Agile Procurement @ PSPC

Presentation to

Canadian Institute of Procurement and Material Management 2023 National Workshop

June 6th, 2023

Agenda

1. Agile Procurement Definition
2. Agile vs Traditional – an Extreme Comparison
3. Agile Myths and Facts
4. When to Apply Agile Procurement
5. Benefits of Agile Procurement
6. Examples of an Agile Procurement Process
7. Agile Procurement at PSPC and Lessons Learned
8. Q & As

Agile Procurement Definition

Agile Procurement is defined as a dynamic procurement approach that applies cross-functional teams, engagement, a flexible approach, and iterative processes.

Cross-Functional Teams

Agile Procurement involves cross-functional, integrated teams that work in close collaboration. The cross-functional team typically consists of:

- Procurement officers
- Business owners, including project or technical staff
- End-user representatives
- Subject matter experts

Flexible Approach

Agile Procurement incorporates flexibility throughout the procurement process. For example:

- Scalable requirements, and mechanisms for course corrections
- Customized terms and conditions
- Allowing for multiple phases for engagements, refinement of requirements, evaluation and testing
- Contract award to multiple suppliers

Engagement

Agile Procurement involves early continuous engagement between stakeholders. For Example:

- Communication, consultation, cooperation, coordination and collaboration with clients, suppliers, end-users and other stakeholders and partners

Iterative Process

Agile Procurement involves working iteratively throughout the procurement process to achieve incremental progress. The procurement strategy will often include multiple contracts, either in parallel or in a series, to enable iterative progress.

Agile vs. Traditional – an Extreme Comparison

Agile Procurement	Traditional Procurement
Planning throughout the procurement process	Planning only at start of procurement process
Ongoing interaction with vendors & end-users	Limited interaction with vendors & end-users
Challenge-, outcome-, or solution-based requirements (less specific)	Detailed technical requirements (more specific)
Scope is to address the challenges	Scope is the prescribed requirements
Procurement process is flexible, evolving, scalable and reactive to change.	Procurement process and procurement documents are mostly static once released
Gated or phased approach	Process runs in its entirety with no pivot points
Potential to negotiate before contract award	No negotiation before contract award
Course corrections as needed throughout the process	Course corrections at end of process, if at all.

Myths & Facts about Agile

Myth: Agile is Fast

Fact: Adopting an Agile Methodology may not always accelerate the procurement process and is not a “one size fits all” approach but can be conducive to receiving a fit-for-purpose solution in a shorter time frame.

Myth: Agile Removes the Need to Plan

Fact: Engagement and planning is still essential, and in fact, needs to be done earlier, more often and regularly, instead of just at the beginning of the procurement.

Myth: Agile Removes Risk

Fact: Agile requires establishing an effective governance framework to ensure risk is managed throughout the procurement process.

Myth: Agile Prevents Failure

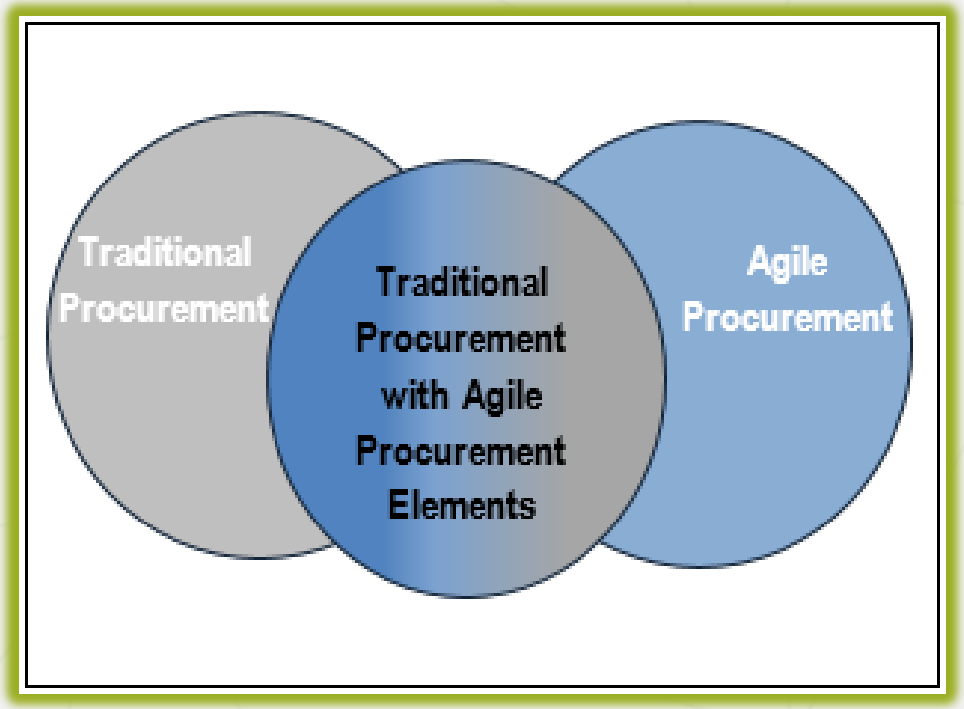
Fact: Being Agile means incorporating flexibility in the procurement process and solution delivery model to allow for earlier course corrections and incremental successes.

When to Apply Agile Procurement

Traditional procurements are very effective at achieving the expected outcomes for certain types of procurements just as Agile procurements are effective for others.

Although most procurement processes can benefit from some elements of Agile Procurement, not all procurements are a good fit for all of its elements.

While recent attention has largely been on IM/IT procurements, Agile Procurement may also be applied more broadly to benefit procurements for other commodities and types of procurement requirements, such as digital services, innovation, science, research and development, engineering, defence, and major complex projects.

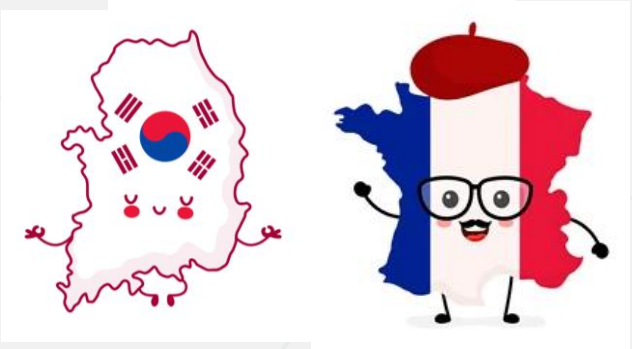


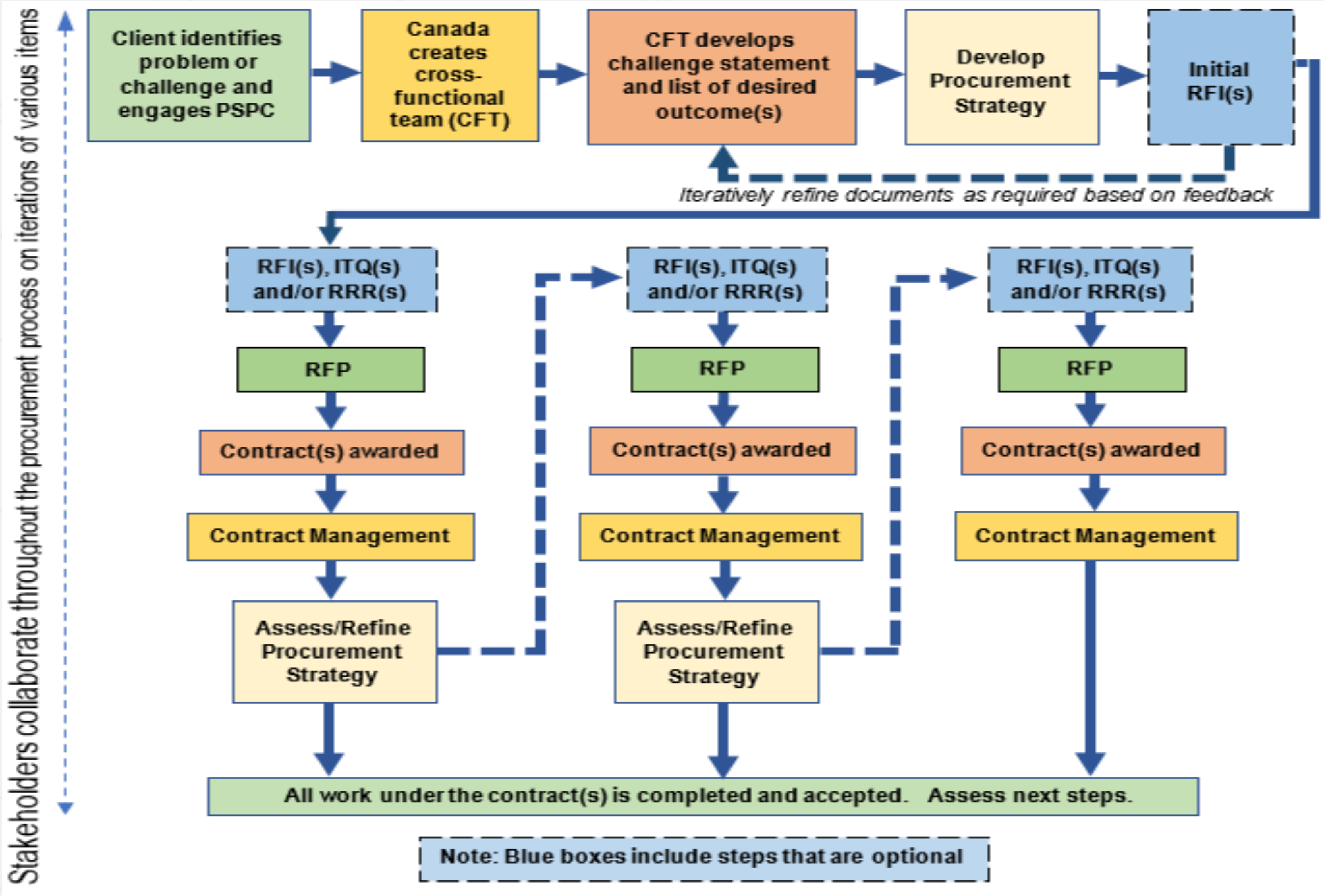
Benefits of Agile Procurement

Here are some tangible benefits of Agile Procurement

- Early and continuous engagement with end-users may result in early buy-in, a high level of adoption of the new solution, and **improved client and end-user satisfaction**.
- Iterative and incremental procurement strategy allows for integration of **new technological advancements**.
- **Multiple smaller, concurrent contracts that allow for course corrections** reduce technical and financial risks and increase the probability of a successful procurement as well as provide greater opportunities to support Canada's diversity initiatives including Social Procurement, Accessible Procurement, and Indigenous Procurement.
- More effective ways to engage with suppliers improve Canada's awareness of innovative technologies and the range of potential solutions, thereby increasing access to **the best the market has to offer.**
- The development and assessment of preliminary solutions allows for the **selection of the final solution to be based on tangible results instead of only a written proposal**.
- **The built-in lessons learned process** can help identify potential issues, avoid known mistakes, and **optimize procurement outcomes** while mitigating risks through early and frequent course corrections.

Financial Forecasting and Approvals




Stakeholders collaborate throughout the procurement process on iterations of various items
Client identifies problem or challenge and engages PSPC
Canada creates cross-functional team (CFT)
CFT develops challenge statement and list of desired outcome(s)
Develop Procurement Strategy
Initial RFI(s)
Iteratively refine documents as required based on feedback
RFI(s), ITQ(s) and/or RRR(s)
RFP
Contract(s) awarded
Contract Management
Assess/Refine Procurement Strategy
RFI(s), ITQ(s) and/or RRR(s)
RFP
Contract(s) awarded
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Assess/Refine Procurement Strategy
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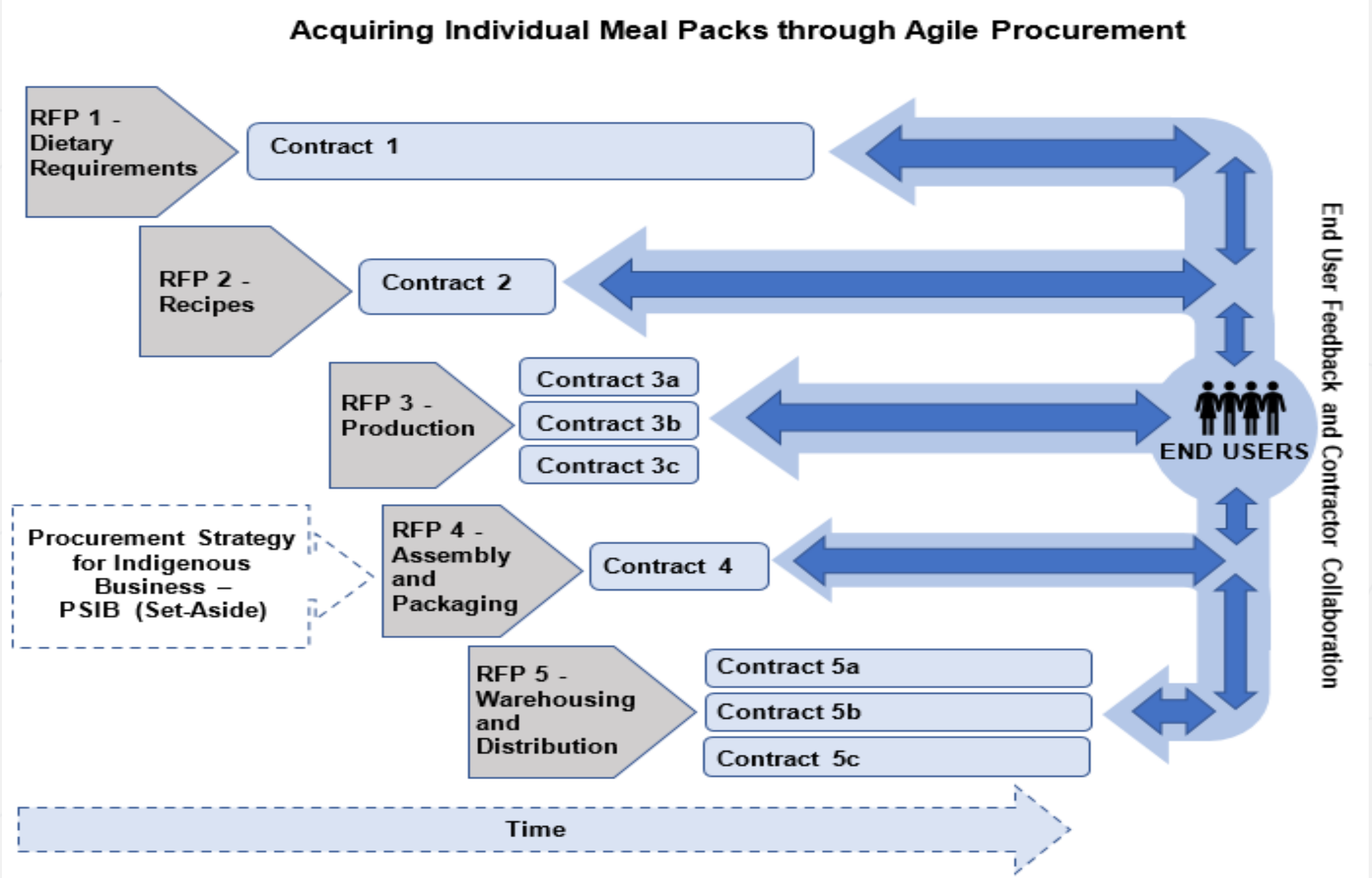
RFP
Contract(s) awarded
Contract Management
All work under the contract(s) is completed and accepted. Assess next steps.
Note: Blue boxes include steps that are optional


Acquiring Individual Meal Packs through Agile Procurement
RFP 1 - Dietary Requirements
Contract 1
RFP 2 - Recipes
Contract 2
RFP 3 - Production
Contract 3a
Contract 3b
Contract 3c
END USERS
Procurement Strategy for Indigenous Business – PSIB (Set-Aside)
RFP 4 - Assembly and Packaging
Contract 4
RFP 5 - Warehousing and Distribution
Contract 5a
Contract 5b
Contract 5c
End User Feedback and Contractor Collaboration
Time

Enhanced Maritime Situational Awareness

PSPC defined the procurement strategy to support Transport Canada's commitment under the Oceans Protection Plan to deliver a Geographic Information System to enhance maritime situational awareness for 10 Indigenous coastal communities across Canada.*

Key Stakeholder Engagement

- Collaboration with multiple federal departments and coastal Indigenous communities
- TC conducted preliminary work, including engagement with 10 Indigenous coastal communities across Canada to determine the needs and capabilities (hardware/software, internet access)

Industry Engagement

TC engaged with industry through a Request for Information process

Requirement Definition

- Indigenous communities identified key evaluation criteria based on their unique needs
- Transport Canada defined criteria based on government policy and standards

August 2018
PSPC comes Onboard

TC asked PSPC to take over the project due to:

- The inherent complexity and risk associated with the desired procurement approach
- Uncertainty on how to use an Agile approach in a contract when the work is not pre-defined

ITQ and Evaluation

PSPC used a three-phase evaluation strategy

Phase 1: Pre-Qualification

Phase 2: Technical evaluation of proposed COTS applications

Phase 3: Technology Solution Demonstrations

April 2019
Contract Award

A single contract was awarded for 14 months to deploy a working prototype and included 5 one-year option periods.

- All resulting work under the contract is undertaken using Agile project management and Agile methodologies
- Includes maximum flexibility to add or modify features and enhancements in an ad-hoc manner making the best use of time, money, resources and with need being the primary factor

*The original goal was to have a 1-year pilot project to deliver a marine GIS system that could be modified to meet the specific needs of the Indigenous communities, e.g. search and rescue, tracking marine vessels in protected conservation lands, locating walrus and seal haul-out points, traditional hunting grounds, and historical information relevant to their largely rural communities. This goal evolved as PSPC took over.

Enhanced Maritime Situational Awareness

Results and Lessons Learned

Success

- The EMSA Agile Procurement was a success!
- Search & Rescue EMSA simulation in Tuktoyaktuk by Indigenous community

How the Oceans Protection Plan is improving marine safety in Tuktoyaktuk

Engagement

- Early involvement of procurement personnel during engagement can aid in generating a relationship built on trust and offset potential miscommunication or commitments - PSPC can help design and build the process to best fit the need.
- Use of subject matter experts – Indigenous, privacy, legal, security, commodity, etc. can be very helpful in developing the strategy and communications tools required to ensure a common understanding

Speed

- Time must be a consideration. An Agile procurement process may take longer than a traditional approach. However, TC had committed to a fully functional web-based tool that would be operational by 1 April 2019 and could not adjust that timeframe based on commitments made.

Vendor Relationship

- Social procurement needs to be addressed early in the procurement – from engagement through to award and contract management – especially when dealing with third party non-government stakeholders.

Feedback? Questions? Concerns?

Please reach out to us: AgileInitiative@tpsgc-pwgsc.gc.ca

GCpedia: https://www.gcpedia.gc.ca/wiki/Agile_Procurement