

Broader Public Sector Access to Provincial Vendor of Records

The Opportunity

In an effort to reduce purchasing costs for the Broader Public Sector, the Ministry of Government Services expanded eligibility to access provincially negotiated vendor of record arrangements to various Broader Public Sector groups in 2010. The Ministry of Government Services (MGS) Supply Chain Management website is the window for Vendor of Record Program information and offerings. According to this site:

*While the types of public sector buyers that can access specific contracts and arrangements are determined in accordance with business conditions and are set out in the related contract or arrangement user guide, most Vendor of Record Arrangements are open to the Ontario Public Sector (OPS) and the **Broader Public Sector**...*

The current definition of Broader Public Sector (BPS) includes: municipalities, academic institutions, school boards, health care providers, community health centres, community care access centres and major transfer payment recipients. **Major Transfer Payment Recipients include any organization which receives operational funding from an Ontario Government Ministry and is determined to be a major transfer payment recipient by that Ministry.**

In order for Major Transfer Payment Recipients to have access to provincial vendor of record arrangements, they must obtain a letter from the applicable Ministry confirming their status. Once this letter has been issued by the respective Ministry and sent to the Ministry of Government Services, major transfer payment agencies are granted access through a simple registration process to a significant number of group purchasing opportunities. Highlights of these opportunities include: 91% off the 600 most commonly ordered office supply items; up to 50% off the retail price on telecommunications hardware and plans; significant discounts on courier services, office furniture, computer equipment and vehicles.

While this process seems clear and the benefits may be substantial, numerous challenges have been experienced in the sector related to access. These challenges include:

- Lack of awareness that this opportunity exists both within the sector and within the 13 provincial Ministries which have investment arrangements with the nonprofit sector;
- No clear definition of “major transfer payment agency” exists leaving approval at the discretion of line Ministries, resulting in inconsistencies within and between Ministries as well as long turnaround times for response; and
- Vendors are often unaware of the extension of their respective vendor agreement to the BPS.

Case Study

I run a large nonprofit that receives close to \$1 million in funding from one of the Ministries. I submitted a formal request for “major transfer payment agency” designation thinking that this would be a simple process. My funding manager took the request to her finance department who spent several weeks researching this – we were their first request. The request was turned down as we do not have “core” funding from the province. I was confused as I know much smaller groups with little funding that have received approval by other Ministries. Now my original request is being reviewed again with three Ministries dialoguing on what to do. It has been three months and I am losing hope. Why wouldn't they want us to save money – isn't this mutually beneficial?

It is clear that everyone wants to see increased efficiencies and the maximum impact of resources leveraged for public benefit. As part of the Commission on the Reform of Ontario's Public Service, several recommendations were highlighted in this area. In particular, the recommendation was made for "*leveraging purchasing power, standardizing procurement practices and managing inventory more effectively* (as this) *would generate savings through lower costs for goods and services purchased*" (Recommendation 5-95).

Recommendations

- 1. Develop a clear and consistent definition of what it means to be a Major Transfer Payment Recipient.** This definition should be developed in collaboration with the sector and comprehensive enough to cover groups who have already received this status and recognize the broad budget range and scope of the thirteen (13) Ministries.
- 2. All provincial Ministries who enter into contribution agreements with the nonprofit sector need to be made aware of this opportunity and should consistently provide designation of status both within and between Ministries.**
- 3. Provide information about this opportunity and preapproval to eligible transfer payment recipients as part of annual contribution agreements.** This would eliminate the need for Major Transfer Payment Recipients to discover this possibility and would reduce the administrative burden required of them to seek designation.
- 4. Establish an advisory group of nonprofit sector provincial vendor of record users to provide feedback on procurement experiences, suggest improvements and further develop group purchasing opportunities for the nonprofit sector.**
- 5. Offer seminars and other forms of training and promotion to help both the broader public sector and provincial Ministries understand the opportunity** - Seminars would include information on procurement policies, key concepts and important elements of the procurement process. These sessions could be delivered through webinars and provincial meetings. Consideration should be given to offering seminars and webinars through nonprofit sector partners with expertise in this area.

While the Supply Chain Management Division within MGS offers How To Do Business with the Ontario Government seminars designed for the vendor community, no training seminars are available to the Broader Public Sector or Ministries that have investment relationships with the sector.

Lead Ministry – Ministry of Government Services.

Supporting Ministry – Ministry of Finance, Broader Public Sector Supply Chain Secretariat.

Resources:

<http://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/VORSearch?OpenForm&type=All&cat=All>