

How To Do Business with the Ontario Government

**Supply Chain Management, Ontario Shared Services
Ministry of Government Services
January 2010**

Agenda

To maximize your chances of being successful in obtaining business with the Ontario government, you should know about:

1. Government Procurement Policy
2. The Procurement Process
3. How to write an effective proposal

Policy and Key Concepts

Procurement Policy Overview

- Ontario's Procurement Directive applies to Goods and Services, Information Technology and Consulting Services and to all ministries, IT clusters and certain agencies ("ministries")
- Advertising creative communications services procurements are covered under a separate directive administered by the Advertising Review Board
- The Directive is designed to support a procurement process that upholds the following principles:
 - Vendor Access, Transparency and Fairness
 - Geographic Neutrality and Reciprocal Non-Discrimination
 - Value for Money
 - Responsible Management

Procurement Policy Overview

- The Procurement Directive adheres to the requirements of two trade agreements covering procurement
 - The Ontario – Quebec Trade and Cooperation Agreement (2009)
 - The Agreement on Internal Trade
- Competitive procurement processes must be fair, transparent, open, and advertised widely, using an electronic tendering service (MERX) to solicit bids for procurement contracts valued at:
 - \$25,000 or more for goods acquisitions; and,
 - \$100,000 or more for services and construction acquisitions
- Procurement processes below these thresholds do not have to be advertised using an electronic tendering process
- For consulting services, a competitive procurement process must be used for all procurement contracts, regardless of value
- The Daily Commercial News and the Ministry of Transportation Registry, Appraisal and Qualification System (RAQS) may also be used for construction acquisitions

Procurement Consultation

- Potential vendors and/or industry associations may be consulted prior to an actual procurement to provide advice or information relevant to the procurement through:
 - Request for Information (RFI)
 - Vendor consultations prior to the release of the Request for Proposal (RFP), or
 - Draft RFP released for comment
- There is no procurement award from any of these consultation processes
- Discussions with ministries must cease when the procurement process starts except through designated means

Procurement Documents

- The most common procurement documents issued by Ontario are:
 - Request for Quotation
 - Request for Tender (RFT)
 - Request for Proposals (RFP)
 - Request for Qualification (RFQ)
 - Vendor of Record Arrangements (VOR)

Procurement Documents

- **Requests for Quotations** means a procurement document used to solicit goods/services that are of low value and complexity
 - RFQs usually focus the evaluation criteria predominantly on price and delivery requirements
- **Request for Tenders (RFT)** means a procurement document that requests a vendor response to supply goods/services based on delivery requirements, performance specifications, terms and conditions
 - RFTs usually focus the evaluation criteria predominantly on price and delivery requirements

Procurement Documents

- **Request for Proposals (RFP)** means a procurement document that requests vendors to supply solutions for the delivery of complex products or services or to provide alternative options or solutions.
 - RFPs use predefined evaluation criteria in which price is not the only factor.
- **Request for Qualifications** means a procurement document used to solicit financial stability, technical information, product or service suitability from potential vendors and measured against stated evaluation criteria
 - Successful vendors are then pre-qualified or short listed to bid on specific categories of work or provide specific types of goods or services, or respond to a particular RFP or RFT

Procurement Documents

- Typically, procurement documents will include the following information and will range in length depending on the type of document:
 - Introduction
 - Deliverables
 - Evaluation Requirements
 - Terms and Conditions
 - Appendices
 - Addenda
- Addenda may be issued after the original procurement documents are advertised

Vendor of Record Arrangements

- Vendor of Record (VOR) arrangement means a procurement arrangement, typically established through an RFP, that authorizes one or more qualified vendors to provide goods/services to one or more ministries for a defined period on terms and conditions, including pricing, as set out in the VOR agreement.
 - VOR arrangements may be for use by the entire government, multi-ministries or a single ministry
- Depending on the estimated value of the goods/services to be acquired under the VOR arrangement, there may be a requirement for a second stage selection process
 - For assignments valued between \$25,000 and \$249,999, where applicable, at least 3 vendors must be invited to bid on the specific project/assignment
 - For assignments valued between \$250,000 and \$749,999, where applicable, at least five vendors must be asked to bid
- As a result of the second stage process, the successful vendor will enter into an agreement with the ministry specific to the goods/services being provided typically called a Service Level Agreement (SLA)

VOR Refresh

- Some VOR arrangements include a refresh process to:
 - Capture new vendors
 - Allow for the addition of services/products by existing vendors
- Refresh occurs at defined points during the term of the VOR arrangement and is done through an open competitive process

Contractor Security Screening

- Vendors doing business with the Ontario Government may be required to undergo security screening checks and receive a security clearance before contracts can be awarded and work undertaken.
- You will be advised through the procurement process if contractor security screening is a requirement for a specific assignment.
- Federal government security clearance is applicable in Ontario.

Conflict of Interest

- Vendors must not have any real or perceived conflict of interest that may give them an unfair advantage in responding to government procurement opportunities.
- During the procurement process vendors must:
 - sign a declaration that they do not have confidential information that would give them an unfair advantage
 - identify former Ontario Public Service (OPS) employees who participated in preparing bid response to see if that gave them an unfair advantage
 - In the case of public and media relations services and polling services, declare if they are registered under the Lobbyist Registration Act, including whom they have lobbied on behalf, the ministries and subject matter in the past 12 months

Tax Compliance

- To do business with Ontario, a vendor's taxes must in good standing with the Province of Ontario.
- The procurement documents will include a form that gives the ministry the right to confirm your tax standing with the Ministry of Revenue.
- The Ministry of Revenue will not disclose your tax information or details to anyone in the Ministry.
- If the Ministry of Revenue indicates that there is a matter to be resolved, you will be asked to contact them to address the matter.

The Process

How It Begins

- The procurement process begins when a ministry identifies the need for a good or service that is not otherwise available
- The competitive procurement process begins when the ministry solicits interest from the vendor community to provide the goods/services

Question & Answers

- Review the procurement documents carefully. There are usually one or more opportunities to seek clarification of information presented in the procurement document
 - There will be a designated person to whom to address questions within a period of time specified in the procurement documents
 - There may be a vendor meeting where a presentation and question and answer period will also occur. For some procurements, there may be a site tour.
 - All questions and answers are issued as an addendum to the procurement documents and are available to all vendors who accessed the original documents.
- *Tip: Do not contact anyone other than the designated procurement contact as this could jeopardize the bidding process.*
- *Tip: Attendance at a vendor meeting or site tour may be mandatory. Carefully review the procurement documents to determine this.*

Bid Submission

- Entering the procurement process can be a binding situation. For many procurements, you are agreeing with the terms and conditions, including the Agreement, at the time you submit your response. In procurement law this is called Contract A.
 - Typically, for these procurements there will be a period of irrevocability. For complex procurements this can be 6 months or more. During this period of irrevocability, you may not change any elements of your response regardless of market changes that may occur over the timeframe (e.g. gas prices)
- *Tip: For complex procurements, ensure your response can withstand anticipated market changes over the period of irrevocability.*

Bid Closing

- All bids must be sealed and delivered on time to the designated location
 - Late bids cannot be considered and will be returned unopened
- *Tip: Don't wait until the last day to submit your bid! If the courier is late or you get stuck in traffic, you run the risk of missing the deadline.*

Bid Evaluation

- The procurement documents will disclose what and how your response will be evaluated. Evaluation can include mandatory requirements, rated requirements and pricing requirements.
- The vendor with the highest ranked response considering all the evaluation requirements will be successful.
- *Tip: Be clear in your responses. We cannot evaluate what is not submitted in your responses even if you have done business with a ministry in the past.*

Award

- The successful vendor will be notified following the evaluation period and will be asked to satisfy any outstanding requirements of the procurement (e.g. proof of insurance). The successful vendor will be required to enter into an agreement with the ministry.
- Once an agreement is signed, all vendors who submitted a bid are notified of the contract award and will be offered a debriefing.
- Contract award notifications are also published in the same manner in which they were advertised.

Debriefing

- Vendors are entitled to know why their bid was not successful. Vendors who participate in procurements valued at \$25,000 or more are offered an opportunity for a debriefing.
- Debriefings are valuable to vendors as they offer the opportunity to learn about the strengths and weaknesses of their proposal. The objective of a debriefing is to help vendors learn how to submit more competitive bids in the future.

Procurement Conclusion

- The procurement process concludes when a signed agreement is in place and any vendor debriefings are complete.
- Contract management follows the procurement process. Successful vendors work directly with the ministry procuring goods/services.

Tips for Writing Effective Proposals

Timetable

- Carefully review the procurement document and take note of all important dates including:
 - Vendor Meetings or Site Tours
 - Deadline for Questions
 - Deadline for Addenda
 - Closing Date, Time and Location

Presentation

- Review the procurement documents for instructions on:
 - Number of Copies Requested
 - Page Limit (if applicable)
 - Minimum Font Size
- These are important instructions and assist the evaluation process. Make sure you follow any instructions on how to present your response.

Requirements

- Mandatory Requirements
 - Mandatory requirements are rated on a pass/fail basis.
 - Failure to respond to any of the mandatory requirements may result in your response being disqualified
 - Ensure you sign any forms (eg. tax compliance) as part of the mandatory requirements

Requirements

- Rated Requirements
 - Ensure you provide responses for all rated requirements
 - Carefully review the procurement deliverables to ensure you understand what the ministry wants. Use the Q&A process or vendor meeting (if applicable) to seek clarification if needed
 - Carefully review the evaluation criteria for how the rated requirements will be evaluated
 - Address all rated requirements and provide sufficient detail for your submission to be evaluated
 - Unless requested in the procurement document, do not propose an alternative solution to what is requested. This may be considered non-responsive.

Requirements

- Pricing
 - The procurement document will tell you:
 - what costs should be included in your response (e.g. delivery, travel, maintenance)
 - how to present these costs (e.g. per unit, total cost) in your response
 - Some procurements may provide a form for submitting pricing.

Requirements

- *Tips*
 - *Addenda can include important information. Be sure you review all addenda issued with the procurement documents*
 - *Be accurate in providing your information. Once submitted, you will not have an opportunity to change your response*
 - *Use any forms provided in the procurement documents to submit your response.*
 - *Sign and date all forms included in the procurement documents.*

Form of Agreement

- The Procurement Document will usually include a Form of Agreement (or Contract) that you will be required to sign.
- The Form of Agreement is a legal agreement that is signed only if you are successful.
- Unless indicated in the procurement document, the Form of Agreement cannot be amended.

Marketing to the Ontario Government

Take Advantage of Public Information

- Information about the government's mandate, programs, priorities, and budget cycle are available through documents like the budget, Throne Speech, ministry business plans, and press releases – all of which can be found on the government's website.
- The more you learn about our priorities, challenges and needs, the better you will be able to position your organization to do business with the government.
- This information will also help you to determine who is most likely to be in the market for your goods or services. You can then use the Ontario government directory:
<http://www.infogo.gov.on.ca>
- Be strategic in your approach to marketing your goods/services. Government staff are happy to talk to you but sometimes have limited time.

Additional Information

Resources and Contact Information

Website: www.doingbusiness.mgs.gov.on.ca

Email: doingbusiness@ontario.ca

Telephone: 1-866-320-1756

Service Ontario's "Gateway for Business"

www.ServiceOntario.ca

Rev.Nov08