

SERVICE DELIVERY PROJECT

BC EDUCATION MARKEPLACE
FREQUENTLY ASKED QUESTIONS

September 11, 2015



Ministry of
Education



Frequently Asked Questions

1. What is the “Service Delivery Project”?

The Service Delivery Project is an effort to find additional savings and efficiencies through shared delivery of services across BC school districts. The Ministry of Education, school districts, and partners are working collaboratively, identifying opportunities in employment and labour matters, attendance support and wellness, facilities and transportation, and procurement.

Further information is available on the [Service Delivery Project website](#) and via the [Service Delivery Project newsletter](#).

2. Why the focus on shared procurement in the K-12 sector?

In the 2012 Service Delivery Transformation Final Report, Deloitte & Touche LLP recommended savings and efficiencies can be achieved through strategic sourcing for the K-12 sector. In response to these initial findings, a Procurement Working Group was established in the K-12 sector, which provided advice on the feasibility of the procurement opportunities listed in the report and others as considered by the group.

3. What was the recommendation from the Procurement Working Group?

The Procurement Working Group recommended that a shared procurement approach would best meet the objectives of reduced costs of procured goods, take advantage of shared procurement expertise and contain administrative overhead costs related to the procurement of goods and services.

Due to the lead time required to establish the legal entity (further analysis and consultation is required on costs, legislative implications, and governance structures), the Service Delivery Project Steering Committee recommended that an interim solution of utilizing an existing school district to “host” an interim solution that could support this work on behalf of the sector.

4. What is the BC Education Marketplace (BCEM)?

The BC Education Marketplace (BCEM) will leverage the purchasing volumes of the K-12 sector to establish cost-effective contracts that can be accessed by all school districts. Our intent is to establish a permanent K-12 procurement solution over the next 24 months. The BCEM allows the sector to begin work right away. The goal is for the work of the BCEM to be transferred to the permanent entity once it is up and running.

5. Why do we need a BCEM when the sector has recommended forming a permanent entity?

It is important school districts be able to benefit from shared procurement and realize savings as soon as possible. A permanent entity requires time to establish as further analysis and consultation is required on costs, legislative implications, and governance structures. An interim solution can be established quickly and cost-effectively, while deeper analysis is undertaken regarding the permanent solution. As well, the intent is for the BCEM to operate as closely to the final entity as

possible so it can be evaluated and any concerns addressed in the implementation of the permanent procurement entity.

6. Why is SD36 leading the BCEM?

In the interim, SD36 has offered to host the BCEM. While SD36 has agreed to host the BCEM and provide shared procurement services to all school districts, this does not mean that SD36 is directing the work of the BCEM. The oversight and strategic direction will be provided by the regionally-representative Procurement Steering Committee described above.

In addition, the Service Delivery Project Steering Committee is supportive of this option, as Surrey has the legal structure to procure, is known to vendors, and has the expertise and capacity to perform this work. SD36 will be working with all school districts to achieve the best value for sector wide procurement.

7. How will the BCEM be governed?

The BCEM will be governed by the Procurement Steering Committee providing oversight for the strategic direction and operations. The Steering Committee with representation from each BC Association School Business Officials (BCASBO) zone, will oversee the activities of the BCEM to ensure that the entity is accountable to the sector and delivers results for all 60 school districts. The Committee will have the authority to make decisions regarding the operations of the BCEM.

8. Is the BCEM intended to reduce or eliminate procurement staff from our school district?

No, the intent of the BCEM is not to reduce or eliminate procurement staff. School districts are still responsible for managing their purchasing requirements.

The BCEM is intended to coordinate the procurement process for a specific category, ensure that all school districts are aware of the standing contracts available in each category, and establish procurement standards and practices for the sector. Once a contract is awarded, local staff will have to purchase the goods and services through the contract and manage the vendor relationship for their school district. All school districts will continue to procure the goods and services not available under standing contracts.

The BCEM will be a valuable service to school districts that may not have procurement staff; these districts will now be able to leverage standing offers and benefit from coordinated provincial procurement.

9. What is the process for identifying which goods and services are procured through a provincial contract?

The Procurement Steering Committee will be responsible for reviewing and approving provincial contracting opportunities based on a set of guiding principles and for determining which specific groups of goods and services will be procured at which time. Implementation will occur in waves, with the first wave of contracts available for school districts to use beginning in the 2015/16 school year. Subject Matter Experts (SME) identified through the Procurement Steering Committee will provide technical expertise and advice to the BCEM on each procurement opportunity.

10. We have tried to use shared contracts in the past and it just ended up costing us more time and money. Why would this initiative deliver different results?

K-12 education in BC has a complex operating structure and scarce financial and labor resources. At the school district level this translates into departments and schools operating with limited budgets and limited staff who are required to manage ever expanding workloads.

Contracts under this initiative will be established with input from SMEs, deliver cost savings at the school district budget level and reduce the requirement for local staff to negotiate purchase agreements for each school district. Savings will be achieved through reduced prices for goods and services, as well as increased capacity through the freed-up staff time that can be directed to other district priorities. Contracts will be tracked and benefits reported by the BCEM to ensure that value is achieved for school districts.

11. Is participation in provincial contracts mandatory?

Each school district has a responsibility to communicate to their individual staff and departments to ensure that they fully-understand this initiative and its benefits to the province as a whole, recognizing government's expectation that all school districts are participating in this work going forward.

12. How can a central authority make purchase decisions without understanding our local needs or have expertise in education, IT, facilities management, transportation, etc.?

Provincial agreements have to be acceptable to individual school district staff and departments, and must respect the expertise of our educators and department specialists. This approach is the only way that provincial-level agreements can work.

Each procurement project will include SMEs representing all areas of the province. Project teams of SMEs will work in partnership with the BCEM procurement staff when developing requirements for specific contracts and when evaluating vendor proposals. Individual SMEs will be identified through the Procurement Steering Committee. Even though the BCEM and its work are provincial in scope, this does not necessarily mean that local needs cannot be considered and accommodated as part of the procurement process.

13. What if a Subject Matter Expert (SME) structure already exists for a particular category?

The BCEM will access SMEs through existing centres of expertise where feasible; the intent is not to create new advisory processes and structures. For example, if SMEs exist within a certain category (e.g. learning resources through ERAC, transportation goods and services through ASTSBC), the intent is for the BCEM to work with these existing centres of expertise as needed.

14. We are concerned that moving to provincial contracts will have a negative impact on our local suppliers.

This initiative is about large volume procurement items which can be standardized across school districts in a standing contract. It is imperative all school districts participate to secure the best pricing and deliver options for the sector as a whole.

The spectrum of goods and services across the sector is wide and there will continue to be items that are not procured provincially. Also, it is possible that some local suppliers may be the successful vendor on a provincial standing contract. Shared Services BC has examples of provincially-negotiated agreements that involve local suppliers (e.g. this is the manner in which vehicles are supplied through local dealers under various provincial Corporate Supply Arrangements).

15. How can a single contract provide a good deal for all school districts?

A single contract for the province may be the most cost-effective solution in some categories, but this is not always the case. The goal is to deliver savings and efficiencies to each school district in the province and all parties, including the Ministry, recognize that there is a need to be flexible to achieve that goal. Options include setting up a single provincial agreement, but regional agreements or other contracting structures may also be viable options for ensuring that the solution is as cost-effective for all as possible. Under guidance from the Procurement Steering Committee, the BCEM will review the costs and benefits of each contracting initiative to determine the most appropriate structure for each procurement opportunity.

16. Is the BCEM going to purchase and warehouse goods on behalf of all school districts?

No, the BCEM will not purchase or warehouse goods on behalf of all school districts. School districts will be responsible for placing their orders through provincial standing offers, obtaining their deliveries directly from contracted vendors and processing their own invoices.

17. We have an existing regional procurement group that shares contracts. Will the BCEM duplicate work?

The intent of the BCEM is not to duplicate efforts of existing procurement groups. The BCEM will be responsible for establishing relationships with these existing shared procurement entities (e.g. EDCO, ERAC, Shared Services BC, etc.) and, where possible, advertising the contracts they offer to other eligible school districts. One of the goals of this initiative is greater communication and coordination between these entities. As this work progresses, there may be opportunities for further sharing and collaboration between the BCEM and regional procurement groups, or for new and/or existing agreements to transition to the new entity.

18. What does my school district do if there is an existing agreement with a purchasing group (e.g. EDCO, ERAC)?

School districts should continue to honor their existing agreement with their current vendor. As contracts expire or opportunities for transition present themselves, goods and services of provincial scope (and where it makes sense) will transition to the new BCEM. If transition occurs before contracts expire, school districts will be notified. The BCEM will engage with purchasing groups to determine the best course of action for each goods and services and bring forward the recommendation to the Procurement Steering Committee for approval.

19. How will the BCEM determine which commodities to procure collaboratively?

The BCEM will work with districts to research which commodities are the best candidates for collaborative procurement. We will gather expenditure histories from all districts and, based on the information collected, determine a short list of commodities for consideration as BCEM projects.

The BCEM will then conduct an in depth analysis of the purchase history of the short listed commodities for all districts in the province. This research will determine which commodities offer the best opportunity to generate cost savings for the sector as BCEM procurement projects.