



Newfoundland and Labrador First

A Strategy for Supporting
Newfoundland and Labrador
Businesses through Procurement



The Government of Newfoundland and Labrador recognizes the impact and benefits provincial suppliers bring to the local economy. In 2020, Government introduced measures to strengthen support for provincial suppliers by increasing the thresholds for which an open call is required and introducing a local preference provision that mandates a ten per cent allowance for all procurements under trade agreement thresholds.

The **Newfoundland and Labrador First** Procurement Strategy builds on those supports. The Strategy consists of two primary objectives: (1) maximizing the success of provincial suppliers in obtaining government contracts, and (2) supporting strategic provincial supplier development. The two objectives are supported by 14 action items, which are outlined in the next few pages.



OBJECTIVE 1

Maximizing the Success of Provincial Suppliers in Obtaining Government Contracts

The aim of this objective is to create an environment that provides the best opportunity for provincial suppliers to be successful in obtaining provincial government contracts. The actions under this objective are primarily for established suppliers who may already be bidding on procurement opportunities.

Provincial Supplier Preference – Government will maintain the provincial supplier preference policy, requiring public bodies to provide a ten per cent discount to the bid price of a provincial supplier for the purposes of evaluation when the estimated value of the procurement is below trade agreement thresholds.

Thresholds – In 2020, government increased the monetary thresholds at which an open call for bids is required to the maximum allowable under the Canadian Free Trade Agreement (CFTA) for all public bodies with the exception of Crown corporations.

Under the **Newfoundland and Labrador First** Procurement Strategy, government will again increase thresholds and continue to maintain alignment with CFTA thresholds for all public bodies with the exception of Crown corporations.

Increased thresholds provide public bodies with increased flexibility to undertake a limited call process if they choose and to maintain business within the province by directing requests for quotations to provincial businesses.



Exemptions – Current trade agreements include procurement exemptions to encourage regional economic development. The provisions provide for up to ten exemptions per year to direct procurement opportunities to provincial suppliers. Suppliers must be non-urban and the value of the contract must be less than \$1,000,000. The Public Procurement Agency will work with public bodies to increase the use of these exemptions where possible.

Bid Bonds – A bid bond is a payment or other form of financial surety submitted by vendors when bidding on a project or commodity. The bid bond ensures the bidder will maintain its bid and complete the work if selected. However, if a business is submitting multiple bids, the submission of multiple bid bonds can be costly and may prevent small businesses from bidding on multiple opportunities.

Bid bonds may not be required in all cases. To help reduce the burden on small businesses bidding on multiple procurements, government will review its goods and services procurements for opportunities to reduce or eliminate bid bonds where possible.

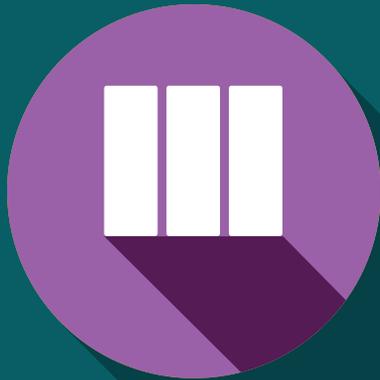
Opportunities for Greater Participation – For larger goods and services procurements, government will review for opportunities to break out components and undertake a competitive process where practicable for those components.

This approach is not intended to avoid open call obligations. An open call must still be conducted as the total value of the procurement will not change; however, by awarding contracts by region or commodity grouping there may be an opportunity to potentially award contracts to multiple suppliers. This approach may also provide opportunities for smaller businesses to participate where they may not have had sufficient size or capacity to bid if the procurement was larger.



Business to Business Forums – For major infrastructure projects, government will require successful proponents to hold a forum to provide provincial suppliers with an overview of project requirements and opportunities. This will allow small local and regional suppliers to better understand the project and be better prepared to submit a bid for subcontracting or other supply opportunities.

Sector-Specific Support – The Public Procurement Agency, working with the Departments of Transportation and Infrastructure, Industry, Energy, and Technology, Fisheries, Forestry, and Agriculture and the Office of the Chief Information Officer, will establish sector-specific units with representation from industry to identify barriers and possible solutions to procurement challenges.



OBJECTIVE 2

Supporting Strategic Provincial Supplier Development

The action items under this objective are primarily for new suppliers to strengthen their ability to participate in government procurement processes by providing them with the knowledge and training they may need to participate and by making them aware of potential opportunities to sell to government and other public bodies.

Training – Online training and tools have been developed for provincial suppliers to enhance their knowledge of the public procurement process and to increase their chances of bidding success. Sessions for suppliers include information on how government buys goods and services as well as how to access procurement opportunities.

In addition, the Public Procurement Agency has developed an automated online module so that suppliers may access this information at any time. Suppliers can access this module at: gov.nl.ca/ppa.

Networking with Public Bodies – The Public Procurement Agency 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.



Collaborative Procurement Planning – Government will inform and consult with suppliers on significant procurement projects. Through this process, suppliers are provided with information on upcoming procurement opportunities and are invited to share information with procurement officials that may add value to the procurement process.

Strengthening Supplier Relationships – Government will regularly engage with provincial suppliers on opportunities to strengthen support.

Public Body Consultation – Public Procurement Agency officials will meet regularly with procurement representatives from other public bodies to discuss options for supporting provincial suppliers.

Business Development – Based on feedback from suppliers and procurement officials, the Public Procurement Agency will work with the Departments of Industry, Energy, and Technology and Fisheries, Forestry and Agriculture, as well as the Office of the Chief Information Officer, to inform and support opportunities to strengthen provincial business supports through existing or potentially new business development and support programs.

Single Point of Contact – To support all suppliers interested in public procurement opportunities, the Public Procurement Agency has established a single point of contact within the Agency to help suppliers navigate the procurement system. Questions relating to accessing procurement opportunities can be sent to: PPAinquiries@gov.nl.ca