

Enabling SMEs to do Business with the Ontario Government

Submitted by the Timmins Chamber of Commerce

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Issue:

Ontario businesses see the provincial government as an important market for their products and services. However, it is commonly felt that the Ontario Government's procurement process is unduly costly and complicated, and that it excludes participation of Small and Medium Enterprises (SMEs). Businesses experience difficulty in understanding the process, identifying the point of contact and complying with government regulations.

Background:

Specific issues include:

- A considerable cost burden for SMEs that wish to submit a bid because they are required to have \$5 million in liability insurance in order to participate, regardless of level of risk or the successful outcome of the bid
- Other financial requirements, such as large performance bonds, that are not indexed to the value of the contract
- A lack of information from government to assist SMEs in identifying opportunities
- Difficulty for SMEs to gain entry into the process because they do not have an established track record.

Recommendations:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Prorate the level of liability insurance with the level of risk, and the amount of other financial requirements (e.g. performance bonds) to the value of the contract.
2. Incorporate a clause into the terms and conditions to state that:
3. Awarding of the contract is subject to the successful bidder having satisfactory insurance coverage; and/or
4. Bids must be supported by an "undertaking of insurance letter" from the bidder's insurance provider confirming their insurability to the level required by the contract.
5. Provide more transparent guidelines and province-wide marketing of the government procurement process.