

# **Procurement Centralization**

**Frequently Asked**

**Questions and Answers**

about the

**Interim Measures**

as applicable to organizations classified as

**Ontario Public Service,**

**Broader Public Service, and**

**Agencies**

**NOTE:** Reference to "Ontario Public Service ("OPS") organization" includes all Ministries, all Provincial Agencies, Ontario Power Generation ("OPG"), and the Independent Electricity System Operator ("IESO").

Reference to "Broader Public Service ("BPS") organization" refers to the organizations that receive funding from the Government of Ontario, and Provincial Agencies not classified as OPS.

## **Procurement Value Thresholds pertaining to Interim Measures**

**NOTE:** Throughout this Frequently Asked Questions ("FAQ") document, any reference to Interim Measures "thresholds" refers specifically to a procurement value:

- Equal to, or higher than, **\$34,700** for OPS organizations and Agencies classified as OPS; and
- Equal to, or higher than, **\$139,000** for BPS organizations.

## **Questions and Answers**

### **1. What are Interim Measures and why they were implemented?**

Interim Measures support collaborative purchasing opportunities while protecting business and service continuity during the development of a centralized system. They also facilitate the collection of data needed to build that system.

### **2. What are the benefits of the Interim Measures?**

Interim Measures will help us gather information and identify collaborative bulk-buying initiatives to achieve efficiencies and leverage other spending opportunities in support of centralization.

### **3. To whom do the Interim Measures apply?**

Interim Measures include requirements for the OPS that apply to all Ministries, Provincial Agencies, OPG, and the IESO.

They also establish expectations for BPS organizations, including hospitals; school boards, universities, colleges of applied arts and technology and post-secondary institutions, children's aid societies, and corporations (such as Shared Services

Organizations (SSO) and other group-purchasing entities) controlled by one or more designated BPS organizations that exist solely, or primarily, to purchase goods or services for these BPS organizations.

#### **4. Are all types of procurement covered by the Interim Measures?**

The Interim Measures **apply to**:

- New procurements of goods and services (both consulting and non-consulting) valued at, or above, the applicable procurement thresholds for OPS and BPS organizations.

The Interim Measures **do not apply**:

- **When the procurement is related to Construction.**  
**NOTE:** “Construction” refers to the construction, reconstruction, demolition, repair, or renovation of a building, structure, or other civil engineering or architectural work. It includes site preparation, excavation, drilling, seismic investigation, and the supply of products, materials, equipment, or machinery **when included in and incidental to the construction**. It also covers the installation and repair of fixtures in a building, structure, or other civil engineering or architectural work. Professional consulting services related to the construction contract are **not included**, unless explicitly part of the procurement.
- For OPG and IESO, procurement activities that are directly related to the delivery of electricity or electrical systems are included. This also covers consulting services that form part of those procurements.
- Where goods or services are procured for commercial sale or resale, or for use in producing a good or service intended for commercial sale or resale.

#### **5. What procurements are considered "new"?**

As per the Procurement Directive: “new procurement” is the initiation of a competitive process to acquire goods, services, or construction where no existing contract applies, or the scope and requirements differ significantly from previous agreements.

#### **6. Can BPS organizations, Provincial Agencies, OPG and the IESO access Supply Ontario's Enterprise Vendor of Record (VOR) program?**

Yes. Information about accessing the Supply Ontario (SO) Enterprise Vendor of Record Arrangements can be found on the SO website. Buyers must be registered to access the VOR Arrangements; details on how to register are also provided on the website.

**7. Where can BPS organizations, Provincial Agencies, OPG and the IESO learn about the goods and services available through the Supply Ontario's VOR program?**

Once registered, buyers can access a complete list of the goods and services available through the SO Enterprise VOR Arrangement program, along with contract details. The access link will be provided in a registration confirmation email. For questions about a specific VOR Arrangement, buyers may contact the VOR Arrangement Contract Manager listed in the applicable user guide.

**8. I work in a public-sector organization classified as "OPS", and obtained a quote that is cheaper than the applicable SO VOR Arrangement price. Do I still need to use the VOR Arrangement?**

Yes, if an VOR Arrangement is categorized as mandatory-use for OPS entities, you are required to use the SO VOR Arrangement when the good or service meets your business needs. When developing VOR Arrangements, factors beyond price are considered. In limited and exceptional circumstances, where a strong business case exists for not using an existing VOR Arrangement, a Procurement Rationale Report Form (PRRF) must be submitted to SO at least 45 calendar days before issuing the procurement to the vendor community.

While use of the VOR Arrangement remains mandatory, if you become aware of lower-cost options, please share that information with the Contract Manager for the relevant VOR Arrangement at SO. This feedback supports ongoing reviews and future planning.

**9. I have been advised by a vendor on an VOR Arrangement that they are unable to provide us with the goods or services that I want to purchase, even though they list them as offerings in the SO VOR Arrangement. What do I do?**

For this or any other contract-related issue, please contact the SO VOR Arrangement's Contract Manager as soon as possible. They will assess the issue and identify options for resolution.

**10. Our OPS Organization has its own, internal VOR Arrangements. Can we continue to use them?**

Yes, current VOR Arrangements that are OPS organization-specific or shared between multiple OPS organizations may continue to be used. Any new VOR Arrangements specific to an OPS organization must comply with the OPS Procurement Directive, including the Interim Measures (see applicable Appendix). If a Supply Ontario VOR Arrangement exists for the same goods or services, it should be used. In limited and

exceptional circumstances where this is not possible or appropriate, a Procurement Rationale Report Form (PRRF) must be submitted.

**11. Our organization has access to contracts through SSOs, Group Purchasing Organizations (GPO), and other co-operative purchasing groups. Can we continue to use those contracts?**

Yes, current contracts available to your organization through SSOs, GPOs and other co-operative purchasing groups, may still be used by your organization.

**12. How do Ministries find information on contracts that may be available through other entities that may meet their business needs, where no current enterprise or OPS organization-specific VOR Arrangement exists?**

Except for SO VOR Arrangements, there is currently no central repository of contracts that are available to Ministries, Provincial Agencies or BPS organizations.

**13. I'm doing a second-stage procurement using an SO VOR Arrangement. Do I need to submit a PRRF for a Statement of Work that is over two years in duration?**

When an SO VOR Arrangement is used for your procurement, a PRRF is not required, regardless of length of the contract.

**14. I'm doing a second-stage selection using a multi-Ministry VOR Arrangement that is over two years and over the OPS threshold. Do I need to submit a PRRF?**

When a multi-ministry VOR Arrangement is used for your procurement, a PRRF is not required, regardless of length of the contract and/or procurement value.

**15. How should optional extensions be considered with regards to the 2-year Interim Measures threshold when calculating the overall term of a contract we want to execute?**

The total procurement contract term must include the initial period plus all optional extensions to ensure compliance with the Interim Measures.

**16. How long will the Interim Measures be in effect?**

The Interim Measures will be in effect until further notice.

**17. Should Ministries consider updating the Memorandum of Understanding (MOU) with their Provincial Agencies to reflect the Interim Measures for the OPS? What about Transfer Payment (TP) agreements with a select BPS organization to reflect Interim Measures for BPS organizations?**

No, it is not necessary to update MOUs with Provincial Agencies or TP agreements with select BPS organizations.

**18. Are BPS organizations required to use a SSO or a bulk-buying agreement?**

BPS organizations should use applicable SO VOR Arrangements when available. They may also use SSO and GPO master agreements, which along with other bulk-buying arrangements often provide excellent value for money. Agreements established through fair, open, transparent, and trade-compliant procurement processes meet the definition of a VOR Arrangement for the purposes of the Interim Measures.

Where use of an SO VOR Arrangement is not possible or appropriate, BPS organizations must submit a PRRF to SO at least 45 calendar days before releasing the procurement to the vendor community.

**19. If I use an SO VOR Arrangement, or an SSO or GPO master agreement, may I sign a contract longer than two years?**

When using an SO VOR Arrangement, contracts may be established for terms longer than two years. However, when using SSO or GPO agreements, you must seek appropriate approval, as these fall outside the scope of SO procurement.

**20. When should a PRRF be completed?**

For OPS and BPS organizations: Please submit a PRRF for all new, in-scope procurements that meet any of the following criteria:

- Are equal to or above the Interim Measures thresholds;
- Are not leveraging an SO VOR Arrangement; and/or
- Exceed two years in length, including extensions.

The table below shows some sample scenarios demonstrating if a PRRF is required.

Scenario	Is PRRF Required	Reason
\$350,000 good/service, not available on VOR Arrangement, contract less than 2 years with extensions	NO	Contract 2 years or under
\$150,000 good/service using enterprise Volume Licensing Agreement, 3-year contract including extensions	NO	Using enterprise agreement
\$20,000 good, invitational, not available on VOR Arrangement, 4-year contract	NO	Value under \$34,700, measures do not apply
\$100,000 good/service, sole source, 3-year contract	YES	Contract over 2-years
\$5M construction related, 5-year contract	NO	Not required for construction
An OPS organization is procuring a good/service over \$34,700; 1-year contract + 1-year extension	NO	Total contract 2 years or under

If a PRRF is not required, the organization may still choose to submit one.

## 21. Where can I find the PRRF template and how do I complete it?

The PRRF template, including instructions for completion, is available from the Ontario Forms Repository (See link in references below). Please ensure you always use the most current version.

## 22. In addition to completely populating the Form, are there any steps to be taken when entering that information in the Form?

In addition to completing all applicable fields in the PRRF template, you must consult existing SO VOR Arrangements before submission. This ensures you can provide details in the Rationale field on which VOR Arrangements were reviewed and, where relevant, which offerings did not meet your requirements for the specific procurement.

**23. What is the process for the BPS organizations/provincial Agency to submit a completed PRRF for review?**

Once the PRRF template is completed, a customized “Send for Supply Ontario Review” button will appear at the bottom of the form. Clicking this button submits the PRRF to the proper queue and provides you with a copy that includes an automatically-generated reference number.

**24. Who needs to “sign”/approve the PRRF before submitting it?**

The signatory is determined at the discretion of the organization.

**25. After I submit the PRRF, do I need approval from SO/the funding Ministry in order to proceed with the procurement?**

The approval process for procurement is defined by the Procurement Directive. For BPS organizations, oversight by their funding Ministry may be part of their internal approval process. The PRRF review process serves as an opportunity to ensure adherence to the Interim Measures and any other applicable policies in effect at the time. Submission of the PRRF for review does not alter the organization’s authority to proceed with the procurement as planned.

**26. Are maintenance and equipment servicing contracts also covered by the Interim Measures?**

Yes, these types of service contracts are included unless:

- the procurement relates to construction, or:
- is established by OPG or the IESO for procurement not related to internal administration, or
- involves goods or services procured for commercial sale or resale, or for use in the production of goods or services intended for commercial sale or resale.

**27. What will the PRRF be used for?**

PRRFs provide essential information to identify savings opportunities across the OPS and BPS. Using the information compiled from the submitted forms, SO will provide advice on contract terms, collaboration options, or the use of SO VOR Arrangements for their procurement.

**28. Will omnibus submissions be allowed? For example, a number of similar projects, or projects that are linked, captured in one PRRF report.**

The PRRF is designed to address individual procurements. Information on each procurement is needed to identify opportunities for collaborative bulk-buying, achieve efficiencies, and leverage other spend opportunities to support centralization. Therefore, an omnibus approach is not being used.

**29. Will data and summary reports be shared with Ministry procurement teams?**

Currently, there are no plans to share summary reports with procurement teams. SO is focused on gathering procurement information at the enterprise level to identify opportunities for collaborative bulk-buying arrangements that drive efficiencies and leverage other spend opportunities.

- end of FAQs (see references below) -

### 30. References and resources

The following links and locations provide additional information and resources applicable to the Interim Measures PRRF review process.

- The download link for the PRRF template ([Procurement Rationale Report Form - Forms - Central Forms Repository \(CFR\)](#))
- For OPS organizations with access, the OPS Procurement Directive ([Ontario Public Service Procurement Directive - InsideOPS](#))
- For OPS organizations with access, the BPS Procurement Directive (<https://www.ontario.ca/page/broader-public-sector-accountability>)
- For OPS organizations with access, the OPS intranet site for Procurement ([Procurement - InsideOPS](#))
- U.S.-related Procurement Restriction Policy ([Procurement Restriction Policy - InsideOPS](#))
- Procurement Directive on Advertising, Public and Media Relations, and Creative Communications Services ([Procurement Directive on Advertising, Public and Media Relations, and Creative Communications Services - InsideOPS](#))
- The Supply Ontario website ([Supply Ontario](#))