

# Procurement Modernization

Presentation to Canadian Institute for Procurement and  
Material Management

April 2018

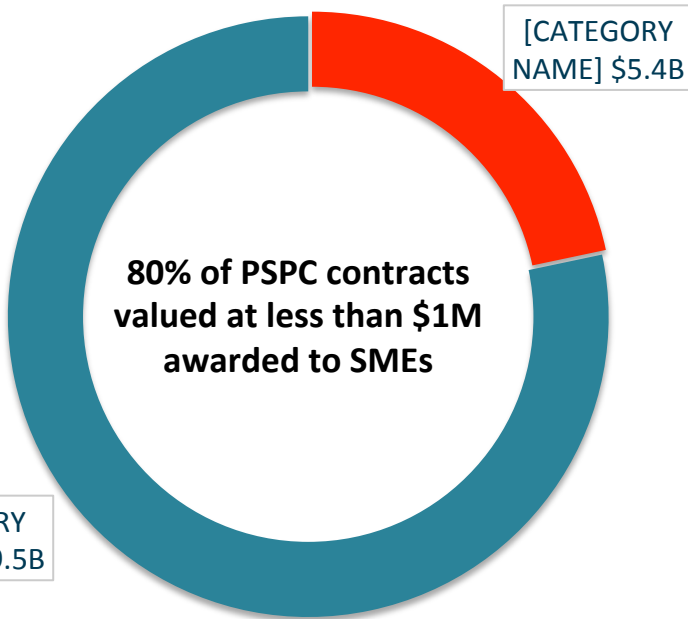
# Overview

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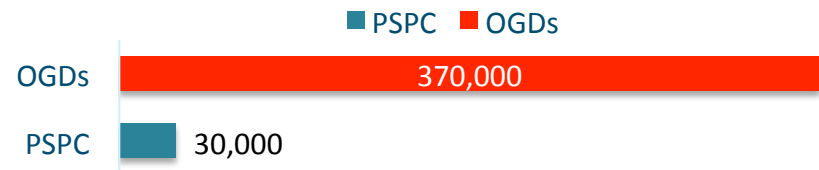


# Procurement has significant impact and many players...

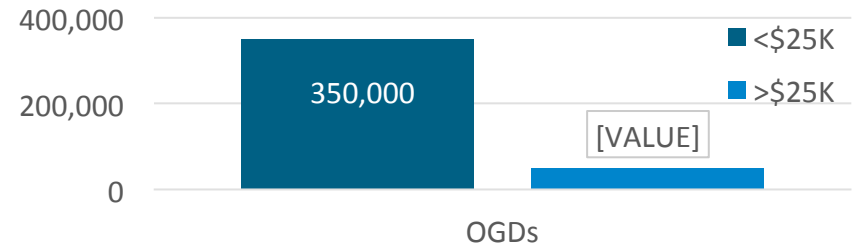
## Value



## Volume

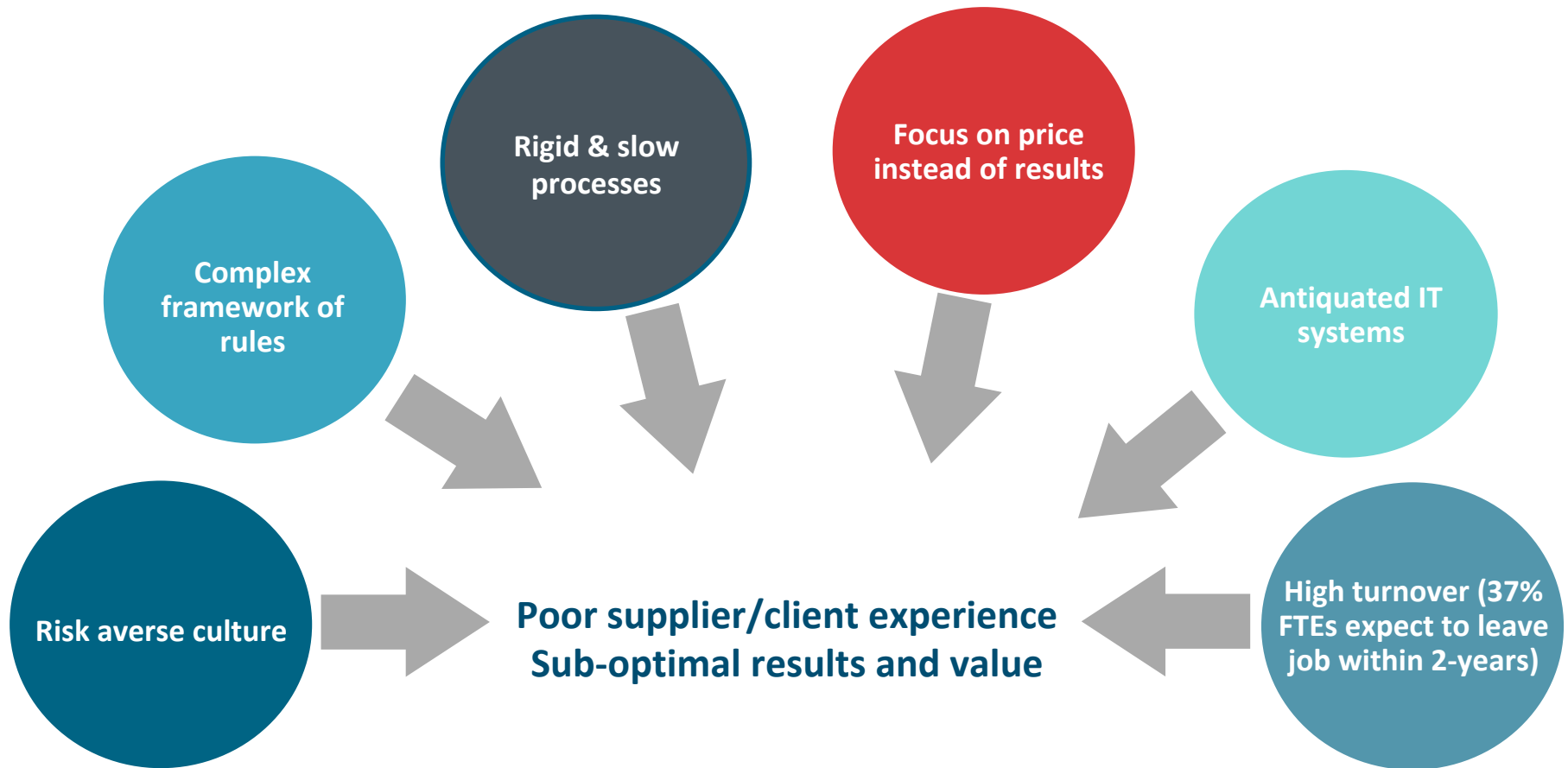


## Contracts by Value



- Treasury Board/TBS responsible for policies, workforce & strategic approvals
- PSPC and SSC manages strategic procurement and commodities (≈1200 FTEs)
- Departments conduct high volume and tactical procurement (≈1900 FTEs)
- Approx 9000 suppliers provide goods, services and construction to GC

# ...and faces many challenges



# We have drawn on world-class practices...

## Estonia / South Korea

- End-to-end electronic procurement systems and open data

## United Kingdom

- Manage key procurements strategically, measure outcomes, impacts & cost effectiveness, apply performance incentives

## USA, New Zealand

- Create safe spaces for multidisciplinary teams to design and experiment with innovative commercial relationships

## Estonia, UK, New Zealand, South Korea

- Identify and act on strategic opportunities to advance social, economic & environmental objectives

## European Commission (2017)

Ensure wide uptake of innovative, green and social procurement

Professionalize public buyers

Increase access to procurement markets

Improve transparency, integrity and data

Boost digital transformation of procurement

Cooperate to procure together

# ...to create a GC Direction

## President of the Treasury Board

Take a leadership role to review policies to improve the use of evidence and data in program innovation and evaluation, more open data, and a more modern approach to comptrollership.”

“Instill a strengthened culture of measurement, evaluation, and innovation in program and policy design and delivery.

## Minister of Public Services and Procurement Canada and Shared Services Canada

Modernize government procurement practices so that they are simpler, less administratively burdensome, deploy modern comptrollership, encourage greater competition and include practices that support our economic policy goals, including innovation, green and social procurement.

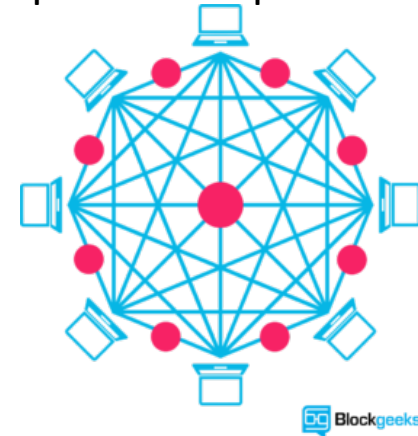
- Increasing the diversity of bidders
- Better vendor management
- Clear metrics
- Making government data available
- Prompt payment

# We are making progress on digital, workforce, data...



**E-receipt of bids** –Until June 2017 suppliers were required to submit paper bids. By end of 2018 projected to be at minimum 70% uptake-receipt bids. No connection cost for the suppliers

BC/PSPC/Ont. **Block Chain** supplier registration initiative - A single version of the truth that is verifiable- tell us once



4400 suppliers registered for a new free of use **procurement alerts** – increasing competition!

**Whole of GC and national recruitment campaigns** are underway to attract and promote top talent with strong business acumen



**More data** on contracts has been made accessible on Open Government and Buy and Sell portals

# ...access, innovation/sustainability, collaboration...



**Phased Bid Compliance:** provides bidders or offerors with an opportunity, after the solicitation closing date, to correct a finding of non-compliance with respect to Eligible Mandatory Requirements

**Piloting expedited payment** to reduce the time it takes to pay suppliers from 30 to 15 days



**Experimenting with Agile Procurement:** Fail fast, learn fast. No more 200-page RFPs. More show and less tell, more focus on working prototypes [so] that we really see what a company or provider can do, more competition and more agile providers.

**Ethical Procurement of Apparel:** Self-certification that suppliers and their direct Canadian and foreign suppliers comply with local laws and international standards on labour and human rights

*ethical*



Ten new master **collaborative agreements** signed with provinces and territories to extend federal procurement tools



# ...and more fundamental changes are underway



Budget 2018 announced a \$197M investment in a highly efficient and streamlined **electronic procurement** tool to replace outdated legacy systems



An ambitious **HR strategy** is being finalized to improve how the GC recruit, develop and manage/retain talent and leadership

A **Vendor Performance Management Regime** is being developed to hold suppliers more accountable



**Policies, rules and processes are being modernized** through amendments to the Government Contract Regulations, TB Policy Suite and Contract Simplification



A framework is being developed to advance, through procurement, the **GC socio-economic policy objectives**

# Milestones



- National Recruitment Campaign
- E-Bid receipt
- Phased Bid Compliance
  
- TB Policy Suite Reset
- Amendment to GCRs
- Contract Simplification
- Vendor Performance Management Regime
- Sustainable Procurement Framework
- Development and Certification of the Workforce
- Chief Procurement Officer Model
  
- Electronic Procurement Solution
- Mainstream current pilots (social, agile, expedited payments, etc.)