Frequently Asked Questions:

A Quick Reference Guide to Procurement by Public Bodies in Newfoundland and Labrador

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OVERVIEW

This document answers frequently asked questions (FAQs) regarding procurement for all public bodies as defined under the **Public Procurement Act**, including government departments, municipalities, local service districts, academic institutions, health authorities, and crown corporations.

Additional information is included in the **Public Procurement Act**, **Public Procurement Regulations** and Public Procurement Policy (www.gov.nl.ca/ppa/division/legislation/). All procurement staff are encouraged to familiarize themselves with this information. If you require additional assistance, please contact ppainquiries@gov.nl.ca or 709-729-3348.

In the event of inconsistencies between a FAQ and the Act, Regulations, or Policy, the following order of precedence shall prevail:

- The Act (assembly.nl.ca/Legislation/sr/statutes/p41-001.htm)
- The Regulations (assembly.nl.ca/Legislation/sr/Regulations/rc180013.htm)
- The Public Procurement Policy (www.gov.nl.ca/ppa/division/legislation)
- FAQs

1. PLANNING

1.1 How do I determine what procurement process to follow?

The appropriate procurement process to follow depends on the type of commodity being procured (i.e. goods, public works, etc.), the category of public body undertaking the procurement, the estimated value of the procurement and the applicable procurement thresholds.

The Public Procurement Regulations specify certain estimated value thresholds which trigger the obligation for a public body to issue an open call for bids. Effective March 2026, the open call for bids thresholds were set as follows:

Open Call for Bids Thresholds:

Government Departments

Goods	Services	Public Works	Lease of Space
$34,700	$139,000	$139,000	$100,000

Municipalities / Academic Institutions / Health Authorities

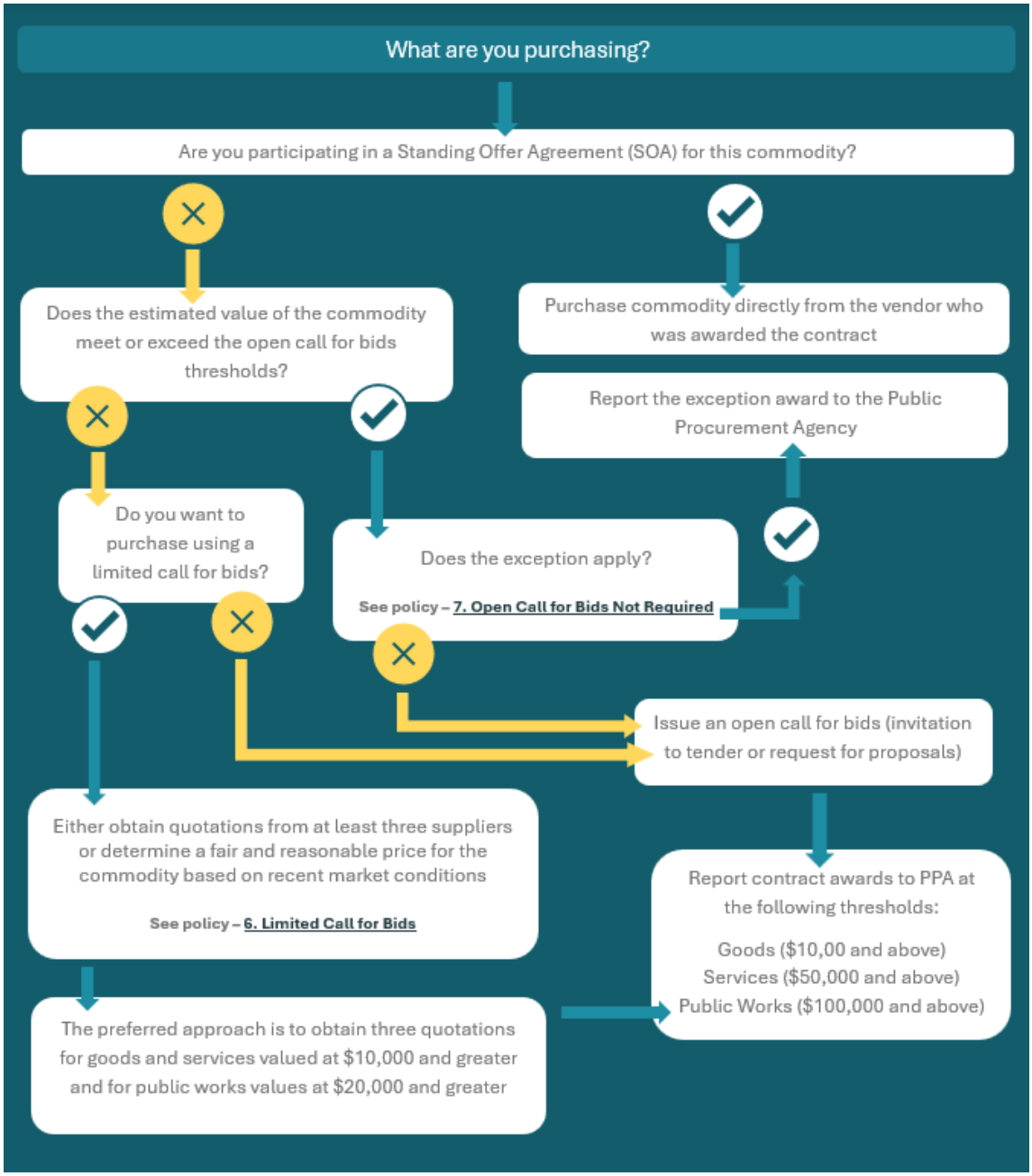
Goods	Services	Public Works	Lease of Space
$139,000	$139,000	$347,400	$100,000

Crown Corporations

Goods	Services	Public Works	Lease of Space
$264,200	$264,200	$264,200	$100,000

Public Bodies should review the Public Procurement Framework for more detailed information on procurement processes and best practices.

The following flowchart simplifies the process of identifying the appropriate procurement processes to follow.



Note: The most recent version of the Public Procurement Policy can be found at: www.gov.nl.ca/ppa/division/legislation

1.2 What is a Standing Offer Agreement?

A Standing Offer Agreement (SOA) is a contractual arrangement between a public body and one or more suppliers. Under the terms and conditions of a standing offer, the supplier agrees to provide certain goods or services on an "as required" basis, during a particular period of time and at a predetermined price. SOAs are normally established by an open call for bids and are usually set up for frequently used items. Additional information concerning SOAs can be found in part 3.6.7 of the Policy

The Public Procurement Agency manages a portfolio of SOAs, some of which are established cooperatively with other public bodies through group purchasing. Before a public body can participate in an SOA established through group purchasing, it must delegate authority to PPA and be identified as a participant in the solicitation. If a public body is interested in knowing more about group purchasing opportunities, please contact the Agency at ppainquiries@gov.nl.ca.

1.3 What is the difference between an open call for bids and a limited call for bids?

An **open call for bids** is a publicly advertised invitation to suppliers to submit a bid.

A **limited call for bids** is an invitation to certain suppliers to submit a bid (i.e. three quote process).

1.4 What should I do if I do not know the estimated value of a good/service/public work?

The Public Procurement Policy provides information to assist public bodies in estimating the value of a procurement. If, after reviewing the policy guidance, you are still unable to estimate the value of a procurement, then proceed to issue an open call for bids.

1.5 Can I issue an open call for bids if the estimated value is below the applicable threshold?

Yes. You can issue an open call at any time, regardless of the estimated value. Please be advised that, once the decision has been made to post a below-threshold procurement as an open call, all Framework provisions applicable to open call for bids will apply (public opening, supplier debriefing, etc.).

1.6 An open call for bids is not required via section 6(a) of the Regulations, what information is required for the procurement file?

Only the head of a public body, or a person to whom authority has been formally delegated, can authorize an exemption under section 6(a) of the regulations.

Where the head of a public body determines that an open call for bids is not required, the procurement file/records should include documentation in support of the decision. Section 28 of the Regulations requires a public body to maintain comprehensive records for each of its procurements. The specific documentation required for the procurement file will depend on the exception authorized and circumstances, please see Parts 7.2 and 7.3 of the Policy.

2. LIMITED CALLS

2.1 How do I undertake a limited call?

The method for performing a limited call for bids depends on the estimated value of the procurement:

Method One (Standard)

What: Obtain at least three quotations OR determine fair and reasonable price.

How: The public body has two options to choose from. First, the public body can obtain three quotations and award to the lowest-price quotations that meets all requirements. Where the solicitation contains an evaluation that includes factors other than price, award to the supplier whose submission demonstrates best value via the evaluation. Secondly, the public body can determine fair and reasonable price based on one or two quotations and document how the public body determined the price was fair and reasonable.

When: Estimated value (goods) is less than $10,000
Estimated value (services) is less than $10,000
Estimated value (public works) is less than $20,000

Method Two (Preferred Approach)

What: Obtain three quotations, ELSE document the reason why obtaining three quotations is not feasible, THEN determine fair and reasonable price.

How: Under the preferred approach, a public body must attempt to obtain three quotations. If three quotations are obtained, the public body can award to the lowest-cost quotation that meets all requirements. Where the solicitation contains an evaluation that includes factors other than price, the public body can award to the supplier whose submission demonstrates best value via the evaluation.

When: Estimated value (goods) is $10,000 or more up to open call threshold
Estimated value (services) is $10,000 or more up to open call threshold
Estimated value (public works) is $20,000 or more up to open call threshold

Part 6 of the Policy provides additional guidance on limited calls for bids and the determination of fair and reasonable price.

2.2 Can I continuously invite quotes from the same suppliers or do I have to use different suppliers?

No. To promote fairness, competition, supplier diversity, and best value, procurement opportunities must be rotated among suppliers, where possible, and not continuously offered to the same or select group of suppliers.

2.3 I invited quotations from three suppliers but I only obtained two quotations. What should I do?

It depends. The estimated value of the procurement determines which method is required to satisfy the limited call for bids.

The preferred approach requires public bodies to obtain three quotations. Obtaining three quotations is not the same as inviting three quotations. Under the preferred approach, a public body that is unable to obtain three quotations must document the reason in the procurement file before proceeding to a determination of fair and reasonable price based on either one or two quotations.

The standard approach to limited calls for bids permits a public body to choose between obtaining three quotations or determining fair and reasonable price based on either one or two quotations. Under the standard approach, a public body who is unable to obtain three quotations is left with only one option: determine fair and reasonable price based on either one or two quotations.

2.4 How do I determine if a price is fair and reasonable?

There are different ways to determine whether a price is fair and reasonable. Part 6.3 of the Policy provides several examples including:

- Obtaining two direct quotes;
- Obtaining one direct quote and ensuring it is fair and reasonable by referencing trade catalogues, price lists, or a recent similar purchase; or
- Obtaining one quote via shelf pricing or advertised price for a low dollar value purchase (in this instance, business should be rotated to ensure fairness and that prices are competitive).

Please note, however, the list of examples provided by the Policy is not exhaustive. A public body is free to document situationally specific rationale to support its determination of fair and reasonable price. Regardless of how a price was determined to be fair and reasonable, the rationale must be documented in the procurement file.

2.5 Does the Framework include a threshold or policy for purchasing low dollar items?

No. The Framework provides various thresholds that govern procurement activities, but none that apply to the purchasing of low dollar value items.

For low dollar value procurements, a public body is obliged to follow the Framework provisions for limited calls for bids. Remember, however, that for low-value procurements, a limited call for bids may be satisfied by a determination of reasonable price based on either one or two quotations. This provides public bodies with considerable procedural flexibility.

Further, part 1 of the Policy notes that public bodies are free to establish organizational-level procurement policies insofar as those policies align with the Framework. Therefore, public bodies are encouraged to establish low dollar value purchasing policies that make sense for their respective organizations, in accordance with the Framework. Please note that any organizational-level procurement policies should be approved by the head of the public body and clearly communicated to staff. Public bodies may contact ppainquiries@gov.nl.ca for assistance in developing such policies.

2.6 If I have a charge account with a local supplier, can I buy all our low dollar value purchases directly from them without seeking any other quotes?

No. To promote fairness, competition, supplier diversity, and best value, procurement opportunities must be rotated among suppliers and not continuously offered to the same or select group of suppliers.

3. OPEN CALLS

3.1 In what situations can an exception be made when an open call for bids is required?

Section 6(a) of the Regulations provides a finite set of situations:

1. the estimated value of the procurement is below the applicable open call for bids threshold;
2. an open call for bids could compromise security;
3. the commodity is available from a public body;
4. an emergency or a situation of urgency exists;
5. there is only one source reasonably available;
6. a pre-qualified list of suppliers has been established via open call for bids and will be used;
7. the commodity is procured for resale or incorporation for resale; or
8. rates have been established by the Public Utilities Board.

Part 7 of the Policy provides additional guidance.

3.2 What type of information may be shared with a supplier or the general public while an open call for bids process is ongoing?

During the procurement process, any information related to the procurement that is publicly posted can be shared with suppliers or the general public. This information includes the procurement notification, the open call for bid documents, and amendments. (See sections 30(a), (b) and (c) of the Regulations.)

No other information or documents should be shared.

3.3 What assistance can PPA provide when I am planning an open call for bids?

Each public body is responsible for planning and executing its own procurements. PPA is available to provide guidance, support documentation, training, templates and interpretation of the Framework through ppainquiries@gov.nl.ca.

4. RECORDS

4.1 What documentation/records do I need to maintain when issuing a limited or open call for bids?

Your procurement file/records should include documentation for all phases of the procurement process. Section 28 of the Regulations and part 18 of the Policy list the records to be included in a procurement file.

Public bodies are required to maintain sufficient and appropriate documentation in the procurement file for all exceptions to open call requirements, such as sole source or emergency situations as determined by the head of the public body, including the method by which fair and reasonable price was determined where applicable.

4.2 How long should I keep procurement records?

PPA recommends that public bodies keep procurement records for a minimum of two years after the procurement of a commodity or, where applicable, two years after the end date of a contract for the procurement of a commodity. Additional information concerning procurement records can be found in part 18 of the Policy.

5. CONTRACT AWARDS

5.1 What type of contract awards must be reported and where are they reported?

Regardless the procurement method used, within 30 days of the award, a public body must electronically post contract award information for any procurement that meets the following value thresholds:

- Goods — $10,000 or greater
- Services — $50,000 or greater
- Public Works — $100,000 or greater
- Lease of Space — $100,000 or greater

Section 30(d) of the Regulations and part 20 of the Policy provide additional detail.

Public bodies with their own website may post all reportable contract awards on their website. Public bodies without a website must complete the Contract Awards Report form found on the PPA website and submit to PPA via ppareporting@gov.nl.ca.

5.2 What information is required for a reportable contract award?

The Contract Award Report form must include:

- name of the successful bidder;
- description of commodity;
- date of award;
- financial value of award;
- duration of the contract (where applicable); and
- any extension options of contract (where applicable).

5.3 What about contract awards that fall below the applicable reporting thresholds?

The Framework does not require public bodies to report contracts awards valued below the applicable reporting thresholds. Nevertheless, a public body may choose to publish below-threshold contract awards on its own website.

6. POST AWARD

6.1 What type of information may be shared with the general public when a procurement process has concluded?

Any information related to the procurement that is publicly posted may be shared with the general public. Information publicly posted would include the notification, the solicitation documents, amendments, cancellation notices (if applicable), the record of public opening and contract award information. (See Sections 9 and 30(a), (b), (c) and (d) of the Regulations.)

Any member of the public may choose to submit an access request under the **Access to Information and Protection of Privacy Act** (ATIPP) to obtain other procurement records that may not be publicly available.

6.2 What type of information may be shared with suppliers who submitted a bid in relation to am open call for bids, after that process has concluded?

Unsuccessful suppliers who participated in an open call for bids may request a supplier debriefing to obtain more information.

6.2 What type of information may be provided to an unsuccessful supplier who requests a supplier debriefing?

The purpose of a debriefing is to provide an unsuccessful supplier with information as to why their bid was not successful. Public bodies may provide feedback relating to a supplier's submission based on the pertinent evaluation criteria. This may include:

- relative strengths and weaknesses of the supplier's submission relative to the evaluation criteria;
- the submission's evaluation score and relative ranking; and
- areas where the terms, conditions or specifications may not have been met by the submission.

During a debriefing, public bodies' representatives must not disclose information regarding another supplier's bid, except the name and bid price of the successful supplier.

Additional information regarding supplier debriefing can be found in part 22 of the Policy.

6.3 What if a debriefing is requested for a limited call for bids?

The Framework does not require a public body to provide a supplier debriefing in relation to a limited call for bids. If a public body chooses to provide a supplier debriefing pursuant to a limited call for bids, any feedback provided should be limited to information related to that supplier's submission and should not include information regarding other suppliers' submissions.

6.4 What does a public body do if they receive a supplier complaint?

Part 23 of the Policy provides guidance to public bodies on the supplier complaint and review process. A public body that receives a complaint must acknowledge receipt of the complaint in writing to the supplier. The head of the public body must review the complaint and respond to the supplier within 15 days of receiving the complaint. The public body must also provide the Chief Procurement Officer with a copy of the response.

6.5 What is a change order?

A change order is an amendment within the requirements of an existing contract, or an extension of a contract, that is accessory to, and does not change the nature of, the contract.

A change order records the parties' agreement to change the contract and specifies what will be changed. Any changes must be within the published scope of an open or limited call for bids or a negotiated contract.

For example, a public body conducts a procurement to contract with a supplier to pave a parking lot. During performance of the contract, the supplier encounters an unforeseeable situation which will increase the labour required to complete the same contracted work and submits a change order request to the public body.

Authorizing the increased labour costs via change order **is** permitted. If that same public body asks the contracted supplier to pave an adjacent service road that was never part of the scope of the original solicitation/contract, authorizing the additional work via change order **is not** permitted.

6.6 Where can I find more information about change orders and associated reporting requirements?

For further guidance regarding annual change order reporting requirements, public bodies can refer to the following resources:

- **Section 15 of the Public Procurement Regulations**, which outlines the requirements applicable to change orders. The Regulations can be found at: www.gov.nl.ca/ppa/division/ legislation.
- **Part 9 of the Public Procurement Policy**, which provides additional policy direction and expectations for public bodies. The Policy can be found at: www.gov.nl.ca/ppa/division/ legislation.
- **Annual Change Order Report**, available on the **Forms** page of the Public Procurement Agency (PPA) website (www.gov.nl.ca/ppa/forms), which contains detailed guidance and answers to commonly asked questions.

These resources should be reviewed together to ensure compliance with applicable legislative and policy requirements.

7. REPORTING

7.1 Where can I find more information about procurement reporting requirements for public bodies?

Information regarding the reporting requirements for open calls for bids, contract awards and annual change order reports can be found under part 20 of the Policy.

FURTHER INFORMATION

Please see the Public Procurement Policy for further information on public procurement. The Policy can be found at: www.gov.nl.ca/ppa/division/ legislation/.

Did you know? Various procurement forms and templates can be found on the Forms page of the Agency's website: www.gov.nl.ca/ppa/forms.