

Procurement Plan

A general review of the requirement utilizing the checklist provided in Section 6.2 will determine the degree of pre-procurement planning required. The purpose of procurement planning is threefold: first, to clarify and quantify (to the extent possible) the technical, cost, and schedule objectives of the procurement; second, to define the plan for accomplishing the objectives; and third, to determine a methodology for evaluating performance against defined objectives during the time that the contract is being carried out.

Whether or not a procurement plan is required will depend on the complexity of the requirement, the sensitivity of the requirement, and/or the estimated value of the requirement, e.g., capital projects.

Guidelines for Preparing a Procurement Plan

Begin by outlining the essential aspects of the project or requirement - technical, cost, deliveries - and the general work plan for the purchase. Within this framework consider, as appropriate, items listed below so that the plan can be clarified and relevant information included in the bid solicitation.

Statement of work: Define the work to be done or the products to be acquired in clear and concise terms. If a requirement cannot be clearly defined, indicate the objectives and performance criteria to be met, and the evaluation criteria to be used.

Technical requirements: Ensure that adequate technical/performance specifications (or purchase description) are included, and that mandatory requirements are clearly defined.

Trade references: "Brand name or equal" type of purchase description should not be used, unless no other specification is available.

Appropriate action: Determine whether a requirement can be fulfilled from an existing mechanism (i.e., standing offer). Ensure that the most efficient and effective procurement strategy is being followed.

Evaluation criteria: Evaluation criteria, and their relative weighting/importance, must be clear, and the evaluation process and team, if applicable, defined. Indicate whether, and under what conditions, alternatives will be considered.

Contractor selection: Determine the basis on which a contractor will be selected. If the intent is to award the contract on the basis of best value, the criteria and the methods that will be used to determine the best value should be stated.

Sourcing: Ensure that the application of trade agreements has been verified, and that government sourcing procedures and departmental policies have been reviewed. If a limited source list is to be used, ensure that solid reasons support the source selection decision.

Security requirements (Personnel or Facility): Ensure that security requirements have been adequately defined.

Pricing factors: Determine all factors which will affect price (i.e., duties, taxes, transportation and installation costs). Identify potential currency issues.

Terms and conditions: Include applicable terms and conditions.

Standard/special clauses: Use, whenever possible, standard document formats and clauses for the GNWT. If a situation arises for which a standard clause does not exist or an existing clause requires changes, ensure that the GNWT's interests are protected. Consult Contract & Procurement Services or Legal Counsel for advice.

Intellectual property: Ensure that ownership of intellectual property, where applicable, has been addressed.



Employer-employee relationship: Ensure that potential employer-employee relationships, where applicable, have been addressed.

Basis of payment: Determine the most appropriate basis of payment.

Funding level: Consider, when issuing a request for proposal, whether or not to include an estimated or maximum funding level (i.e., when a requirement involves an investigation or a study, the depth of the investigation or study will often depend upon the funds available).

Financial security: Specify, when applicable, the type, combination and amount of financial security required.

Delivery: Define delivery requirements. Avoid statements such as "as soon as possible" which could cause unjust rejection of bids for unsatisfactory proposed delivery. If delivery is of major concern, it should be identified as such.

FOB point: Specify the FOB (free on board) point, as applicable.

Quality assurance: Include the government quality assurance required, such as inspection, process control, acceptance criteria, etc.

Multi-item requirements: When appropriate, emphasize the prerogative to award the contract on either an aggregate or partial basis.

Preparation instructions: Determine the desired format and any special instructions for the presentation of bids. The evaluation process will be simplified if proposals are presented using the same format.

Bidding period: Allow sufficient time for the preparation and return of bids, taking into account mandatory requirements under trade agreements, the complexity and urgency of the requirement,

the necessity for suppliers to contact subcontractors, and the geographical location of suppliers.

Bid validity period: Ensure that the proposed bid validity period allows sufficient time for the bid evaluation process and the contract approval process.

Bidders' conference or site visit: The need for, and requirement for potential bidders to attend a bidders' conference or site visit must be established. Bidder conferences and site visits must be identified in advertising resources if held less than two weeks from document release.

Closing date and time: Indicate the closing date and time clearly.

Form of bids: Procurement officers must ensure that instructions for the submission of bids are not open to misinterpretation.

Receipt of bids: All tenders and competitive proposals are to be directed to a designated bid receiving area.

Public opening: All tenders are opened publicly. State the time, date and place where tenders will be opened.

Approvals: Ensure that all required approvals have been obtained.