for desktops and notebook computers. PWGSC is seeking greater departmental participation this year, to achieve even more significant savings.

PWGSC's Client Engagement Teams are already in close contact with departments, providing information on the Program. They will also be asking departments to identify large requisitions, including those already submitted to PWGSC and those in preparation within departments, which present potential savings opportunities.

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To ensure a smooth process, PWGSC will be providing departments with information kits that highlight standing offers currently in place, describe their products and outline how to place orders.

PWGSC will continue to work with departments to

ensure the success of this Program and will provide a status update in mid-January.

Departments interested in participating in the Request for Volume Discount Year-End Purchase Program can contact PWGSC's Doug Haferkamp via email at [Doug.Haferkamp@pwgsc.gc.ca](mailto:Doug.Haferkamp@pwgsc.gc.ca) or by phone at 819-956-0929.

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## Public Works Minister introduces ongoing consultation with industry sectors

PWGSC Minister Michael M Fortier recently announced plans to create ongoing consultation mechanisms with the Temporary Help Services and Office Furniture industries.

"We are committed to working closely with industry to make sure we fully understand their concerns as we introduce changes to government procurement," Minister Fortier said. "We consulted with suppliers and are responding to their request to have a seat at the table. That is why PWGSC will engage in ongoing consultations with industry."

PWGSC is working with suppliers to determine the mandate, membership and other features of the new consultation mechanism. This announcement is part of PWGSC's response to input received during consultations conducted this fall by The Conference Board of Canada, which acted as an independent third-party to consult with specific industry sectors impacted by the government's

procurement reform – specifically Temporary Help Services, Informatics Professional Services, and Office Furniture.

As a result of the input received in the consultation process, PWGSC is not seeking to limit the number of suppliers to a pre-determined number. In fact, the strategy is based on issuing standing offers to more suppliers than the government requires to meet its needs. The Government will also introduce an annual update of its suppliers on standing offer in the area of Informatics Professional Services, allowing new firms to qualify and all firms to submit new prices to accurately reflect market conditions. For Office Furniture, the government will examine options to bring its testing requirements more in line with common industry practices.

The final consultation reports and PWGSC's response will be available on the PWGSC Web site: <http://www.pwgsc.gc.ca>.

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## Saving with STSI's On-line Booking Tool

Government travelers are already enjoying significant savings through the Shared Travel Services Initiative's On-line Booking Tool (OBT). The OBT is a web-enabled tool that allows users to book air, rail, hotel, and car rental reservations on-line. They can also easily view and compare airline fares.

With access to government-negotiated airfare, accommodation and car rental discounts, the OBT reduces transaction fees for unassisted reservations by 50 percent. The OBT also encourages travelers to select lower fares, creat-

ing an average savings of 9 percent compared with Travel Call Centre bookings.

### When you should use the OBT:

- Air/Rail - Simple itineraries within Canada and the U.S.
- Hotel and Car reservations: Be sure to confirm rates, terms and conditions with the Government's Accommodation and Car Rental Directory at <http://www.hcrd.gts.gc.ca>.

For more information on visit: <https://travel-voyage.gc.ca/stsi.portal>.



## Assessing government spending

To provide better value to government and Canadians, PWGSC is tracking spending patterns in the Government of Canada.

PWGSC has collected and validated data on more than 90 percent of government expenditures for the 2004-05 period and created a database to identify savings opportunities. The data will help departments and agencies make reliable decisions about procurement and will highlight areas for process improvements.

### How the data will be used:

**Departments** will receive detailed spend profiles that can be integrated with their procurement plans. The information can be used to track savings against targets and compare and gauge spending for specific commodities.

**Commodity Councils/Teams** can use spend data to profile commodities across many dimensions, support strategic sourcing initiatives, assess the vendor base and bridge procurement data.

For more information, contact Stéphan Déry via email at [Stephan.Dery@pwgsc.gc.ca](mailto:Stephan.Dery@pwgsc.gc.ca) or by phone at 819-956-6019.

## Search for Standing Offers with ease

Now you can search for standing offers with more ease than ever. The updated Standing Offer Index (SOI) Web site provides a number of new features to simplify your searches and keep you informed of the latest news and information.

Quickly search for standing offers by selecting from new categories such as:

- Departments and agencies
- Areas available for use (i.e. delivery points such as provinces or territories)
- Mandatory Commodity Groups
- Supplier Name Search

The updated site also helps you to locate *Related Links*, a *Glossary of Terms* and a *What's New* page with the latest changes and updates on standing offers and supply arrangements.

Increased use of common purchasing tools like standing offers allows PWGSC to negotiate better prices for goods and services – saving departments and agencies time and money.

For more information, visit the updated SOI Web site at: <http://soi.pwgsc.gc.ca/app/Start/index.htm>

(NOTE: Only federal government employees can access this site.)

## What's Happening

### PWGSC issues transformed Consolidated Procurement Instruments

As part of the government's procurement transformation initiative, PWGSC has issued a series of Consolidated Procurement Instruments (CPIs) with suppliers for commonly purchased goods and services. CPIs include standing offers, contracts and supply arrangements. By inviting suppliers to compete and qualify under transformed CPIs, PWGSC will obtain better value for Canadians on the goods and services that the government buys.

Treasury Board Secretariat has made the use of Standing Offers mandatory for 10 categories of goods and services. The complete list can be consulted at the following Web site: <http://www.pwgsc.gc.ca/transformation/proc/text/overview-e.html#supply>.

Departments and agencies will be required to report on their usage of Standing Offers starting in 2007.

To date, PWGSC has issued CPIs within 7 categories of goods and services including vehicles, envelopes, office supplies, computer hardware and converged network services. These CPIs allow the government to call on pre-

qualified suppliers if and when their products and services are needed, based on an agreed price, making it easier and less costly for the government to meet its procurement needs.

PWGSC is already achieving savings with this approach. In the category of office supplies, PWGSC has successfully negotiated savings of 19 percent as compared to previous purchasing methods. In addition to achieving better value through procurement transformation, PWGSC is also working hard to increase the participation of small and medium enterprises and Aboriginal business and is consulting with industry to ensure the procurement process remains fair, open and transparent.

In the coming months, PWGSC will continue to issue CPIs as part of its efforts to transform and streamline the government's procurement approach.

You can stay updated on the latest developments and find tools to help you access CPIs by visiting: <http://www.pwgsc.gc.ca/transformation/proc/text/communications-e.html>.

### Reducing energy costs

Eleven departments and agencies will enjoy savings and predictability in electrical energy costs, due to a new 10-year agreement negotiated by PWGSC.

The Alberta-based agreement consolidates federal electrical energy requirements under one contract and is estimated to save participating organizations a minimum of \$30.8 M over the next 10 years.

The agreement will lower prices, offer budget predictability and provide flexibility in altering energy loads. It also includes a requirement for approximately 15 percent of the total power supplied to be provided in the form of green electrical energy.

For more information, contact Mark Harrison via email at [Mark.Harrison@pwgsc.gc.ca](mailto:Mark.Harrison@pwgsc.gc.ca) or by phone at 780-497-3539, or Lou Hiemer via email at [Lou.Hiemer@pwgsc.gc.ca](mailto:Lou.Hiemer@pwgsc.gc.ca) or by phone at 780-497-3750.

### How to use National Master Standing Offers for courier services

Courier services is one of 10 mandatory commodity categories introduced by the government to achieve greater savings in procurement. Departments and agencies can access National Master Standing Offers (NMSOs) for courier services electronically through the Central Freight Service (CFS), FRISBEE and e-FRISBEE shipping systems, and other third party and carrier shipping systems. NMSOs can also

be used through the hard copy Government Bill of Lading (GBL) or carrier waybill.

Many scenarios exist to access NMSOs.

For more information, visit:

<http://soi.pwgsc.gc.ca/app/Start/index.htm> or contact Doug Gallant via email at [Doug.Gallant@pwgsc.gc.ca](mailto:Doug.Gallant@pwgsc.gc.ca) or by phone at 819-956-3857.

### Savings in real property

PWGSC has saved an estimated 10 percent in a project to construct the RCMP's Chester, Nova Scotia detachment. By grouping the project's Request for Proposal (RFP) with that of another RCMP detachment, PWGSC was able to avoid extra costs and ensure efficiency in the contracting process, while achieving discounts in the facility's design and construction.

Beyond cost savings, the building also saves energy. Through innovative features like high performance windows, a central atrium for cooling, and light fixtures equipped with automatic dimming controls, the building will save an estimated \$250,000 in energy costs over the next five years.

For more information, contact John McBain via email at [John.Mcbain@pwgsc.gc.ca](mailto:John.Mcbain@pwgsc.gc.ca) or by phone at 902-496-5425.

### Buying better – tips on government purchasing

#### Clarity

Be clear when communicating with potential suppliers. As a contracting authority, you are responsible for ensuring that specifications are effective, unambiguous and well written.

#### Policies and Legislation

Federal procurement is carried out within a framework of more than 15 Acts of Parliament and more than 35 different policies. You are responsible for being aware of what policies and legislation affect procurement activities you are undertaking. Policy and legal experts are available to assist you. Knowledge from specialists

including Legal Services, Access to Information and Privacy officers, financial analysts and risk management advisors can be leveraged to make a recommendation or confirm a decision.

#### Best Value

Select the supplier who will provide the best value. This reflects the balance of initial price, delivery, on-going operations and maintenance (O&M) costs, quality and operational effectiveness.

If you have questions, call the Acquisitions Help Desk at 1-866-664-6609.

### *The Way Forward News*

*The Way Forward News* is published periodically to inform GC departments and agencies about the changes and progress being made to procurement and services provided by PWGSC. We encourage you to pass on this information to those who may be interested. An online version of this newsletter, containing direct links to more information on the issues covered, can be found at: <http://www.pwgsc.gc.ca/transformation/newsletter/text/news-e.html>.

To contact us or to receive copies of this newsletter, please e-mail: [questions@pwgsc.gc.ca](mailto:questions@pwgsc.gc.ca)

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