



Procurement for All Public Bodies

Frequently Asked Questions



This document answers frequently asked questions (FAQs) regarding procurement for all public bodies as defined under the Public Procurement Act, including government departments, municipalities, local service districts, academic institutions, health authorities, crown corporations, and NL schools.

Additional information is included in the Public Procurement Act, Public Procurement Regulations and Public Procurement Policy (<https://www.gov.nl.ca/ppa/division/legislation/>). All procurement staff are encouraged to familiarize themselves with this information. If you require additional assistance, please contact Tenders@gov.nl.ca or 709-729-3348.

In the event of inconsistencies between a FAQ and the Act, Regulations, or Policy, the following order of precedence shall prevail:

- The Act
- The Regulations
- The Public Procurement Policy
- FAQs



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FAQ

1. How do I determine what procurement process I need to follow?

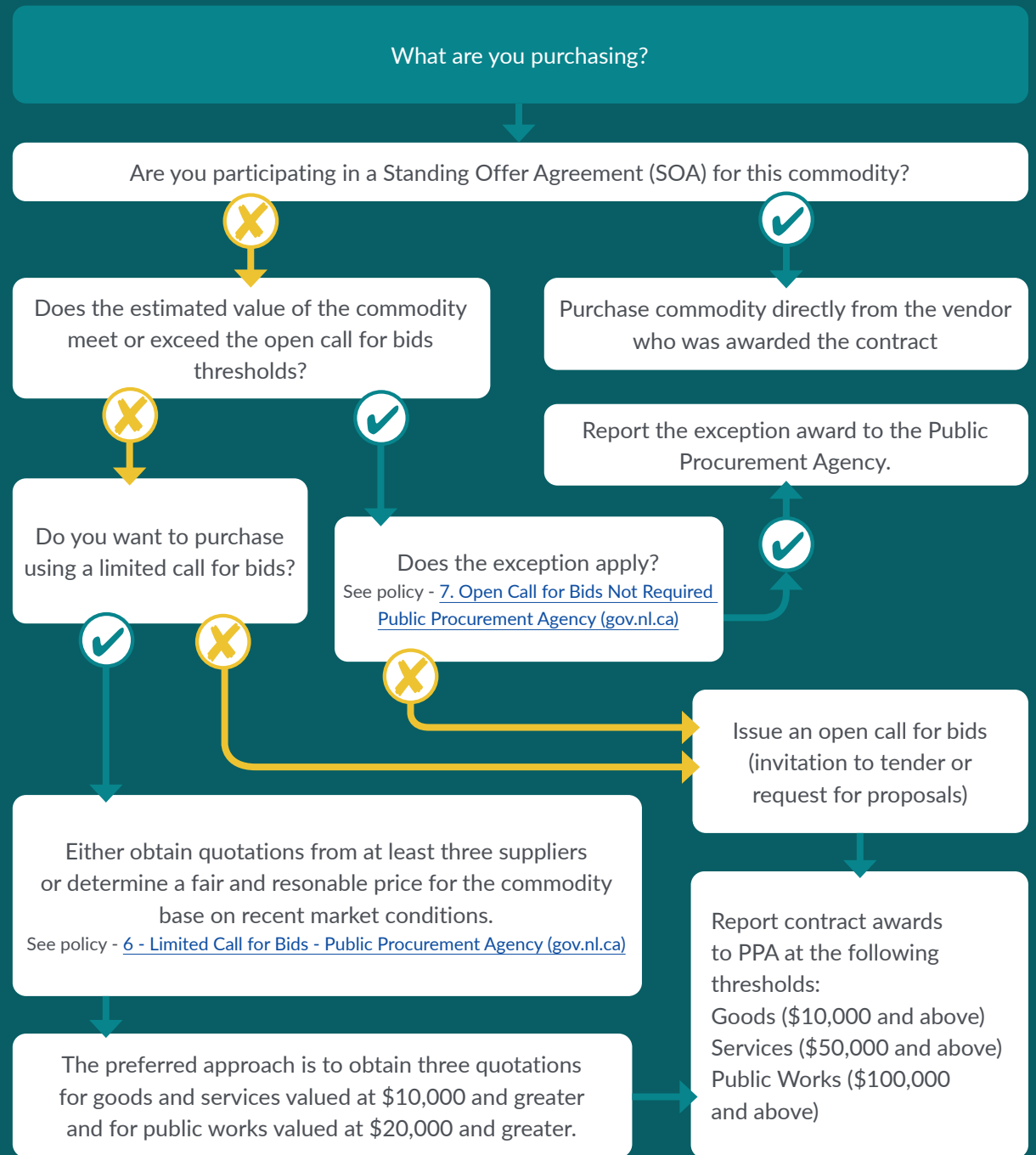
Decisions on how to procure a commodity are subject to the commodity type, the estimated value of the procurement (good/service/public work/lease of space) and established thresholds. The current thresholds above which you must issue an open call for bids for public bodies are as follows.

Open Call for Bids Thresholds for Departments			
Goods	Services	Public Works	Lease of Space
\$33,400	\$133,800	\$133,800	\$100,000
Open Call for Bids Thresholds for Municipalities /Local Service Districts/ Academic Institutions/Health Authorities			
Goods	Services	Public Works	Lease of Space
\$133,800	\$133,800	\$334,400	\$100,000
Open Call for Bids Thresholds for Crown Corporations			
Goods	Services	Public Works	Lease of Space
\$264,200	\$264,200	\$264,200	\$100,000

PPA recommends consulting the Public Procurement Framework (<https://www.gov.nl.ca/ppa/division/legislation/>) for detailed information on the procurement process and best practices.

PPA has created the following flowchart to provide an overview of the steps a public body should follow when procuring a commodity.

FAQ



Policy 6. Limited Call for Bids (<https://www.gov.nl.ca/ppa/division/policy/6-2/>)*

Policy 7. Open Call for Bids Not Required (<https://www.gov.nl.ca/ppa/division/policy/7-2/>) **

FAQ

General

2. What is a Standing Offer Agreement?

A Standing Offer Agreement (SOA) is a contractual arrangement between public bodies and a supplier. Under the terms and conditions of a standing offer, the supplier agrees to provide certain goods or services on an “as required” basis, during a particular period of time and at a predetermined price. SOAs are established following an open call for bids and are usually set up for frequently used items. Additional information concerning SOAs can be found in Policy section 3.6.7.

(<https://www.gov.nl.ca/ppa/division/policy/3-2/#soa>)

The Public Procurement Agency has a number of SOAs which public bodies may use. In order to participate in a SOA, the public body must be identified as a participant prior to the close of the SOA procurement process. If you are unsure of which SOAs you may be able to participate in, contact the Agency.

3. What is the difference between an open call for bids and a limited call for bids?

An open call for bids is a publicly-advertised invitation to suppliers to submit a bid.

A limited call for bids is an invitation to specific supplier(s) to submit a bid (i.e. a quote process).

4. What documentation/records do I need to maintain when issuing a limited or open call for bids?

Your procurement file/ records should include documentation for all phases of the procurement process. Section 28 of the regulations (https://assembly.nl.ca/Legislation/sr/Regulations/rc180013.htm#28_) and Section 18 of the policy (<https://www.gov.nl.ca/ppa/division/policy/18-2/>) list the records included in a procurement file.



FAQ

General

Public bodies are required to maintain sufficient and appropriate documentation in the procurement file for all exceptions to open call requirements, such as sole source or emergency situations, including the method by which fair and reasonable price was determined where applicable.

5. How long should I keep procurement records?

PPA Policy recommends that public bodies keep procurement records for a minimum of two years after the procurement of a commodity or, where applicable, two years after the end date of a contract for the procurement of a commodity.

(<https://www.gov.nl.ca/ppa/division/policy/18-2/>)

6. What should I do if I do not know the estimated value of a good/service/public work?

If you are unable to estimate a value, issue an open call for bids.

7. Can I issue an open call even if the estimate value is below the threshold?

Yes. You can issue an open call at any time, regardless of the estimated value.

FAQ

8. In what situations can an exception be made to using an open call process?

Section 6(a) of the Regulations provides the scenarios under which an open call is not required:

- the estimated value of the commodity being acquired is less than the thresholds required for an open call (see previous question/answer);
- the commodity is of a nature where that an open call for bids could reasonably be expected to compromise security;
- the commodity is available from a public body;
- an emergency or a situation of urgency exists and the acquisition of the commodity cannot reasonably be made in time by an open call for bids;
- there is only one source reasonably available for the commodity;
- a list of pre-qualified suppliers has been established using a request for qualifications and the public body is requesting quotations from all pre-qualified suppliers on the list;
- an acquisition of a commodity is for the purpose of resale or for incorporation into a product for resale; or,
- where set rates have been established by the Public Utilities Board acting under the Public Utilities Act or another Act.

Section 7 of the policy (<https://www.gov.nl.ca/ppa/division/policy/7-2/>) provides additional guidance. Public bodies should familiarize themselves with these sections to assist in identifying situations where an open call for bids may not be required.



FAQ

General

9. When I have determined an open call for bids is not required due to one of the above reasons, do I need to include any additional information in the procurement file/records?

Your procurement file/ records should include documentation for all phases of the procurement process. Therefore, it is important to include sufficient support/ explanations for using an exception to an open call process. Documentation depends on the exception type and circumstances. Sections 7.2 (<https://www.gov.nl.ca/ppa/division/policy/7-2/#2>) and 7.3 of the policy (<https://www.gov.nl.ca/ppa/division/policy/7-2/#3>) provide additional guidance on how to determine if a purchase is a valid sole source, emergency, or situation of urgency, and directs public bodies to ensure information for justification (if not using an open call) is to be retained in the procurement file. The file should also include the method by which fair and reasonable price was determined, where applicable.

10. What type of contract awards have to be reported and where are they reported?

Regardless of how the commodity was procured, within 30 days of the award, public bodies must electronically post award information for the following: Goods - \$10,000 or greater; Services - \$50,000 or greater; Public Works - \$100,000 or greater; and Lease of Space - \$100,000 or greater. Section 30(d) of the Regulations (https://assembly.nl.ca/Legislation/sr/Regulations/rc180013.htm#30_) and Section 20 of the policy (<https://www.gov.nl.ca/ppa/division/policy/20-2/>) provide additional detail.

Public bodies with their own website may post all award information on their website, Public bodies without a website must complete the required form on the PPA website (https://www.gov.nl.ca/ppa/files/Contract-Awards_-_20200601_vs_3-1.xlsx) and send the information to PPA to have the award posted on The Agency's website.



FAQ

General

11. If I have my own website where I electronically post procurement information, do I still have to report information to PPA?

No. If a public body maintains its own website all reporting can be electronically posted there. Remember to ensure that postings include all information as required under the Framework. See the legislation and Policy for additional details.

12. What type of information may be shared with a supplier/general public while a procurement process is ongoing?

During the procurement process, any information related to the procurement that is publically posted may be shared with suppliers/general public. Information publically posted would include the notification, the open call for bid documents, and amendments. (See sections 30 (a), (b) and (c) of the regulations (https://assembly.nl.ca/Legislation/sr/Regulations/rc180013.htm#30_)). No further information should be shared.

13. What type of information may be shared with a supplier/general public when a procurement process has concluded?

Any information related to the procurement that is publically posted may be shared with suppliers/general public. Information publically posted would include the notification, the open call for bid documents, amendments, cancellation (if applicable), public opening and award information. (See sections 9 and 30 (a), (b), (c) and (d))



FAQ

(https://assembly.nl.ca/Legislation/sr/Regulations/rc180013.htm#30_) (https://assembly.nl.ca/Legislation/sr/Regulations/rc180013.htm#9_) of the regulations.

In addition, an unsuccessful supplier can request a supplier debriefing to obtain more information, but only that which is relevant to the supplier's own bid and why it was not successful may be provided (see question below on debriefing process).

The public or suppliers can make a request via the Access to Information and Protection of Privacy (ATIPP) process if they are seeking additional information that would not normally be provided as part of the procurement or debriefing processes.

14. What type of information may be provided to an unsuccessful supplier who requests a bidder debriefing?

The purpose of a debriefing is to provide an unsuccessful supplier with information as to why their bid was not successful. Public bodies may provide feedback relating to a supplier's submission based on evaluation criteria. This may include relative strengths and weaknesses of the supplier's submission relative to the evaluation criteria; the submission's evaluation score and relative ranking; and areas where the terms, conditions or specifications may not have been met by the submission. Public bodies cannot share information regarding another supplier's bid, except the name and bid price of the preferred supplier.



FAQ

15. What does a public body do if they receive a supplier complaint?

Section 25 of the Regulations (<https://assembly.nl.ca/Legislation/sr/Regulations/rc180013.htm#25>) is related to supplier complaints and Section 23 of the Policy provides guidance on the complaint review process (<https://www.gov.nl.ca/ppa/division/policy/23-2/>). A public body that receives a complaint must acknowledge receipt of the complaint in writing to the supplier. The head of the public body must review the complaint and respond to the supplier within 15 days of receiving the complaint. The public body must also provide the Chief Procurement Officer with a copy of the response.

16. What assistance can PPA provide when I am planning an open call for bids?

The public body is responsible for its procurement process, but in addition to various support documents, PPA may be contacted for assistance with interpretation of the Framework. Procurement templates are available from PPA upon request.

Contact information:
Public Procurement Agency
Tel: (709) 729-3348
Email: Tenders@gov.nl.ca



17. How do I undertake a limited call?

There are two common methods for a limited call as permitted under the Framework:

Method one - Obtain quotations from at least three suppliers. This is the preferred approach for goods or services with an estimated value of \$10,000 or greater and public works \$20,000 or greater. If obtaining three quotations is not feasible, file documentation must include rationale as to why not.

Method Two -Determine a fair and reasonable price for the commodity based on recent market conditions. If this method is chosen, the public body must include file documentation as to why obtaining three quotations was not feasible as well as how the public body determined the price was fair and reasonable. Section 6 of the Policy (<https://www.gov.nl.ca/ppa/division/policy/6-2/>) provides additional guidance on limited calls.

18. Can I continuously invite quotes from the same suppliers or do I have to use different suppliers?

To promote fairness, competition, supplier diversity, and best value, procurement opportunities must be rotated among suppliers, where possible, and not continuously offered to the same or select group of suppliers.



19. I requested quotes from three or more suppliers but only received two. Do I need to request additional quotes until I have the minimum of three?

Wherever possible three quotes should be obtained. However, in the event that this is not possible, public bodies must document the reason why it was not possible to obtain three quotes.

20. How do I determine a price is fair and reasonable?

There are different ways to determine whether a price is fair and reasonable. Section 6.1.4 of the Policy (<https://www.gov.nl.ca/ppa/division/policy/6-2/#1.1>) provides examples including: obtaining two direct quotes; obtaining one direct quote and ensuring it is fair and reasonable by referencing trade catalogues, price lists, or a recent similar purchase; or obtaining one quote via shelf pricing or advertised price for a low dollar value purchase (in this instance, business should be rotated to ensure fairness and that prices are competitive).



21. Does the framework include a threshold or policy for purchasing low dollar items?

The preferred approach for limited calls for public bodies for goods or services valued at \$10,000 or greater and public works valued at \$20,000 or greater is to obtain a minimum of three quotes.

For purchases below these dollar values, public bodies should establish its own low dollar value purchasing policy in accordance with the framework. PPA recommends that any low dollar value procurement policy incorporate and balance principles of best value, efficiency, fairness and competition. Note all internal procurement policies should be approved by the head of the public body and clearly communicated to staff. Public bodies may contact PPA for assistance/guidance in this regard.

22. If I have a charge account with a local supplier can I buy all our small dollar value purchases directly from them without seeking any other quotes?

To promote fairness, competition, supplier diversity, and best value, procurement opportunities must be rotated among suppliers and not continuously offered to the same or select group of suppliers.



23. What information can I provide suppliers/public when a limited call is awarded?

Public bodies must electronically post the successful bidder, description of commodity, date of award, financial value of award, terms of contract and renewal options of contract for awards procured through limited calls which meet the following thresholds: Goods - \$10,000 or greater, Services - \$50,000 or greater, Public Works - \$100,000 or greater and Lease of Space - \$100,000 or greater.

The Framework does not address the information to be released for limited calls below these values. Therefore, details to be provided for limited calls below those values is a decision of the public body, but as with an open call, feedback provided should be limited to information relating to the supplier's proposal and should not include information regarding another supplier's bid, aside from the bid price. Public bodies should note that the general public or suppliers can still make a request for information via the Access to Information and Protection of Privacy (ATIPP) process.

24. What do I do if an unsuccessful bidder for a limited call asks for a supplier debriefing?

Public bodies are only required to provide a debriefing following an open call process. However, public bodies have the discretion to provide a supplier debriefing for limited calls.