

Standing Offers

The Canadian federal government is a huge market for businesses large and small. As a supplier wanting to sell to the government, you need basic information on how the purchasing is done, who the contacts are and, most importantly, how you can find opportunities.

Standing offers are non-binding agreements between the federal government and potential suppliers for the supply of specified goods or services. These agreements outline the terms and conditions that will apply to future requirements to be ordered on an "as and when required" basis. To obtain work with the federal government, occupational therapists must register with Public works through Standing Offers.

What are Standing Offers ?

A standing offer is not a contract. It is 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. No contract exists until the government issues an order or "call-up" against the standing offer and there is no actual obligation, by the government, to purchase until that time.

When are Standing Offers used?

Standing offers are used to meet recurring needs. Common products purchased this way include food, fuel, pharmaceutical and plumbing supplies, tires and tubes, stationery, office equipment and electronic data processing equipment. Common services include repair and overhaul, and temporary help services.

- Standing offers are usually considered when:
 - one or more departments repeatedly order the same goods or services, but the actual demand is not known in advance; or,
 - a need is anticipated for a range of goods or services for a specific purpose, but the actual demand is not known at the outset and delivery is to be made when a requirement arises.

Standing offers are most suited to goods or services that can be clearly defined to allow suppliers to offer firm pricing. Public Works and Government Services Canada (PWGSC) sets up standing offers when it is determined that this is the best method of supply. Departments may also establish their own standing offers.

Why we use Standing Offers?

The standing offer is a convenient method of supply that saves time and money. Once a standing offer is in place, the government department that needs the goods or services, deals with you directly. Call-ups against a standing offer have a faster processing time and reduced

paper work because prices and terms have been settled in advance and there is no need for further negotiation. From the taxpayers' point of view, the advantages are lower administrative costs and less need for government departments to carry inventory.

How do I get a Standing Offer?

The process of setting up a standing offer is subject to the normal contracting policies and procedures (including procedures required under the trade agreements). You bid on standing offers the same way you bid on other opportunities (see The [Bidding Process](#)). In PWGSC, for example, most Requests for standing offers with an estimated value of \$25,000 or more are advertised on MERX. Some standing offers with an estimated value below \$25,000 are tendered using the department's [source lists](#).

When a standing offer is set up with your company, you're offering to provide certain products or services at specified prices over a specified period of time. If and when the government issues a call-up or order against your standing offer, only then do you have a contract for the amount called up or ordered.

Types of Standing Offers

There are five types of standing offers. The type used depends on the geographical area involved (i.e. regional or Canada-wide) and the number of government departments or agencies involved.

- National Master Standing Offer (NMSO) - for the use of many departments or agencies throughout Canada.
- Regional Master Standing Offer (RMSO) - for the use of many departments or agencies within a specific geographic region.
- National Individual Standing Offer (NISO) - for the use of a specific department or agency throughout Canada.
- Regional Individual Standing Offer (RISO) - for the use of a specific department or agency within a specific geographic area.
- Departmental Individual Standing Offer (DISO) - only PWGSC may issue call-ups against this type of standing offer on behalf of specified departments and agencies.

How goods and services are ordered?

Goods or services covered under a standing offer are ordered, usually by the customer department and occasionally by PWGSC, using a call-up document. The call-up document indicates acceptance of the standing offer to the extent of the goods or services being ordered and serves as a notice to the supplier to deliver the goods or to provide the service. A separate contract is entered into each time a call-up is made against a standing offer.

There is no contractual obligation on either party until a call-up is made

Standing offers are not contracts in the legal sense and either party may withdraw from a standing offer by notification to the other party. However, all call-ups received by a supplier prior to withdrawing are legally binding and must be honoured. Departments order only the goods or services actually required.

Financial limitations

Individual call-ups are limited to a maximum total dollar value as specified in the standing offer.

Are Standing Offers arranged with more than one supplier?

Yes. Standing Offers may be arranged with more than one firm for the same products or services. This way we can be sure that the product/service is available in urgent situations.

Is there a particular time of year when Standing Offers are issued?

There is no set rule as to when standing offers are issued. Generally, standing offers are issued to begin at the start of the federal government's fiscal year (April 1 to March 31) but there are many exceptions. Normally standing offers are in effect for one year but some standing offers cover different periods of time (more or less than one year). Procurement activities for a standing offer start long before the issue date, depending on the nature and complexity of the requirement, so it is important to watch for opportunities which may be published several months before the anticipated effective date of a standing offer.

Debriefing

If you bid on a standing offer requirement and are not successful, ask for a debriefing. We'll tell you who won and why and where improvements can be made for future submissions. We can also provide you with the individual unit pricing information contained in goods and services standing offers