

CURING PROCUREMENT

BY REAGAN REESE SEIDLER SASKBUILDS

WHETHER it's accounting or gravel crushing, RMs are always purchasing. Over 300 RM tenders were posted on SaskTenders alone last year. Making good decisions at the front end is critical, but sometimes it's hard to know how.

"Most of us don't grow up saying, I want to be a procurement professional," says Greg Lusk, laughing.

Lusk is on the government's Priority Saskatchewan team. After hundreds of meetings with local businesses and groups like SARM, their new action plan is to ensure that taxpayers get lasting value for their dollar and that Saskatchewan companies can compete fairly. Here are a few tips to help RMs get the most from their buying power.

RESULTS-ORIENTED

One of the first things RMs can do is to focus on results instead of prescrib-

ing answers. Let suppliers come to you with solutions based on their industry knowledge.

"Do you need an escalator? Or do you need to move people between floors?" Lusk asks.

SaskPower has a team dedicated to receiving ideas. PTI Transformers, a Regina-based manufacturer, brought forward a way to replace smaller substations – power structures inside chain link fences – with units the size of a trailer.

It all started with an offhand comment when a SaskPower supervisor mentioned how much effort goes into setting up a typical substation. That simple act began a chain of innovation.

"A short time later we approached SaskPower and said – here's an idea we think will save you some time and money," recalls PTI's George Partyka.

"We put together a project that combined a transformer, a number of protective switches and devices, and installed them all on one skid. You won't need all the construction, you don't need all the time."

PTI's units – called PODS for Portable Outdoor Distribution Substations – can now be found in Buffalo Pound, Davidson, Kerrobert and Stoughton, with more being planned in the future.

It was an important learning experience for SaskPower. "Tell suppliers your challenges and let the market help," Lusk advises.

BEST VALUE

Another important lesson is to escape the mantra of lowest technically-compliant bid. "Lowest price alone doesn't work," explains Keith Moen, Executive Director of the North Saskatoon Business Asso-



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ciation. “If price is the only factor you consider, it can hide all sorts of problems.

“It’s like buying tires for your daughter’s car. You don’t necessarily go with the cheapest option because you’re also interested in safety and durability. Point being, as consumers, people have the prerogative and ability to use discretion when making purchases based on a number of factors. Governments should have that same opportunity.”

Factors to include may be:

Quality. Is a product of more use, easier to handle, or more durable?

“Remember the three little pigs,” says Ryan Leech, Vice President of the Saskatchewan Masonry Institute. “The pigs developed strong procurement principles we should all follow.”

Total Cost of Ownership. Look at not only purchase price, but also what it will

cost to administer, license and maintain over its lifetime.

Supplier Experience. Ensure bidders have a record of performance history and demonstrate they can deliver what’s asked. With inexperience comes risk, and you don’t want to be left with change order situations that show up in the future. If a local business or RM offers a good recommendation, that’s meaningful.

Knowledge of Local Conditions. A pencil is a pencil. Building a landfill to withstand our climate requires expertise. Knowledge of local ecosystems, bylaws, building codes and public policies can all affect the value of a good or service. Don’t assume everyone knows how to do business in Saskatchewan.

Leech’s advice is to be cautious with bids that look too good to be true. “If an out of province firm has a lower price

than the locals, it’s important to question why. Do they understand the scope of work? Are their capabilities in line with expectations? And will they be there after the project is complete? Local firms and their staff will always provide a stronger focus and desire to deliver excellence in their service.”

Incorporating these ideas can help make the most of your budget. Detailed guides to write scopes of work, prepare RFPs, declare evaluation criteria, explain best value, and much more are available on the SaskTenders.ca Knowledge Centre. Use their checklists to ensure you’re ready to go to market.

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