



Selling the Public Sector

SALES AND MARKETING EXECUTIVES VICTORIA
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Canadian Public Sector Market

- Federal government
- Provincial governments
- Regional governments
- Local governments
- First Nations governments
- Broader Public Sector



Government of Canada

- \$16 billion purchased annually
- Public Works and Government Services Canada is main buyer on behalf of departments and agencies
- <https://buyandsell.gc.ca/procurement-data/tenders>
“Tenders” website
- The procurement process has four key steps:
 - Register as a Supplier
 - Promote Yourself
 - Search for Opportunities
 - Bid on Opportunities
- Free seminars are available



Government of Canada (cont)

- Promoting your business
 - Understand the end-user's needs
 - Emphasize your competitive advantages
 - Research your government market and target departments
 - Find out which departments and agencies are likely to want to buy your goods or services – who has the budget?
 - Identify procurement professionals (through GEDS)
 - View previous contract awards
 - Find out who is interested in a tender (LIS) – may lead to partnership opportunities



What's an
ACAN?

Government of Canada

- **Methods of Supply**
 - **Telephone Buy (T-Buy)**
 - **Request for Quotation (RFQ)** – lowest price wins
 - **Invitation to Tender (ITT)** - the lowest-priced responsive bid
 - **Request for Proposal (RFP)** - most cost-effective solution based upon established evaluation criteria
 - **Request for Standing Offer (RFSO)** - provide goods and services on an as-and-required basis, at firm prices
 - **Request for Supply Arrangement (RFSA)** - establish a framework to permit expeditious processing individual bid solicitations which result in legal binding contracts.
 - **Sole Source** – only one identified supplier can fulfill requirement



Government of British Columbia

- \$8 billion annually
- 23% with Top 20 Vendors
- Shared Services BC (in MTICS) provides shared supply solutions to support ministries, Crown corporations and the broader public sector.
- Services include:
 - **Goods and Services Catalogue** - lists unique arrangements put in place by corporate purchasing groups, available to ministries and broader public sector organizations
 - BCBid <http://www.bcbid.gov.bc.ca> online tender and bidding system



Government of British Columbia (cont)

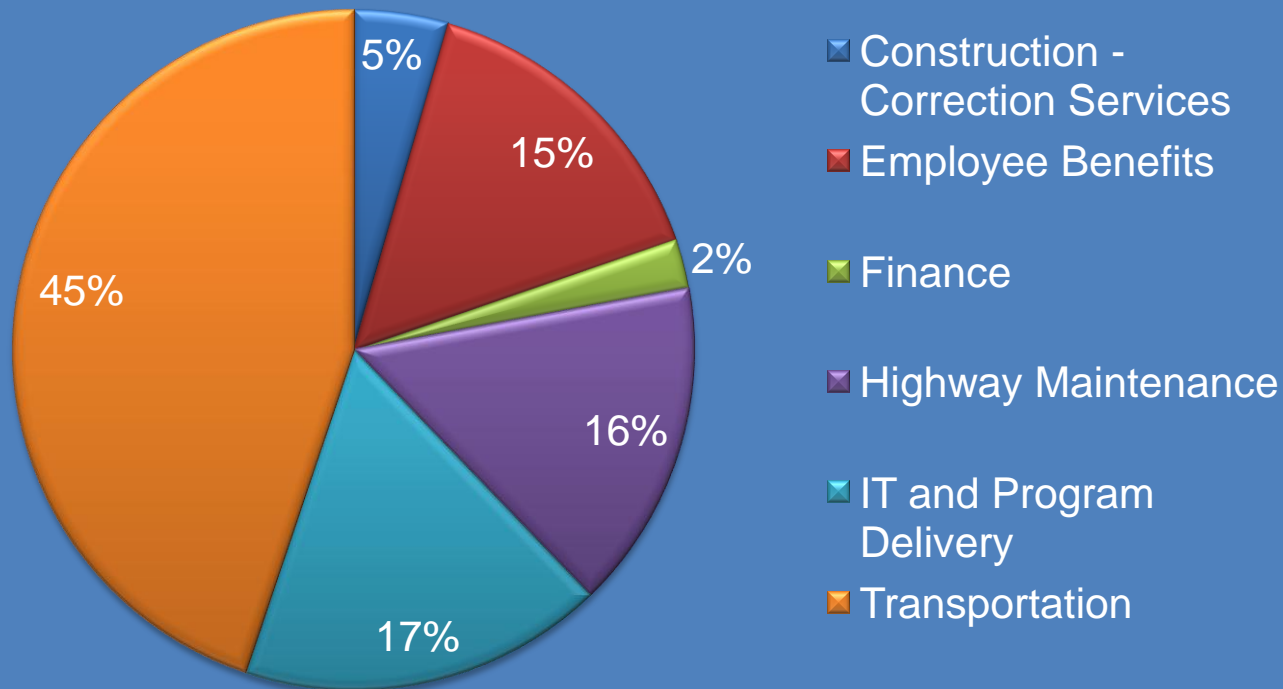


- Methods of Supply
 - **INVITATION TO QUOTE (ITQ)** - Based on price.
 - **REQUEST FOR PROPOSAL (RFP)** Used when a purchase includes services and/or the purchase decision is not solely based on price.
 - **INVITATION TO TENDER (ITT)** Used to acquire construction-related services.
 - **REQUEST FOR QUALIFICATIONS (RFQ)** Used to create lists of suppliers who are pre-qualified to bid on opportunities that may arise in the future.



Government of British Columbia (cont)

Top 20 Vendors by Category



Capital Regional District

- \$206 million in 2015
- 61% with top 20 Vendors
- Business Opportunities Webpage

Estimated Transaction Cost	Method
<i>Goods and Services</i>	
Less than \$5,000	Low Value Process
Less than \$10,000	Informal Quotation Process
\$10,000 to \$75,000	Written Quotation Process or Formal Competitive Process (RFP, ITQ, RFSO)
Greater than \$75,000	Formal Competitive Process (RFP, ITQ, RFSO)
<i>Construction</i>	
Less than \$200,000	Written Quotation Process or Formal Competitive Process (RFP, ITT)
Greater than \$200,000	Formal Competitive Process (RFP, ITT)



Capital Regional District (cont)

- **Methods of Supply**
 - **“Request for Qualifications”** – qualifications list, access to RFPs;
 - **“Invitation to Quote (ITQ)”** - evaluated primarily on price;
 - **“Invitation to Tender (ITT)”** Used for construction services, evaluated primarily on price;
 - **“Request for Expression of Interest (RFEOI)”** means the buyer is interested in receiving information from suppliers on any products or services available to achieve a particular outcome and may issue an RFQ, RFP or ITT depending on the response.
 - **“Request for Proposal (RFP)”** Evaluated on predetermined criteria where the selection of a supplier may not be made solely on the basis of price;
 - **“Request for Standing Offer (RFSO)”** An offer from a supplier to provide well-defined, readily available goods or services, as and when requested, at prearranged prices or on a prearranged pricing basis, under set terms and conditions, and for a specific period of time.



Capital Regional District (cont)

Top 20 Vendors by Category



City of Victoria

- \$87.5 million in 2015
- 60% with top 20 vendors
- Bid Opportunities website
<http://www.victoria.ca/EN/main/business/bid-opportunities.html>
- Register in Bid Information Distribution System (BIDS) to receive electronic notifications
- All significant purchasing for the City is done by the City's Supply Management Services Division.



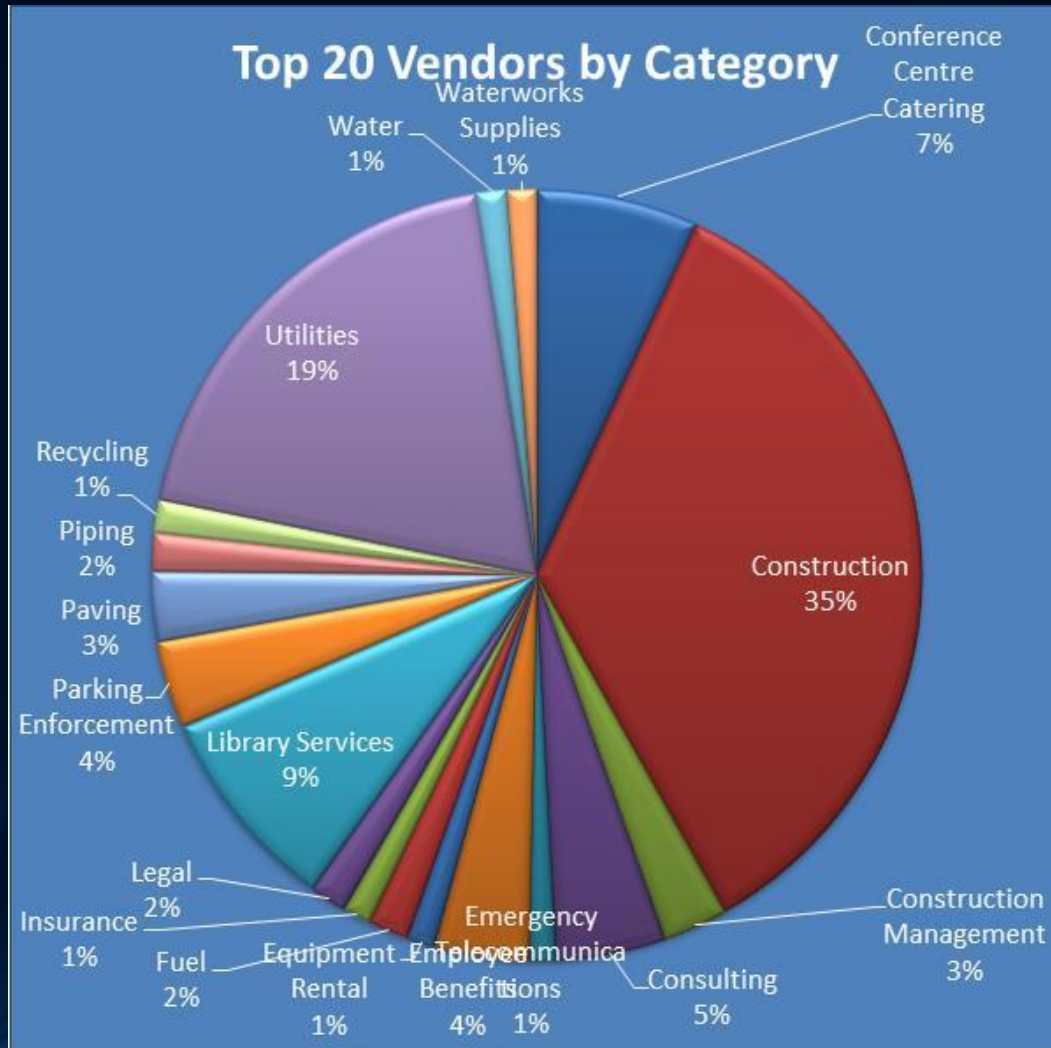
60% with top 20 vendors

City of Victoria (cont)

- **Methods of Supply**
 - **RFO** - a competitive process for an intended expenditure <\$50K.
 - **RFP** means a Request for Proposal that is a competitive process for an intended expenditure by the City > \$50K for which proposals are invited and accepted electronically, but are not publicly opened.
 - **Single Source** means where there is a single supplier that clearly provides the best value to the City in the circumstances of a particular purchase or the circumstances in which the purchase is required are extraordinary or involve an emergency.
 - **Sole Source** means the only supplier who has the ability or capacity to supply specified goods or services or the supplier the City is obligated contractually to use in the circumstances of a particular purchase.
 - **Tender** means a competitive process for an intended expenditure by the City of more than \$50,000 for which bids are invited and accepted electronically, but are not publicly opened.



City of Victoria (cont)



Public Sector Procurement Practices

- Competitive procurements are the norm.
- Procurement processes are often led by procurement professionals, not the end user.
- Identity of decision makers is often unknown.
- Access to end users/decision makers is restricted.
- Evaluation handbooks are typically developed before the proposals are received.
- Evaluations are conducted by teams of evaluators, representing the client organization.
- Bidders conferences, once commonplace, are seldom used today.



Our Hopes

- We hope that:
 - The procurement objective is to identify the best proponent for the job and that the process will truly be fair and transparent.
 - RFP preparation time will be commensurate with the value of the requirement.
 - The process is respectful of our time and investment in responding.
 - The scope and objectives are explicit and clear.
 - Evaluation criteria is clearly stated and consistently applied.
 - Response deadline is appropriate to the effort involved in responding.
 - Effective feedback on our proposal will be provided.



Our Fears

- We are afraid that:
 - **Price is King!** – The objective of the RFP is to generate the highest number of bids and the evaluation is skewed towards the lowest cost proponent.
 - **The Fix is In!** – The RFP has been tailored to favour a particular proponent or solution. One or more consultants have an inside track.
 - **Proposal effort is excessive** to contract value. RFP boilerplate is used regardless of the size of the contract.
 - **Proponent's costs are not considered.** The design of the procurement process does not consider proponent's costs and effort.
 - **It's a Trap!** Scope and objectives are purposely vague. Only the successful proponent will fully learn of the depth of the problems they've walked into.
 - **Feedback on proposal will not be provided** or will not be factual.



Market your Capabilities

- Marketing your products/services to the Public Sector can follow traditional approaches
 - Direct solicitation to public sector decision makers
 - Presentations to public sector conferences/meetings
 - Building networks and personal relationships
- Public sector employees may be concerned about the potential for conflicts of interest and don't like to be "sold".
- Marketing can lead to procurement opportunities, but may not give you any advantage in the competition.



Responding to Opportunities - Tips and Techniques



1. Read the procurement document carefully and thoroughly.
 - Identify all mandatory and desirable requirements.
 - Identify all potential questions you have.
 - Review all terms and conditions and determine whether you can comply.
 - Review the evaluation criteria and weightings.
 - Identify the timelines for response and decision.
 - Evaluate your capabilities against the requirements and make a go/no go decision.



Responding to Opportunities - Tips and Techniques

2. Plan your response.

- Who will lead the response?
- Who will assist in responding?
- Which resources will be included in the response? Do we need any resources from outside our organization (consider partnerships, subcontractors, subject matter experts)?
- Ask questions we need answers to? Competitors will see you questions and answers, so be selective.
- Identify the cut-off date for asking questions.
- What form will your response take?

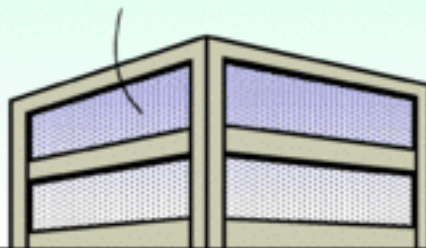


THE REQUEST WE GOT FOR A QUOTE IS VAGUE, AND THE DEADLINE FOR OUR RESPONSE IS TOMORROW.



Dilbert.com DilbertCartoonist@gmail.com

IF I ASK FOR CLARITY, WE'LL MISS THE DEADLINE. IF I DON'T, OUR BID WILL EITHER BE BELOW OUR COST OR TOO HIGH TO WIN.



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WHICH PATH OF CERTAIN FAILURE DO YOU PREFER?



I LIKE THE ONE THAT MAKES YOU WORK THE HARDEST.

Responding to Opportunities - Tips and Techniques

3. Prepare your Response

- Follow the requested format.
- Clearly demonstrate how you met the mandatory requirements.
- Use “Response Guidelines” to create the structure and headings in your proposal to ensure that the proposal is complete, well-organized and responsive to the requirements.
- Provide sufficient details on approach and expertise, considering the evaluation criteria.
- Don’t just say what you will do, say how you will do it.
- Don’t just state your experience, indicate why it is relevant.



Responding to Opportunities - Tips and Techniques

3. Prepare your Response (cont)

- Experience - Write your proposal as though the evaluators had never heard of you. Evaluators will only consider the information included in the proposal.
- Executive Summary
 - Explain the proposal in simple terms and in no more than two pages.
 - Summarize both the anticipated results and the process the proponent intends to follow to achieve these results.
 - Contain all the basic elements of the proposal so that anyone not on the evaluation team can read the summary and understand what is being proposed.
 - Written in plain English and readily understood by a layperson.



Responding to Opportunities - Tips and Techniques

4. Review your Proposal

- Have someone independent of the proposal team review the proposal against the procurement document.
Consider:
 - Did you demonstrate the mandatory requirements were met?
 - Did you address all requirements?
 - Did you keep the document short and to the point?
 - Did you effectively address the desirable requirements?
 - Would you select your proposal as the winning proposal?
 - Did you agree with all Terms and Conditions?
 - Did you price it as required?
 - Did you consider possible conflicts of interest?



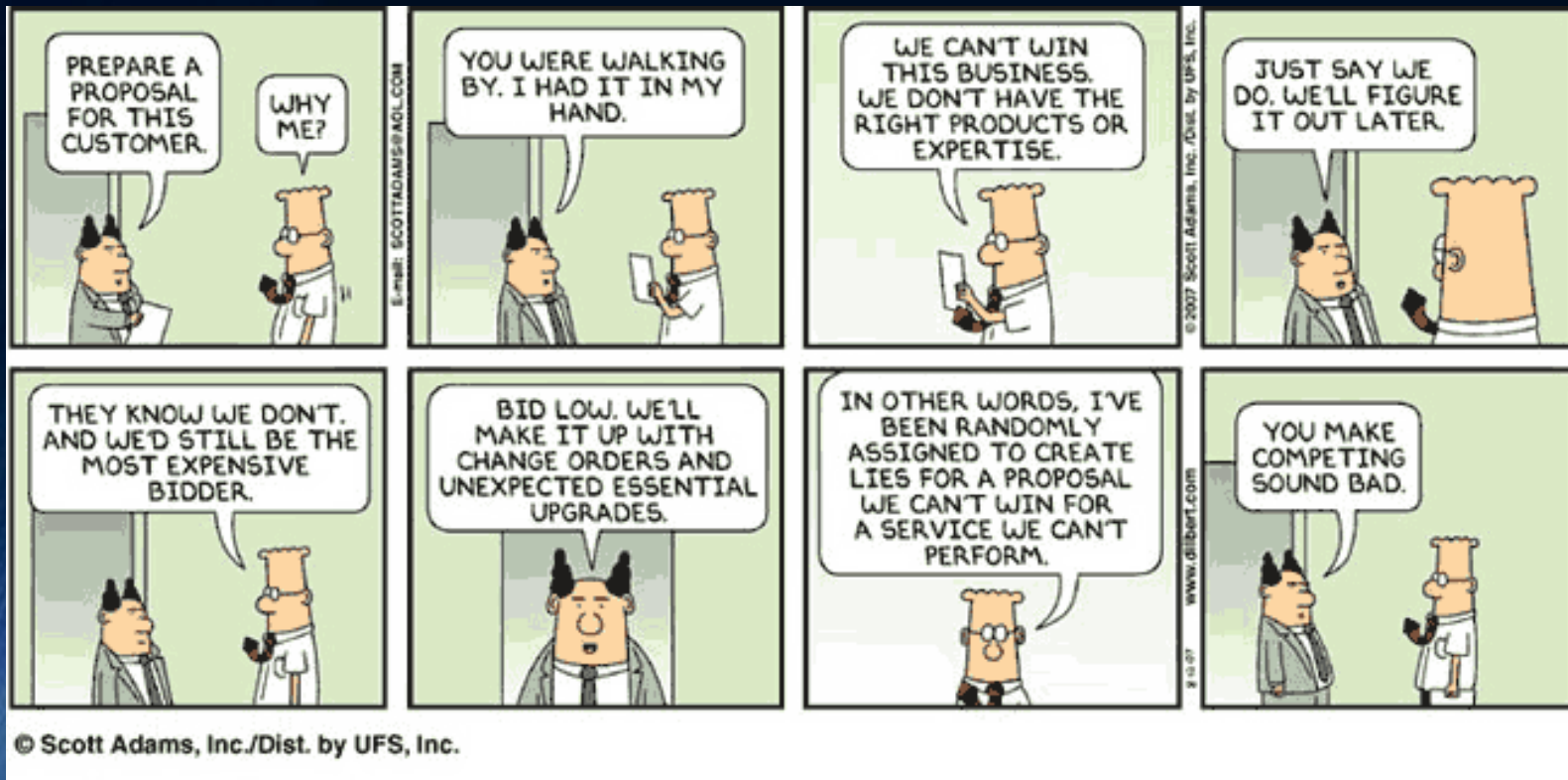
Responding to Opportunities - Tips and Techniques

5. Submit your Proposal

- Submit your proposal on time and in the appropriate form.
- Use electronic submission where possible.



Summary



Thank You

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