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**LETTER OF INTEREST
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Comments - Commentaires

Vendor/Firm Name and Address
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Issuing Office - Bureau de distribution
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Ontario Region
Mississauga
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Title - Sujet Interim Food & Beverage Strategy	
Solicitation No. - N° de l'invitation E6TOR-19RM01/A	Date 2019-04-05
Client Reference No. - N° de référence du client E6TOR-19RM01	GETS Ref. No. - N° de réf. de SEAG PW-\$TOR-033-7760
File No. - N° de dossier TOR-9-42001 (033)	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2021-03-31	
Time Zone Fuseau horaire Eastern Daylight Saving Time EDT	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Martin, Lesley	Buyer Id - Id de l'acheteur tor033
Telephone No. - N° de téléphone (416) 275-7110 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: see herein	

Instructions: See Herein

Instructions: Voir aux présentes

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Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date



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CANADIANS.

Interim National Food and Beverage Procurement Strategy

April 2019



pspc-spac

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1. Updates to Strategy

To update and modernize PSPC's food and beverage strategic direction, the following updates have been made to the Interim Food and Beverage Procurement Strategy:

- Executive Summary:
 - Social and Green Procurement;
 - Addition of Regional zones;
 - E-procurement and e-Post;
 - Standardized bid evaluation;
 - Annual expenditures update.
- Section 3 Purpose
 - Added PSPC regions;
- Add section 4, Modernizing PSPC Food and Beverage Procurement Practices;
- Section 7, Evaluation and Selection of Suppliers
 - Subsection 7.1.a. Item Award Methodology, identify a preference for price 'rebids';
 - Subsection 7.3, Updated Price Refresh section to identify documentation requirements;
- Section 8, Product Lists
 - Subsection 7.2, updated reference from Food Quality Specifications (FQS) to National Food Quality Specifications (NFQS);
- Section 9, Government Department Ordering Information
 - Subsection 9.4, Ordering Lead Times, add Special Orders Minimum Lead Time;
- Section 10, Incorporating Environmental Considerations in Food and Beverages purchases;
 - Added environmental categories and environmental consideration examples;
- Add section 11, Incorporating Social Procurement Considerations in Food and Beverages Purchases;
- Section 12, Governance
 - Updated the Roles and Responsibilities;
- Section 13, Use of Procurement Instruments
 - Added references to the Canadian Collaborative Procurement Initiative (CCPI);
- Section 14, Implementation Plan
 - Updated dates and engagement activities;
- Add Annex B, Frequently Asked Questions.

2. Executive Summary

The National Food and Beverage Procurement Strategy (NFBPS) was established to ensure consistency in meeting Government of Canada food and beverage requirements, while enhancing access for suppliers and increasing value to Canadian taxpayers.

The goals of the NFBPS are:

- a more consistent procurement process for government departments while satisfying their operational needs;
- greater consistency in procurement processes for suppliers by using Request for Information (RFI) postings prior to the release of regional consolidated commodity postings (Regional Master Standing Offers);
- greater transparency in food and beverage procurement by using the Government of Canada's Electronic Tendering System (GETS) also known as Buy & Sell (www.buyandsell.gc.ca);
- increased value to taxpayers;
- enhanced access for suppliers;
- include green procurement initiatives in standing offers;
- include social procurement initiatives in standing offers;
- increasing access for Small and Medium Enterprises (SME) through development of regional zones and the line item award methodology;
- align the commodity for PSPC's future e-procurement solution through standardized documents, processes and the use of postal codes as delivery points;
- streamlining procurement vehicles from individual departmental requirements (Regional Individual Standing Offers (RISO)) to multi-departmental requirements or Regional Master Standing Offers (RMSO);
- utilizing Canada Post's ePost Connect (electronic bid receipt) as an electronic method for bid receipt; and
- to promote PSPC's standardized bid evaluation method through the PSPC Food Evaluation Tool.

Annual expenditures associated with contracts and standing offers for food and beverage are estimated to be \$100 million of which there are three major government departments, the Department of National Defence, Correctional Services Canada and Fisheries and Oceans Canada. This figure is taken from the client department expenditures.

2.1 Scope

The scope of the NFBPS is federally-funded food and beverage purchases in Canada by PSPC on behalf of government departments in Canada, including the Department of National Defence and the Correctional Service of Canada. This strategy defines common federal procurement strategies to be used by PSPC and other departments who purchase food and beverages. The strategy has been in effect from June 2014 and covers food and beverage purchases in Canada.

The following sub-categories or cases are not specifically addressed within the current document because they are either covered under other government policies or other national strategies:

- Hospitality Services
- Meals for persons travelling on government business
- Humanitarian aid, disaster relief or emergencies

- Comprehensive Land Claim Areas (CLCA) / Procurement Strategy for Aboriginal Businesses (PSAB)

The following sub-categories or cases are not specifically addressed within the current document. Due to their nature and/or complexity, they do not fall within the standardized categories and suggested bidding periods detailed in Section 5.1:

- Water;
- Combat rations
- Prepared Meals - Catering Services, Boxed Lunches, Sandwiches
- Field Operations – non static kitchens and field exercises
- Operations outside of Canada
- Remote locations, including isolated areas*
- Purchases delivered to ships away from home port
- Non-public fund purchases
- Small or irregular requirements - Government departments may have an ongoing or temporary requirement below a reasonable threshold for use of specific PSPC procurement instruments. Current practice would be to encourage these government departments to use their local purchasing authority and buy competitively from local suppliers.

* An “isolated area” is an area where there is insufficient supplier base to comply with the NFBPS. The End User and Local PSPC offices should inform the Regional Office and Managers when they are requesting an isolated area status. This should be substantiated to the National Lead (Ontario Region) and The National Client who will determine eligibility and track their status. These areas will use existing federal government procurement policies to procure their needs.

3. Purpose

The NFBPS provides a structured approach within PSPC to meet food and beverage requirements for government departments in a consistent manner while ensuring maximum competition and access to suppliers, and ease the associated workload.

The NFBPS impacts the five PSPC regions who put in place Standing Offers for food and beverage requirements on behalf of various departments. The five regions are identified below with their provincial and territorial responsibilities:

Pacific Region – British Columbia and Yukon;
 Western Region – Alberta, Saskatchewan, Manitoba, Northwest Territories and Nunavut;
 Ontario Region – Ontario and some Nunavut Land Claims groups;
 Québec Region – Québec;
 Atlantic Region – New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

4. Modernizing PSPC Food and Beverage Procurement Practices

4.1 Regional Streamlining of Procurement Documents

In certain regions, PSPC has consolidated individual department food and beverage requirements also known as Regional Individual Standing Offers (RISOs) into Regional Master Standing Offers (RMSOs). These regional commodity review exercises and consolidation efforts are to gain economies of scale for the Government of Canada for multiple departments in cases where it is operationally feasible and to standardize tender documents to create a consistent approach across all regions. PSPC is changing its strategic direction in food procurement in anticipation of the e-Procurement Solution.

During regional commodity review exercises, PSPC will create pre-identified regional 'zones' which will comprise of various client department locations. The creation of these zones will assist in achieving PSPC's objective to encourage competition between large suppliers and SMEs including businesses owned or led by Canadians from underrepresented groups while achieving best value for the Crown.

4.2 e-Procurement Solution

The Government of Canada is moving toward an Electronic Procurement Solution (EPS) to modernize public procurement practices so that they are simpler, less administratively burdensome and deploy modern comptrollership. The goal of the EPS is to:

- Achieve better value for Canadians through improved procurement outcomes;
- Improve client service by providing easy, web-based access to procurement information and services to Departments and Agencies;
- Provide easy, web-based access to information and services that reduce Suppliers burden of participating in the procurement process;
- Achieve an integrated approach to the management of government spend; and
- Enable procurement professionals with new tools, technology and processes to deliver effective client services.

The EPS system will create a significant shift in the way PSPC procures food and beverages across Canada. A catalogue approach may be used to buy food and beverages and a proposed use of credit cards as procurement vehicle and payment instrument. There will be significant supplier consultation in using the new format. The NFBPS will be updated to reflect the new changes as they are implemented in PSPC procurement processes.

4.3 Canada Post ePost Connect

Prior to the EPS, PSPC has identified the Canada Post ePost Connect system as the preferred method to receive bids electronically. The [Canada Post ePost Connect](#) can accept electronic bids in various food and beverage Request for Standing Offer (RFSO) processes across all regions. By moving towards a paperless solicitation

process prior to the EPS, it will allow PSPC and suppliers to transition to a modern procurement process and save time and lower supplier costs while meeting PSPC's [Policy on Green Procurement](#).

4.4 PSPC Food Evaluation Tool

PSPC has changed the way it evaluates and awards standing offers by accepting and converting various measurement units within the food and beverage industry. PSPC will be implementing the Food Evaluation Tool as a standardized process where suppliers are able to submit their products in various pre-determined descriptions (i.e. lbs, kilograms, ounces, milliliters etc). The tool will allow PSPC to accept brand name and private label items that have different packaging and sizes, up to a certain threshold, which will permit supplier flexibility when proposing their products.

Prior to the issuance of any RFSO, it is recommended that contracting officers issue an RFI to provide potential bidders with information on using the tool to increase bid compliance. Once implemented by PSPC regions, the Food Evaluation Tool will provide bidders with a consistent financial evaluation process across Canada using the same look and feel regardless of commodity or area.

5. Government Electronic Tendering Service (GETS) and Buy & Sell

All solicitations by PSPC are posted on the Government Electronic Tendering Service (GETS), commonly referred to as Buy & Sell (www.buyandsell.gc.ca) for the bidding periods as defined in Section 5, Use of Standardized Suggested Categories of Products and Suggested Bidding Periods.

This approach will not be used when there are one-time purchases which do not reflect an ongoing need and when the aggregated requisition value is lower than \$25,000.

6. Use of Standardized Suggested Categories of Products and Suggested Bidding Periods

The marketplace across Canada is sufficiently similar to enable food and beverage purchases to be grouped into a minimum of five main categories as listed below. Flexibility in groupings to address different government departments and supplier capabilities is permitted as long as fairness and transparency is maintained.

6.1 Managing Prices – PSPC solely responsible

The Strategy will provide pre-determined competitive bidding periods where possible to ensure prices are competitive throughout the year. PSPC is solely responsible for managing prices.

Firm pricing for the term with pre-determined competitive bidding periods should provide more cost certainty and less risk for both Canada and industry.

Table 1: Food commodity categories and pre-determined competitive bidding periods

Depending on the Award Methodology identified below, PSPC contracting officers should follow the Standing Offer durations and Bidding Periods identified below.

Category	Line Item Methodology	Basket Methodology
Miscellaneous Groceries • Various Frozen Products	Standing offer duration: 1 year Rebid every 6 months between standing offer holders.	Standing offer duration: 6-months Re-tender every 6-months
Meat and/or Fish and/or Poultry	Standing offer duration: 1 year Rebid every 3 months between standing offer holders.	Standing offer duration: 3-months Re-tender every 3-months
Dairy (including but not limited to milk, sour cream, cottage cheese, eggs, etc.) <i>Note: Price adjustments as applicable from provincial dairy boards or the Canadian Dairy Commission.</i>	Standing offer duration: 1 year Rebid every 6 months between standing offer holders.	Standing offer duration: 6-months Re-tender every 6-months
Bakery Products	Standing offer duration: 1 year	Standing offer duration: 1 year
Fresh Fruits and Vegetables	Standing offer duration: 1 year Rebid monthly between standing offer holders.	Standing offer duration: 3-months Re-tender every 3-months <i>Note: two (2), one (1) month price refreshes* are included to update prices.</i>

Beverages with Dispensers (not including water) may consider contract vs. standing offer	1 year with two (2), one (1) year extension periods.	1 year with two (2), one (1) year extension periods.
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7. Evaluation and Selection of Suppliers

7.1 Basket and Item Award Methodology

For supplier evaluation, there are two principal methods available, award by “basket” (low aggregate) or by lowest-price per item. The selection methodology will be identified in the Request for Standing Offer (RFSO).

a. Item Award Methodology

Based on an assessment of client needs and Canada’s approach to provide opportunities for SMEs to participate in competitive requirements, it is preferred that Regional Master Standing Offers (RMSOs) and Regional Individual Standing Offers (RISOs) are issued using the lowest-priced per item approach. Items issued will be unique to each successful supplier unless there is a rationale to award a single RMSO or RISO (Standing Offers or SOs) using the low aggregate price basis.

The award on the basis of lowest price per item allows for issuing standing offers to niche suppliers who may not be able to provide the entire basket of listed products.

b. Basket (Low Aggregate) Award Methodology

When there is reason to award one Standing Offer and where low priced basket (low aggregate) will be the default evaluation approach such as when there is a need to keep delivery vehicles to a minimum under the following circumstances:

- a. at secure sites;
- b. remote or Comprehensive Land Claim Agreement sites – where delivery is a significant component of the cost; and
- c. when there is a short list of items (or lower dollar value) making it economically unrealistic to split and award to multiple suppliers.

7.2 Balancing the Number of Awards for Lowest Priced Item Award Methodology

For the purposes of administrative efficiency and effectiveness, when issuing SOs based on lowest price per item, the operational maximum number of SOs to be issued, by category, is 3 per period. This is a reasonable balance between providing access for businesses with the operational challenge of managing multiple standing offers for the government departments. Fewer than 3 SOs per category may be justified for small and/or remote units.

PSPC is responsible for conducting a cost comparison between items to achieve the most cost-effective price and administrative savings to Canada.

Individual solicitations will clearly outline the proposed bid evaluation and selection methodology.

An example of the determination of awards is provided in Annex “A”.

Lowest price per item award ensures maximum competition and promotes multiple standing offers. Enhanced competition opens the marketplace for all, while ensuring the Government of Canada will receive the best overall value. It also facilitates opportunities to do business with the Government of Canada for small, medium and niche suppliers. Comments received during consultations stressed the need to ensure that all suppliers are eligible to bid on any solicitation. In adopting a low price per item approach, smaller suppliers are not required to compete on an entire basket of goods, which many found acted as a barrier to entry to a competitive process.

By limiting the number of standing offers to a maximum of 3 per category, PSPC endeavours to obtain best value while respecting a client's ability to manage the number of suppliers, as well as enabling a sufficient volume of goods is available to make the awards financially viable for the supplier.

If the PWGSC Standing Offer Authority believes that there is justification for issuing more than 3 SOs per category, the Standing Offer Authority must seek written approval from his/her Director, explicitly identifying this issue relative to this National Strategy and a justification for the additional awards. For the purposes of ensuring compliance, a copy of the approval received from the Director, as well as the associated justification, is to be sent to the following e-mail address:

PWGSC.ORManagement-ORGestion.TPSGC@pwgsc-tpsgc.gc.ca

This will allow for data collection and analysis of the SO award process and subsequent modification of the Strategy, if necessary.

In order to assess the overall benefits that multiple standing offers may provide over the long term, PSPC will analyze evaluation data to determine the optimal administrative cost against product price to Canada.

Rebid to existing Standing Offer Holders for Lowest Priced Item Award Methodology

PSPC Regions who follow the Item Award Methodology can adjust their procurement strategy to rebid to only the awarded SO Holders in that particular commodity for one (1) year in accordance with Section 5, Table 1: Food commodity categories and pre-determined competitive bidding periods. After the SO has been in place for one year, PSPC must post the competitive requirement to allow further competition.

7.3 Price Refresh

* “Price Refresh” refers to a price adjustment if included in the terms of the Standing Offer, to reflect seasonal variations, changes in availability and/or market conditions. (e.g. a drought in Florida increases the cost of oranges, or a provincial or federal board adjusting prices such as the Canadian Dairy Commission or Saskatchewan Milk Marketing Board).

Price refresh(s) are approved on a case-by-case basis depending on the commodity and PSPC’s procurement strategy. In the event there is a change in price resulting from any regulatory action taken by the industry or market fluctuations, the price refresh must be subject to revision to reflect the exact cost of such increase or decrease. The proposed price increase must be approved by the client department or Contracting Authority identified in the Standing Offer. The supplier is responsible for providing PSPC any of the following documents at the discretion of the PSPC Contracting Authority:

- market reports;
- invoices for other supplier clients;
- proof of suppliers costs;
- copies of the regulatory action;
- other information accepted by PSPC to substantiate the price increase for each item.

This approach may not be used for locations which are remote from sources of supply and where the value of the amalgamated food and beverage spend is not sizeable enough or operationally feasible to warrant separate solicitations. This decision will be made by PSPC, based on the local market, historical data on number of responses received from suppliers and consultation with the client.

8. Product Lists

8.1 Review “Off-List”

Government departments are responsible for managing their core list of items. These lists will be reviewed periodically to identify items that will be purchased on a regular basis (weekly, bi-monthly, or monthly) with sufficient, realistic volumes. In some Standing Offers, there may be a need for unspecified miscellaneous (off-list) items.

Solicitation documents will identify an off-list ceiling amount and the client department will monitor these lists to ensure that “off-list items” do not exceed the amount listed in the solicitation document. Unless otherwise stated in the solicitation document suppliers will need to report on “off-list” items purchased and the government department Project Authority will monitor the frequency and volume for recommended inclusion into the regular product listing. Pricing of the miscellaneous items will be based upon the use of a product discount (or mark-up).

Under the NFBPS for Food and Beverage, government departments will be encouraged to develop standardized and consolidated food and beverage product lists.

8.2 National Food Quality Specifications

All food and beverage procurement instruments will reference the Department of National Defence's [Food Quality Specifications](#) (FQS). The FQS have replaced all current Canadian General Standards Board standards and will be transitioned to the Government of Canada's www.publications.gc.ca website for easier access by suppliers and departments.

Currently, various federal and provincial laws and regulations are in place that support the use of differing descriptions and there are inconsistencies between provinces. It is the responsibility of each government department to determine their own specific requirements (i.e. specifications and standards - specific information relating to desired product sizes, quantities and quality of items must be clearly defined). For instance, government departments may specify the need to have individual serving packages of sugar as opposed to 5 kg bags and package size limitations (e.g. bulk or container milk). PSPC regional offices, working with government departments are moving towards consolidated commodity requirements for various regions which will create streamlined product descriptions and standards.

When government departments do not have a brand preference, no brand name will be identified in the item detail and suppliers may quote the brand of their choice.

Suppliers must be aware of the brand and lot being provided in order to track and alert the government departments of potential recalls.

8.3 Brand Equivalency Management Process

Government departments should avoid use of brand names when defining requirements; however, it is often an easy means to describe a requirement where the cost of creating and maintaining generic specifications would be prohibitive or the generic products do not meet government departments food preparation standards. Suppliers of comparable products need to have a means to recommend alternatives, while respecting the legitimate need of government departments to manage their product lists. There is a cost to Canada to order products that will not be used, and for suppliers to offer products that will not be ordered.

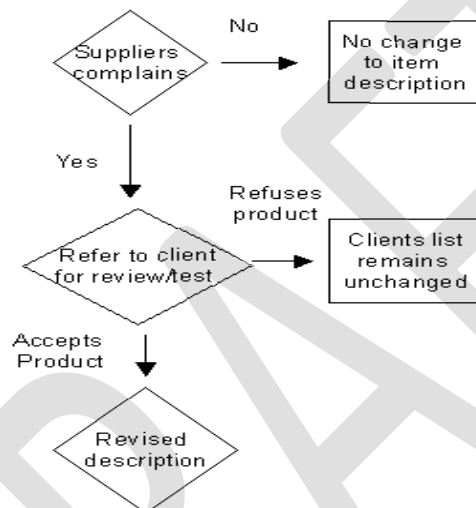
The following process is intended to manage this issue consistently during the solicitation process, prior to standing offer award, while respecting overall roles, responsibilities and obligations.

If the government department identifies in the solicitation a brand name item with no equivalent, the following process will be followed: If there are no complaints from suppliers the item description remains unchanged. If however, a supplier complains, the supplier must submit an equivalent product to be tested by the client department.

The client department will review/test the product and either refuse or accept the product. If the product is refused the item remains unchanged, and if the product is accepted the solicitation will be amended to include the equivalent product description. Figure 1 - Consistent “Or Equivalent” Management Process, outlines the process below by diagram.

Figure 1- Consistent “Or Equivalent” Management Process

Example:
Trade Mark™ Ketchup
Vs Trade Mark™ Ketchup or equivalent
If Client uses name brand product (no equivalent or “or equivalent”) in list provided:



9. Government Department Ordering Information

9.1 Minimum Call-up values for Delivery

PSPC will work with government departments as well as industry to establish parameters regarding minimum call-up orders for deliveries. The rationale is to ensure that call-ups represent a reasonable quantity of goods to ensure deliveries are cost efficient for the supplier and convenient for the government departments.

Client departments should make every effort to make the Call-up value high enough so suppliers can ensure the delivery is cost efficient.

9.2 Delivery Requirements

Solicitations will address the specific delivery requirements for each location. These may include: delivery time window, delivery frequency, delivery dock limitations,

security considerations, storage constraints (e.g. size of a particular kitchen), and seasonal demand variations.

Delivery outside of the prescribed delivery window will be addressed through the [Vendor Performance Corrective Measures Policy](#) (PWGSC Standard Acquisition Clauses and Conditions Manual).

9.3 Delivery Wait Time charges

When unforeseen and lengthy delays at the departments' loading docks contribute to spoilage of goods or hardship of suppliers, Canada will pay, with supplier-submitted evidence, a pre-determined pro-rated charge per hour after a 2-hour wait.

It will be the responsibility of the delivery personnel to provide evidence in writing of this wait time and the potential charge is to be invoiced as a separate item.

9.4 Ordering Lead Times

Order lead times need to respect the supplier's ability to realistically execute the requirement, as well as the government department's need to receive the goods. PSPC will establish the following lead-time criteria:

Minimum lead time for delivery of orders = 48 Hrs

Minimum lead time for order cancellations = 24 Hrs

Minimum lead time for special orders = 7 calendar days*

*Seven calendar days has been established as a general timeframe for all non-stocked items however, government departments should communicate to suppliers in advance of the order to determine if the lead time is reasonable and if not, suppliers must identify the more realistic lead time and reason for the delay.

9.5 Fees

- i) Wherever it is applicable, the environmental and recycling fees must be included in the unit price.

Environmental charges are fees for containers/packaging that are included in the price or added to the amount invoiced. Normally, environmental charges are included in the price; however, where items can be collected and returned to a supplier, the prices may be listed as a separate item on the invoice.

- ii) The cost of delivery must be included in the unit price for each item unless the PSPC Regional Office and the client department identify exceptional circumstances that make a separate delivery charge more cost-effective.

9.6 Emergency Situations

Solicitations are to highlight that in rare emergency-type situations (e.g. a life-threatening situation; a disaster endangering the quality or loss of life; or potential situation of significant Crown loss or damage), the above ordering lead times may be reduced and/or changes to the orders may be permitted.

10. Incorporating Environmental Considerations in Food and Beverages purchases

PSPC encourages the use of Green Products and intends to initiate Greening of Food and Beverages procurement. In consultation with government departments and industry stakeholders, PSPC will incorporate appropriate and consistent environmental considerations, on an incremental basis, in the procurement process for Food and Beverages.

To facilitate this, PSPC will demonstrate environmental leadership by providing support and guidance to suppliers and government departments to enable the identification and incorporation of environmentally preferable goods, services and processes. The incorporation of green point-rated criteria will allow government departments the opportunity to outline the environmental considerations and allow them to manage the criteria on a case-by-case basis. This will be in the context of striving for the optimal balance of government departments' requirements, supplier capacity and ensuring value to Canadians.

One of the key steps towards accomplishing this objective will be the development and subsequent publishing of PSPCs strategic environmental direction for Food and Beverages through the [Green Procurement Scorecard](#) for Food and Beverages. The scorecard will outline the multi-year plan for the incorporation of environmental criteria taking into consideration industry and departmental feedback.

In addition, Food and Beverages solicitations and resulting standing offers will incrementally include environmental considerations under the following categories:

- Organizational Policies;
- Fleet;
- Distribution Centres; and
- Packaging and Delivery

Some examples of environmental considerations include:

- Offerors/suppliers will be required to submit information through electronic methods, Canada Post's ePost Connect (electronic bid receipt) as an interim electronic method for bid receipt prior to the e-Procurement Solution roll out;
- Requesting suppliers adopt or show proof of an environmental certification such as ISO 14001 or equivalent;
- Whether the supplier operates any hybrid vehicles, fuel cell vehicles or utilize fuels in its vehicles that are hydrogen, bio-based fuel or clean fossil fuels;
- Whether the supplier utilizes a vehicle tracking and management system that can optimize delivery routes in order to save fuel and reduce emissions;

- Whether the suppliers' delivery vehicles have the ability to allow refrigeration units to operate without the necessity to idle the vehicle engine;
- Suppliers are requested to submit a copy of their environmental policy either on corporate letterhead electronically, as corporate documentation or provide firms web site address where this information resides;
- Promote bulk packing that is recyclable;

Context

The National Goods and Services Procurement Strategy aims to raise the awareness of environmental issues to suppliers and demonstrate that the Government of Canada is implementing its [Policy on Green Procurement](#).

The Policy on Green Procurement was created in 2006 with the mandate to advance the protection of the environment and support sustainable development by integrating environmental performance considerations into the procurement decision-making process.

Setting Green Procurement targets is one of the requirements of the Policy. Departments and agencies in Section 2 of the Financial Administration Act are expected to report annually on these targets through their Report on Plans and Priorities and Departmental Performance Report.

The incorporation of appropriate and consistent environmental considerations in Food and Beverage solicitation and contract documents will simplify the process for all stakeholders and be contributing factors in helping Government of Canada meet the objective of the Policy on Green Procurement.

11. Incorporating Social Procurement Considerations in Food and Beverages Purchases

PSPC will guide the food and beverage industry towards adoption of social procurement considerations by including social procurement requirements into future solicitation processes.

PSPC will review the following procurement strategy approaches including:

- Requesting a certain percentage of products in a supply chain sourced from diverse suppliers. Suppliers would have to identify those products in their offer;
- Evaluating suppliers overall corporate approach to diversity and inclusion to identify successful programs and policies.

PSPC will work with Social Procurement stakeholders to develop guidelines and co-ordinate discussions with all Food and Beverage Stakeholders to encourage innovative ideas and approaches.

12. Governance

PSPC is committed to helping government departments meet their goals and achieve efficiencies and transformation through understanding and managing of government-wide operational requirements, consensus on strategic procurement direction, and coordinated delivery and operational services.

Any requirement that does not fall within the body of the strategy will be prioritized and PSPC will consult with government departments to better understand the needs so that we can provide corresponding responses.

12.1 Roles and Responsibilities

PSPC, Procurement Strategy and Performance Management Directorate, Office of Small and Medium Enterprises and Strategic Engagement (OSME-SE) is responsible for the oversight and consistency across goods and services categories.

The PSPC National Food and Beverage Commodity Lead liaises with the client department National Food Leads regarding the strategy and its application. The National Food and Beverage Commodity Lead also provides strategic guidance to PSPC Regional Food and Beverage Leads to ensure consistency across all regions and identify innovative ideas.

13. Use of Procurement Instruments

Standing Offers (an offer from a potential supplier to provide goods and/or services at pre-arranged prices, under set terms and conditions, when and if required. A standing offer is not a contract until the government department issues a “call up” against the standing offer) are the preferred procurement instrument because government departments cannot predict their food and beverage needs very far in advance. Price analysis/verification is the responsibility of PSPC in accordance with the provisions of the [Supply Manual](#). Prices are identified for the period of time detailed in the Procurement Instrument.

13.1 Regional Individual Standing Offers (RISOs)

Regional Individual Standing Offers (RISOs) are issued for food and beverage purchases of a single government department as and when requested at identified prices within a specific geographic area. RISOs can be customized to suit a government department’s individual requirements and operations.

13.2 Regional Master Standing Offers (RMSOs)

Regional Master Standing Offers (RMSOs) is the preferred procurement instrument and used when multiple departments have the same needs and agree on the same description, so that a single solicitation could be issued and follow the pre-determined repetitive competitive bidding periods identified in section 5 of this document.

13.3 Supply Arrangements

When government departments have sufficient contracting authority, Supply Arrangements may be considered however, they should be avoided as the preferred procurement methods are Standing Offers.

In these circumstances, PSPC provides screening criteria for an initial list of suppliers and provides opportunities for new suppliers to enter the process at least once a year.

Under Supply Arrangements, PSPC assumes responsibility for ensuring compliance with terms and conditions, trade agreements, and the vendor performance process to ensure that the government departments will have a viable list of qualified suppliers from the categories identified in Section 5.1.

13.4 Canadian Collaborative Procurement Initiative for Food and Beverage Standing Offers

In 2015, the Government of Canada extended the use of its procurement instruments to the Provinces and Territories (PTs), including Canadian municipalities, Canadian aid/public health agencies and intergovernmental organizations, in order to leverage the buying power of the Government of Canada.

The Canadian Collaborative Procurement Initiative is an agreement which enables provinces and territories and the MASH entities to use federal procurement tools to procure goods and services. Suppliers can sell to multiple levels of government in a streamlined approach. Buyers in the provinces, territories and MASH sector can benefit from rates negotiated by the Government of Canada.

PSPC will work with client departments to include appropriate clauses and wording in accordance with [Policy Notice 131](#).

14. Implementation Plan

PSPC will be implementing the following activities as a result industry consultation:

- Publish the Green Scorecard to communicate PSPCs direction to industry, government departments and PSPC contracting officers;
- Support emerging environmental technologies and demonstrate environmental leadership by supporting suppliers and government departments to use environmentally preferable methods and processes through mandatory and point-rated environmental criteria in the solicitations some which are identified in Section 8, Incorporating environmental considerations in Food and Beverages purchases;
- Based on data collection results, introduce mandatory criteria relating to environmental considerations. Depending on the nature of the requirement, the level of mandatory criteria can vary amongst solicitations.

- Work with OSME to continue industry and client department consultations to incorporate Social Procurement considerations into food and beverage standing offers.

PSPC will be implementing these activities as follows:

Activity	Timelines
PSPC will review internal processes and policies to develop a common look and feel for Request for Standing Offer (RFSO) documents and resulting Standing Offers across all regions.	Fiscal Year 2019/20
PSPC will participate or conduct bi-annual or annual meetings with government departments	Ongoing
Data collection and analysis of the various regional RMSO award processes. PSPC will analyze evaluation data of more than 3 RISOs or RMSOs per category being awarded to allow subsequent modifications of the strategy if necessary.	Ongoing
Engage suppliers, industry associations and other levels of government to determine the effectiveness of the strategy and review options for a comprehensive public sector strategy.	Completed in Fiscal Year 2018/19
Migrate the existing DND Food Quality Specifications from Buy and Sell to www.publications.gc.ca to ensure specifications are clear, easy to understand and locate.	Fiscal Year 2018/19
Comprehensive commodity review and consultation prior to the electronic procurement solution.	Ongoing

ANNEX “A”

Determining a Standing Offer Award

Table 2: Determining Award (simplified*)

Example A: PSPC intends to issue a standing offer for the category of “Cheese” for a government department.

*This simplified example represents a very short list of items and on that basis alone, might be justification for an award on the basis of lowest basket or aggregate price. However this is for demonstration purposes only.

		Firm A		Firm B		Firm C		Lowest Price Item	
Item	Qty	Firm Kilogram Price	Extended Price	Firm Kilogram Price	Extended Price	Firm Kilogram Price	Extended Price	Extended Price	Firm
1. Gouda, 1 kg	1000	\$6.00	\$6,000.00	<u>\$5.00</u>	\$5,000.00	\$5.50	\$5,500.00	\$5,000.00	B
2. Swiss, 1 kg	500	<u>\$3.00</u>	\$1,500.00	\$4.00	\$2,000.00	\$5.00	\$2,500.00	\$1,500.00	A
3. Cheddar, 1 kg	600	\$8.00	\$4,800.00	\$7.00	\$4,200.00	<u>\$6.85</u>	\$4,110.00	\$4,110.00	C
4. Havarti, 1 kg	900	\$10.00	\$9,000.00	\$11.00	\$9,900.00	<u>\$9.00</u>	\$8,100.00	\$8,100.00	C
5. Brie, 1 kg	250	<u>\$4.65</u>	\$1,162.50	\$6.20	\$1,550.00	\$5.70	\$1,425.00	\$1,162.50	A
Total			\$22,462.50		\$22,650.00		\$21,635.00	\$19,872.50	

ANNEX “B”

Frequently Asked Questions

Question: What is an “Isolated Area”?

Answer: An “isolated area” is an area where there is insufficient supplier base to comply with the NFBPS for food and beverage. The End User and Local PWGSC offices should inform the Regional Office and Managers when they are requesting an isolated area status. This should be substantiated to the National Lead and The National Client who will determine eligibility and track their status. These areas will use existing federal government procurement policies to procure their needs.

Question:

Which Department of National Defence (DND) units purchase food and beverages for “field exercises” on a regular basis?

Answer:

The following DND units regularly purchase food and beverages for “field exercises”:

- 1 CMBG Edmonton, AB
- 2 CMBG Petawawa, ON
- 5 CMBG Valcartier, QC
- CFB Shilo, MB
- CFB Suffield, AB
- CFB Wainwright, AB
- Petersville, NB (Gagetown)

Question:

Are all food and beverage purchases for the DND units listed above exempt from the NFBPS for food and beverage?

Answer:

No, these units are only exempt for purchases related to “field exercises” and for any other exception outlined in the NFBPS for food and beverage.

Question:

What is a “non static kitchen”?

Answer:

A non static kitchen is a kitchen or galley that moves, such as mobile field kitchens and Her Majesty’s Canadian Ships (HMCS)

Question:

How do Standing Offers work?

Answer:

A standing offer is a continuous offer from a supplier to Canada that allows Canada to purchase goods and services, as requested, through the use of a call-up process that incorporates the conditions and pricing of the standing offer.

A standing offer itself is not a contract. A separate contract is formed each time a call-up for the provision of goods and/or services is made against a standing offer. When a call-up is made, it constitutes an unconditional acceptance by Canada of the supplier's offer for the provision, to the extent specified, of the goods and/or services described in the standing offer. Canada's liability is limited to the actual value of the call-ups made by the identified user(s) within the period the standing offer is valid.

RMSO's are generally issued for the use of many client departments and agencies within a specific geographic area.

RISO's are generally issued for the use of a single client department or agency within a specific geographic area.

Question:

How do Supply Arrangements work?

Answer:

A supply arrangement (SA) is a non-binding arrangement between the Government of Canada and a pre-qualified supplier. It allows federal departments and agencies to award contracts and solicit bids from a pool of pre-qualified suppliers for specific requirements within the scope of the SA.

An SA is not a contract for the provision of the goods and services described in it and neither party is legally bound as a result of signing a supply arrangement alone. It simply establishes a framework to allow individual bid solicitations to be processed quickly. The solicitations may then result in legally binding contracts for the goods and services described therein.

An SA may be used when:

- a. the overall requirement cannot be clearly defined at the outset and it the intent is to establish a pool of screened suppliers from which to solicits bids for individual department requirements;
- b. a particular commodity is procured on a regular basis (goods or services);
- c. a standing offer is not suitable due to call-up variables such as method of payment or an inability to define the statement of work or commodity in advance);
- d. clients or users can undertake a simplified solicitation to obtain competitive bids from the pre-qualified suppliers;
- e. selection will be based on best value, as described in the SA and the subsequent solicitation; and
- f. it is more efficient for PWGSC to operate as the provider of the framework on behalf of other users/clients and not as the contracting authority.

When developing the procurement strategy, contracting officers should consider the following:

- a. national and international trade agreements that may apply to the solicitation (see Supply Manual Section [3.50 Procurements Subject to Trade Agreements](#));
- b. whether or not ceiling prices will be included in the SAs;
- c. how the use of the SA will be monitored and reported; and
- d. security requirements (i.e. the base security requirements and how different security requirements will be managed).

IMPORTANT:

The contracting officer must ensure that a contract resulting from an SA contains the proper security requirements and that the client is aware of its responsibility to confirm the current security status of the organization and/or personnel prior to issuing the contract.

When security clearances such as IT, Production and/or COMSEC are required, clients should seek assurance of these specific security types from the Canadian Industrial Security Directorate (CISD) as they are contract-specific and not blanket clearances held by the organizations.

Each SA should contain clear instructions on how to use the SA and identify which departments and agencies can use them.