

ANNUAL REPORT 2023-24

Public Procurement Agency

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MESSAGE FROM THE MINISTER

It is my pleasure to present the 2023-24 annual performance report for the Public Procurement Agency (the 'Agency'). This report was prepared in accordance with the requirements as a Category Two entity under the **Transparency and Accountability Act**. I am accountable for the results presented within this report.

This performance-based report provides details on the indicators and objectives achieved for the April 1, 2023, to March 31, 2024 fiscal year as well as the goal outlined in the 2023-26 Business Plan.

The Agency is committed to supporting enhanced sustainable procurement practices where they are consistent with ensuring best value, transparency and accountability.

I want to take this opportunity to acknowledge and thank the dedicated staff of the Agency for their outstanding commitment to the successes achieved thus far. I look forward to working together in the 2024-2025 fiscal year to achieve even greater results.

Hon. Gerry Byrne
Minister Responsible for the Public Procurement Agency

Agency Overview

The Public Procurement Agency (the 'Agency') is a category 2 government entity under the Transparency and Accountability Act. It is an independent branch of the Public Service under the control and management of the Chief Procurement Officer. It also maintains a website where the public may access current bidding opportunities as well as information on contract award summaries, relevant legislation, and trade agreements. Bidding opportunities within the province and other jurisdictions may also be accessed through this website.

For more information on the Public Procurement Agency please visit online at www.gov.nl.ca/ppa

Vision

The vision of the Public Procurement Agency is of an informed public sector and supplier community participating in a transparent, fair and competitive procurement environment.

Mandate

The Public Procurement Agency is an independent branch of the public service and the central procurement unit for the Government of Newfoundland and Labrador. The authority for the Agency's operations is provided by the **Public Procurement Act** (the 'Act') which outlines its mandate and role. The Chief Procurement Officer is responsible for the direct management of the Agency and ensures that all procurement activities are carried out in accordance with the Act. The Act is the primary legislation that governs procurement within the public sector.

Lines of Business

The Agency provides the following lines of business:

1. Procurement and Strategic Sourcing

The Agency acquires commodities for the Government of Newfoundland and Labrador and other public bodies. It manages the procurement cycle from planning to post-award in accordance with the **Public Procurement Act** and Regulations, trade agreements, and established policies and procedures. The Agency ensures that procurement opportunities undertaken are conducted in an open and competitive environment while maintaining fair and equitable opportunities for suppliers.

The Agency is also responsible for achieving value-added opportunities for Government and the broader public sector by applying strategic sourcing strategies to priority sourcing initiatives. It continuously identifies opportunities for increasing value in procurement spending through analysis of supplier market and internal spending profiles, and leading cross-departmental teams in the execution of these sourcing strategies.

2. Auditing

The Agency administers an auditing program to facilitate and assess compliance with the procurement legislation, regulations, and policy (procurement framework). The Agency undertakes compliance audits and reports and leads special investigations and reviews as required on procurement-related matters.

3. Information and Training

The Agency administers training programs to facilitate compliance with Government's procurement framework. Specifically, the Agency facilitates interpretation of the procurement framework; leads the development and delivery of a training program for

public bodies; provides advice and expertise to internal and external stakeholders relating to the procurement framework; and manages the procurement reporting system.

Organizational Structure



Staff and Budget

The Public Procurement Agency (the Agency) is comprised of five divisions, each carrying out the work and mandate of the Agency: Procurement; Strategic Sourcing; NL Schools Procurement; Audit and Compliance; and Policy, Planning and Administration.

The Agency's head office is located in the Petten Building, 30 Strawberry Marsh Road, St. John's.

The Government of Newfoundland and Labrador completed the integration of the former Newfoundland and Labrador English School District effective on January 1, 2024. The new organizational structure for the Agency includes the NL Schools Procurement division. As of March 31, 2024, the Agency employed 31 people. Of the 31, there were 22 females and 9 males.

The Agency's gross expenditures for fiscal year 2023-24 were \$2,340,400.

Division	# of Employees	Salary Budget
Procurement	9	\$2,256,600
Strategic Sourcing	3	
NL Schools Procurement	7	
Audit and Compliance	3	
Policy, Planning and Administration	8	
Executive	1	
Total	31	

Highlights and Partnerships

Highlights

In addition to the results outlined in the Report on Performance section of this report, the following provides further information on key accomplishments of the Public Procurement Agency for the 2023-24 fiscal year:

- Throughout 2023-24, the Procurement Advisory Council held three meetings. The Council consists of representatives of public bodies who have responsibility for procurement. The purpose of the Council is to provide advice and make recommendations to the Minister respecting matters related to procurement,

particularly, how the purpose of the Act may be achieved. The Chief Procurement Officer is the chairperson of the Council.

- Throughout 2023-24, the Agency engaged with government departments, community groups and business organizations to finalize and deliver the NL First Procurement Strategy and the Sustainable Procurement Strategy in February 2024. These two strategies seek to leverage existing public body spending to enhance social, economic, and environmental benefits for Newfoundland and Labrador.
- Throughout 2023-24, the Agency was engaged with a variety of groups, including:
 - In August 2023, the Agency was invited to present and discuss public procurement with members of Corner Brook Board of Trade;
 - In March 2024, the Minister Responsible for the Public Procurement Agency and the Chief Procurement Officer attended a speaking engagement with the St. John's Board of Trade; and
 - In March 2024, the Agency provided an overview of public procurement processes for the Office of the Auditor General.

Partnerships

- In June 2023, the Agency partnered with the Department of Industry, Energy and Technology and the St. John's Board of Trade to hold a Reverse Trade Show. The event showcased the procurement needs of public sector buyers and offered an opportunity to develop enhanced connections with local suppliers.

Report on Performance

Issue: Enhancing Sustainable Procurement

Over the period of the 2023-2026 Business Plan, the Agency will support departments towards enhanced sustainability in their procurement activities. New supplier development opportunities will be implemented to strengthen the ability for provincial

suppliers to participate in government procurement processes and successfully obtain government contracts. The Agency will support departments to implement sustainable procurement practices. This work will support the strategic directions of government, specifically as relating to “Sustainable Procurement” and “Newfoundland and Labrador First”. The following section describes that work under the Agency’s directives in the first year of the 2023-2026 Business Plan.

Goal

By March 31, 2026, the Public Procurement Agency will have supported enhanced sustainable procurement practices.

2023-24 Objective

By March 31, 2024, the Public Procurement Agency will have implemented new supplier development opportunities towards enhanced sustainable procurement.

Indicators

1. Provided networking opportunities for local suppliers and public bodies.
2. Developed information and navigational tools to enhance supplier knowledge of the procurement process.
3. Supported measures towards reducing barriers to participation.

Indicator #1

Provided networking opportunities for local suppliers and public bodies.

The Public Procurement Agency continues to provide suppliers with the knowledge and training required to participate in government procurement processes and be informed of potential opportunities to sell to government and other public bodies. The Agency hosted a reverse trade show in June 2023 and will host a reverse trade show every two years. A reverse trade show provides suppliers with an opportunity to interact with

public sector officials, to provide them with information about their products and services, and to learn about public sector procurement opportunities.

Indicator #2:

Developed information and navigational tools to enhance supplier knowledge of the procurement process.

Online training and tools, including an automated online module, have been developed for suppliers to enhance their knowledge of the public procurement process. Sessions for suppliers include information on how government buys goods and services as well as how to access procurement opportunities. To simplify access to procurement information, in 2023-24, the Agency added a single point of contact option to its website, whereby suppliers and public bodies can direct any public procurement-related inquiry and receive prompt responses.

Indicator #3:

Supported measures towards reducing barriers to participation.

In 2023-24, the Agency reduced barriers to participation in procurement opportunities by: increasing open call thresholds in line with trade agreements to provide greater opportunities for public bodies to seek quotations directly from provincial suppliers; continuing to implement the provincial supplier allowance when the estimated value of the procurement was below trade agreement thresholds; discussing the use of bid securities with a number of public bodies; and collaborating with stakeholders towards developing lists of provincial and underrepresented businesses to enable buyers to leverage the newly introduced procurement strategies.

2024-25 Objective

By March 31, 2025, the Public Procurement Agency will have supported departments in the implementation of sustainable procurement practices.

Indicators

1. Worked with the Centre for Learning and Development to develop online training resources to support departments in the implementation of sustainable procurement practices.
2. Developed and published a Social Procurement Guide to provide enhanced guidance to public bodies on achieving social impacts through procurement activities.
3. Provided support and advice to public bodies to enhance the use of sustainable procurement tools and approaches in their procurement activities.

2025-26 Objective

By March 31, 2026, the Public Procurement Agency will have further supported sustainable procurement capacity across stakeholder groups.

Opportunities and Challenges

In 2024-25, the Public Procurement Agency will support enhanced sustainable procurement practices by continuing to build on tools and approaches to maximize the success of provincial suppliers in obtaining government contracts and strengthen strategic provincial supplier development in accordance with trade agreement requirements.

The Agency will continue to support departments in the implementation of enhanced sustainability in their procurement activities, planning and training. By focusing on strengthening the procurement knowledge base for public bodies and the local business community, the Agency will enhance sustainable procurement practices. This approach will allow public bodies and the business community to better avail of the opportunities created under the new procurement strategies.

Financial Information

Expenditure and revenue figures included in this document are based on public information provided in the “Estimates of the Program Expenditure and Revenue of the Consolidated Revenue Fund” for Fiscal Year Ended March 31, 2024. Audited financial statements are a requirement at the government level and are made public through the Public Accounts process; however, the Public Procurement Agency is not required to provide a separate audited financial statement.

Estimates 2024-25

PUBLIC PROCUREMENT AGENCY

PUBLIC PROCUREMENT AGENCY

	2024-25 Estimates \$	2023-24 Revised \$	Budget \$
PUBLIC PROCUREMENT AGENCY			
<i>CURRENT</i>			
1.1.01. PUBLIC PROCUREMENT AGENCY			
Appropriations provide for the operation of the Public Procurement Agency which conducts purchasing and provides oversight, support and audit of procurement activities for public bodies in the province.			
01. Salaries	2,547,200	2,256,600	2,497,400
Operating Accounts:			
<i>Employee Benefits</i>	2,000	-	2,000
<i>Transportation and Communications</i>	48,700	26,500	49,700
<i>Supplies</i>	8,400	6,500	8,400
<i>Professional Services</i>	23,500	8,500	23,500
<i>Purchased Services</i>	54,500	37,500	53,500
<i>Property, Furnishings and Equipment</i>	4,800	4,800	4,800
02. Operating Accounts	141,900	83,800	141,900
Amount to be Voted	2,689,100	2,340,400	2,639,300
02. Revenue - Provincial	(361,900)	(187,400)	(361,900)
Total: Public Procurement Agency	2,327,200	2,153,000	2,277,400
TOTAL: PUBLIC PROCUREMENT AGENCY	2,327,200	2,153,000	2,277,400
TOTAL: PUBLIC PROCUREMENT AGENCY	2,327,200	2,153,000	2,277,400

