

Bidding and buying

e-nabling the federal marketplace

by Jeff Jedras

The Government of Canada is moving its procurement processes even further online. It recently signed a new five-year contract with Montreal's Mediagrip Interactive Technologies Inc., the current supplier of the government's contract bidding engine, brand-named MERX. The new contract will take effect in June 2004. John Read, director of acquisition, policy and process in the acquisition program branch of Public Works and Government Services Canada (PWGSC), says the new system will see significant improvements and changes over its predecessors.

The new version of the Government Electronic Tendering Service (GETS), which may or may not keep the MERX brand name, will make much greater use of electronic documents and cut down sharply on the fees a company must currently pay to access the system and obtain bid documents.

"We've had a lot of input from the private sector over the years, and we've had a lot of input from the SMB (small- and medium-sized businesses) community, which is concerned about the costs of accessing the system," says Read. "The new GETS system responds significantly to that, with a price structure that will be very cheap."

Subscribers anywhere in the world will be able to search and view opportunity notices free of charge before deciding whether to download the documents. Documents, including amendments that are delivered electronically, will be free of charge. Nominal fees apply for documents delivered in physical format such as paper, diskettes and CDs.

"With the new GETS system, all that a potential buyer will have to pay is \$263 a year for a subscription," says Read. "After that, as long as the government's procurement documents are available electronically, that supplier will be able to look at the documents online and download them for free."

Read says the plan is to have all bid documents available for free download. In rare cases where a document isn't available electronically, only a nominal fee of about \$5 to \$10 will be assessed to have it mailed.

The second foundation of the government's approach to electronic procurement will be the Government of Canada Marketplace (GoCM), for use by Government of Canada buyers. Buyers will be able to access an online marketplace of pre-qualified products electronically.

"More and more people that need to buy something will be able to carry out that transaction from their own office," says Read. "There's a big conceptual change built into that."

Currently, Read says PWGSC does a significant amount of its business on a transaction by transaction basis, getting a request from a client and then making the purchase. Within the marketplace, clients will handle most of those transactions themselves. PWGSC will continue to provide those procurement services to ensure all potential suppliers for the marketplace meet the qualifications any supplier normally doing business with the government would have to meet.

"[We can't] have a system that allows just absolutely anybody to do business," says Read. "We need to make sure that any company that is put on the GoCM is in fact a real company, doing real business, providing real service and real value to the Canadian taxpayer."

Industry consultation was an important step in the preparation of the GoCM RFP. In November of 2001 a draft RFP for the GoCM service was released to industry via MERX – done to make the industry aware of the GoCM project, the project expectations and to provide an opportunity to help in the refinement of the requirements for the final RFP.

A series of questions was released with the draft RFP and 20 firms prepared and

submitted responses. Over a two-week period in January of 2002, 18 of the 20 firms met with PWGSC in individual consultation sessions to discuss their responses and to provide insight into the GoCM project. The input received was consolidated and incorporated into the GoCM RFP that was released on June 3, 2003. The initial task of the successful bidder and the Government of Canada will be to work out the details of how the GoCM service will operate, and include further refinement of the business models. Read says it is likely that some kind of fee will be levied for use of the GoCM service.

"They're looking for business. They're looking to make a profit. We're asking them to invest a small amount of money to get onto the service so they can in fact compete with their supplier counterparts to provide the best value to the Canadian government," says Read.

The GoCM RFP will close in mid-October, 2003. Implementation is scheduled for spring 2005.

A model of how the system might look is already in use. The pilot for the GoCM, e-Purchasing, is an electronic tool available to government. "Last year, the total catalogue orders were valued at \$4.9 million. "We'll be building-in this kind of switch in approach on a far larger scale with the GoCM when it comes online."

Overall, Read says he's hopeful the government's new approaches to electronic procurement through programs like GETS and the GoCM will provide both better procurement services to government buyers, and cost savings to the Canadian taxpayer.

"We're looking to achieve considerable savings, both in terms of what the government actually pays for a product or service, and for what the government pays to maintain the whole approach," says Read. ■■■

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