

Low dollar value opportunities

Prepared by Procurement Assistance Canada

How the government buys

- The Government of Canada is one of the largest buyers of goods and services in Canada.
- The federal government buys a wide range of goods and services each year, with contract values ranging from hundreds to billions of dollars.
- Government buyers use a variety of methods including direct purchases from vendors as well as public tenders.

Low dollar value procurement

- Purchases below \$25,000 for goods, \$40,000 for services and \$100,000 for construction, including all applicable taxes, are considered to be low dollar value procurements.
- Unlike larger purchases that are done through the solicitation of bids and quotes from potential suppliers using a tendering process, low dollar value procurements are often direct purchases from vendors.

Opportunities for smaller and diverse businesses

- Low dollar value procurement can present an opportunity to grow your business by developing a business relationship with the Government of Canada through smaller contracts.
- The Government of Canada awards a large number of low dollar value contracts to smaller businesses in Canada.
- These include credit card purchases, most of which are valued under \$10,000.

Build networks

- Building relationships can go a long way in becoming a government supplier, just as it does in any line of business.
- Connect with officials in departments and agencies, learn about what directions their department's procurement may be heading, and find out about upcoming procurement opportunities in your region.
- Promote your business and share information regarding your capabilities.

Know your business and know your clients

- Who are the appropriate points of contact outside and/or inside government?
 - Find out who does the buying and who the end users are so you can target the appropriate department or agency.



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- The [Government Electronic Directory Services \(GEDS\)](#) website provides a directory of most federal public servants across Canada (except for the Department of National Defence, RCMP, and the Canadian Security Intelligence Service.)
 - [Public Services and Procurement Canada \(PSPC\) Regional Offices](#) can provide information about opportunities in your area.
 - What does your research tell you about your end user's needs?
 - Find out what the government needs and buys, so that you can clearly show how your business can supply the required goods or services.
 - [Search low dollar value procurement history on the Open Government Portal](#) to find information about what government buyers have bought in the past.
 - [Search award notices on the Government Electronic Tendering Service](#) to find information about what the government has bought in your region in the past.
 - [Learn about searching for award notices and contract history.](#)
 - Do you want to be the prime or subcontractor?
 - In some cases, you may want to consider partnering with another company, or becoming part of a larger company's supply chain.
 - Depending on your business capacity, subcontracting can be an option to access smaller contracts.
 - Can you accept payment from the Government of Canada?
 - You may wish to prepare your business to accept payments through various methods including credits cards, since purchase amounts below \$10,000 are often paid by acquisition cards.

Register as a supplier

- Government buyers often use source lists or their professional networks to find suppliers for low dollar value procurements on a competitive or non-competitive basis.
- Registering in government supplier databases can help buyers find your business when they are looking for a specific requirement.
- Provide as much information as you can about your business, including the commodities you sell and the socioeconomic profile of your business. This will help buyers identify your business as a potential supplier, and you may benefit from procurement initiatives that aim to increase supplier diversity.
- [Learn more about registering as a supplier.](#)

Note: Indigenous businesses are encouraged to [register in the Indigenous Business Directory](#). This will allow buyers to identify businesses for set-aside opportunities and meet government objectives to support Indigenous businesses with procurement opportunities.

Get assistance

Attend a seminar to learn more about doing business with the Government of Canada.

If you need help understanding the federal procurement process or registering for a procurement business number:

- Contact the National Infoline 1-800-811-1148 (Monday to Friday 8:00 a.m. to 5:00 p.m. ET);
- Request a callback from Procurement Assistance Canada; or,
- Find a regional office near you. We have a network of offices across Canada.

Canada.ca/PAC