

Mythbusting government procurement

Presented by Procurement Assistance Canada

How much does the government buy?

- The Government of Canada is one of the largest buyers of goods and services in Canada
- Each year, the Government of Canada spends billions of dollars by awarding hundreds of thousands of contracts and making well over a million direct credit card purchases. This represents a huge potential market
- The government spends approximately \$37 billion annually on goods, services, construction and maintenance projects
- The government awards over 500,000 contracts and processes close to two million credit card transactions each year

Myth: The government doesn't buy from smaller businesses

- The majority of contracts awarded by the Government of Canada are valued under \$25,000
- Almost all credit card purchases, which are direct purchases from vendors, are valued under \$10,000
- Direct purchases from vendors valued under \$10,000 = over \$700 million
- Smaller Canadian companies are well positioned to take on these types of contracts and provide the Government of Canada with the majority of goods and services it needs every year

Myth: I'm too small to sell to the government

- In addition to doing business with large companies, Government of Canada buys from:
 - solopreneurs
 - small independent businesses
 - established local businesses
 - start-ups
 - medium sized businesses (up to 499 employees)
- On average, the Government of Canada buys more goods and services from micro, small, and medium enterprises than it does from large companies
- Smaller companies vastly outnumber large corporations. Their competitive edge comes from offering a wider range of specialized products and services, and from being local and innovative



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- The federal government has a number of innovation programs, like those offered by [Innovative Solutions Canada](#), that allow start-ups to sell new products directly to the Government of Canada

Myth: The government doesn't buy from businesses like mine

- We believe in inclusive procurement:
 - all suppliers must have an equal chance at doing business with us
- Includes:
 - green and clean tech
 - women-owned and women-led businesses
 - equity-deserving groups
 - indigenous peoples
 - new Canadians
 - social enterprises
- The government has been working to make it easier for all kinds of suppliers to do business with the federal government, including those that have little to no experience with the process
- We are:
 - making procurement processes easier, faster and more accessible, so they're less burdensome for businesses
 - experimenting with pilot projects to increase opportunities for businesses run by groups that haven't sold as much to government in the past, like businesses owned by women, visible minorities or persons with disabilities, and social enterprises
 - encouraging departments to find ways to increase the value of contracts awarded to Indigenous businesses
 - expanding opportunities for green goods and services by making environmentally friendly purchasing a focus

Myth: The government doesn't buy what I sell

- The usual commodities
 - technology
 - military
 - property
 - professional services
 - construction
- And so much more
 - catering services
 - snow removal and landscaping
 - dogs and dog grooming
 - clothing

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- shower curtains
 - It's a very wide range, and there's a need for the types of goods and services that smaller businesses sell

Myth: Government procurement is difficult and time consuming

- All procurement activities must be open, fair and transparent
- Federal laws and regulations as well as Treasury Board of Canada policies guide the Government of Canada's procurement process
- Initiatives to make procurement more accessible:
 - e-procurement
 - e-bid submission
 - 15 day payment
 - plain language
 - reducing barriers to entry
- Real progress has been made to improve your experience as a supplier, and to encourage you to participate
- The improvements so far include:
 - being able to submit bids electronically for some contracts
 - getting paid faster. There's an initiative to pay invoices within 15 days
- There are more improvements ahead to make it easier and faster for suppliers to do business with the Government of Canada. For example:
 - contract paperwork is being simplified.
 - federal procurement is moving online through the CanadaBuys website.

Myth: Government procurement is centralized

- The Government of Canada is not a single client
- The Government of Canada has hundreds of departments and agencies, and they operate all across the country. When you think of selling to the Government of Canada, you should think of it as hundreds of potential clients with different needs and in different geographic locations
- The RCMP, for example, has detachments all across the country, even in remote areas. They need a whole range of services, like janitorial services, landscaping, snow removal, etc
- Larger and more complex contracts are managed by Public Services and Procurement Canada (PSPC)
- 100+ departments and agencies buy their own goods and services

Competitive procurement

- For the purchase of goods over \$25,000, services over \$40,000, and construction services over \$100,000, the government will issue a tender notice on the [Government Electronic Tendering Service \(GETS\)](#)
- The tender notice indicates how the government intends to buy the good or service
- This is a formal process designed to ensure open, fair, and transparent competition for government contracts. Basically, the government lays all of its cards on the table by publishing a document that clearly outlines:
 - Who has a requirement
 - What they require
 - Where and when the goods and/or services are to be delivered
 - How they intend to pick a winner
- Anyone capable of delivering on the requirement and willing to take the time to prepare a bid has a fair shot at winning the contract

Low-dollar value procurement

- Purchases below \$25,000 for goods, \$40,000 for services and \$100,000 for construction, including all applicable taxes, are considered to be low dollar value procurements
- Unlike larger purchases that are done through the solicitation of bids and quotes from potential suppliers using a tendering process, low dollar value procurements are often direct purchases from vendors
- Low dollar value procurement can present an opportunity to grow your business by developing a business relationship with the Government of Canada through smaller contracts
- [Register as a supplier](#) to increase your visibility

Note: Indigenous businesses are encouraged to [register in the Indigenous Business Directory](#). This will allow buyers to identify businesses for set-aside opportunities and meet government objectives to support Indigenous businesses with procurement opportunities.

Figure out if selling to the government is right for you

- CanadaBuys is the official source for Government of Canada tender and award notices
- [Visit CanadaBuys](#) to:
 - search for public sector tenders and contract history using plain language and filters
 - find out if the government buys what you sell by searching for your competitors or the goods and services you sell
 - subscribe to notifications when new opportunities are published
 - register in the electronic procurement solution and complete your business profile

Procurement Assistance Canada

- Supports smaller and diverse businesses through the federal procurement process
- Engages, assists and informs businesses on how to sell goods and services to the Government of Canada
- Works to reduce barriers to ensure fairness and inclusion in the process
- Looks for opportunities to advance supplier diversity through targeted outreach and advocacy

Next steps

- Download the [Getting started selling to the Government of Canada](#) reference sheet

Get assistance

If you need help understanding the federal procurement process or registering for a procurement business number:

- contact the National InfoLine 1-800-811-1148 (Monday to Friday 8:00 am to 5:00 pm ET)
- [request a callback](#) from Procurement Assistance Canada; or
- [find a regional office near you](#). We have a network of offices across Canada

Canada.ca/PAC