

Buying for bureaucracy

Purchasing office supplies for government

by Toby Osborne

Kristine Racicot

The Government of Canada, consisting of over 100 departments, agencies and Crown corporations, buys approximately \$14 billion worth of goods and services every year from thousands of suppliers. As the federal government's major common service organization, it is the job of Public Works and Government Services Canada (PWGSC), the Crown's contracting authority, to help keep the wheels of government turning smoothly.

Nowadays, low-dollar-value procurement up to \$25,000 has been delegated by PWGSC to federal departments. This means that departments, agencies and Crown corporations take care of buying for themselves within their delegated limits. All purchases exceeding these limits are forwarded to PWGSC to action. Within these delegated limits, responsibility centre managers, or delegates, can select any number of vendors and seek competitive bids on a wide range of goods and services.

Delegated individuals within PWGSC can rely on a variety of tools, including acquisition cards, standing offers, and an e-purchasing system to acquire the pens, paper, etc. in support of their operations. "Acquisition cards and – more so in the past, purchase orders – are tools used to make purchases under \$5,000 within our department," said Jacques LaBonté, materiel manager for PWGSC.

In the last fiscal year, acquisition cards were used in over 13,000 transactions, for \$3.1 million worth of office supplies, and, using e-purchasing, "PWGSC, as a department, processed over 28,000 transactions for \$1 million. As for office equipment, the department spent:

- \$4,369,000 on 2,867 micro-computers;
- \$1,495,000 on 593 laptops; and
- \$281,000 on 453 monitors.

The process works in the same way for all Government of Canada materiel managers. "In the Correctional Service Canada (Ontario Region), activity centre managers [ACMs] have been delegated purchase authority for low-dollar-value goods up to \$5,000 per transaction," said Stew White, Materiel Systems and Procurement Support for the Correctional Service Canada's Ontario Region. "Stationery office supplies, such as paper and pens, are normally acquired via local purchase order or by acquisition card directly by the ACM. At some sites this is a centralized function – i.e. one ACM acquires stationery supplies for the entire institution, while at other sites an ACM may be responsible for acquiring supplies specific to the needs of his/her own department."

Meanwhile, computers and laser printers are "normally ordered annually in bulk for the entire region, acquired via national master standing offer, usually as a request for volume discount through PWGSC," said White.

Things do work slightly differently at Parks Canada, an agency. Managers have been delegated for purchases up to \$5K, but "purchases for office supplies are handled by the shared officer in administration who is responsible for this function," said Linda Belanger, a supply and contracts officer for Parks Canada. "Purchases between \$5K and \$25K are handled by the contracts/procurement specialist at the Ontario Service Centre, in Cornwall, who has been delegated this authority for Ontario." However, following mandatory training, managers can exercise this authority to make purchases up to \$25,000 too.

Although even with all that purchasing power, government workers can still expect to find stationery under lock and key. "Around

here, you have to ask for a pen," said Belanger. "They can't just leave the pens out on a shelf... especially in September."

At PWGSC the purchasing power comes in the form of 1,600 credit cards. "These [acquisition] cards are relatively simple to keep track of, but with standing offers there is currently no mechanism in place to track 'call ups,'" said LaBonté.

No contract officially exists until a department issues a "call-up" against a standing offer, and there is no actual obligation by the government to purchase up to the limit of the standing offer. All vendors holding standing offers for office supplies are requested to advise PWGSC of usage so that amendments can be issued if required. Each department, agency and Crown corporation issues their own call-ups.

"Whenever a requirement exceeds departmental delegated authorities, requirements are sent to PWGSC just like any other department would," said LaBonté.

"However, the purchasing process wasn't always like this. A number of years ago most of the purchasing activity was done by the former Supply and Services Canada," he said. "The government decided that acquisition cards would be the preferred tool for low-dollar-value purchases. By using acquisition cards we only issue one payment to the bank, instead of individual cheques for each and every purchase. The current process, of making one payment, saves time and money and gives us a better overview of the purchasing activities taking place. It's working well. It's an efficient process." ■■■

Toby Osborne is an Ottawa-based freelance writer.