

PSPC AGILE PROCUREMENT

Agile and Innovative Procurement Symposium

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Services and Technology Management Services Sector

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PURPOSE OF THE PRESENTATION

- Provide an overview of PSPC procurement projects that leads us here today
- Recap what has been done differently in those projects



AGILE PROCUREMENT

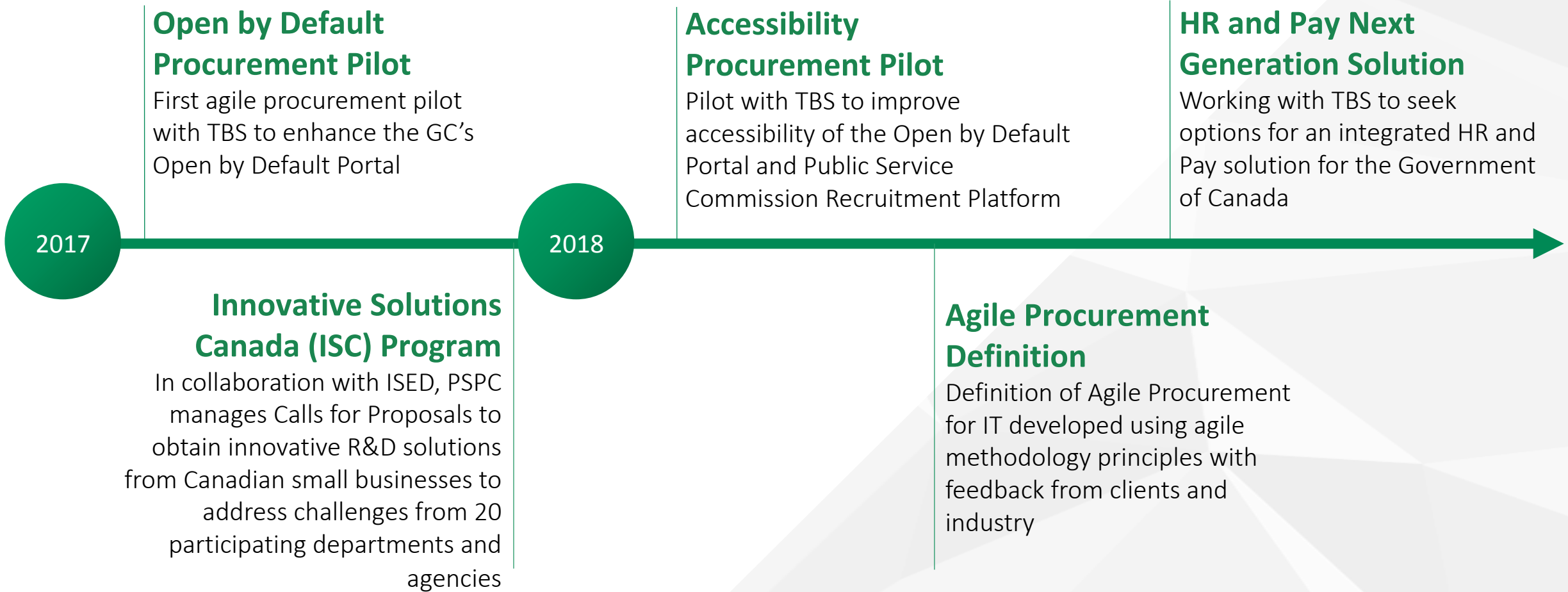
What is it?

➤ Supports delivering a simpler, responsive and accessible procurement system

- A collaborative, outcomes-based approach suited to today's fast-moving digital environment
- Brings together government and industry to design procurements in an iterative manner to achieve results.
- Simplified and multi-phased procurements that respect our principles of open, fair and transparent processes to obtain the best information technology solutions for the government.



SOME HISTORY IN BRIEF



SOME HISTORY IN BRIEF

2019

Artificial Intelligence Source List

New method of supply to establish prequalified AI suppliers and enable government clients to acquire AI products, services and solutions.

Interactive Regulatory Evaluation Platform (AI)

First solicitation issued under the AI Source List for an interactive hosted cloud-based regulatory evaluation platform to enable users to explore and analyze large amounts of structured and unstructured regulatory data.

And many more....

The principles of the agile procurement approach are increasingly figuring into day to day activities

Enhanced Maritime Situational Awareness

Geographic Information System solution to enhance maritime situational awareness in ten selected coastal communities. Included Indigenous communities as evaluators

Tri-Agency Grants Management Solution

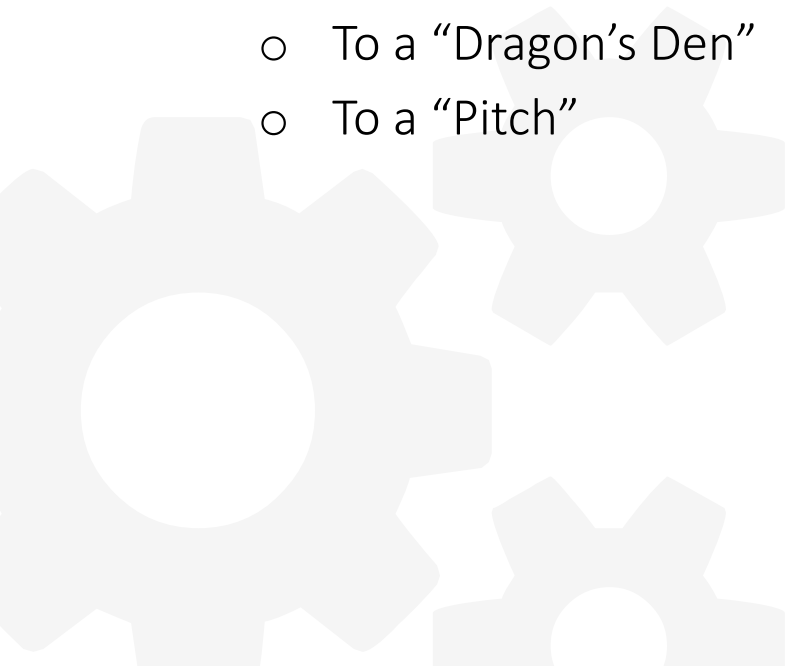
A contractor configured, operated and supported grants management solution to address the needs of NSERC, SSHRC, and CIHR in an integrated manner



USABILITY OF TBS OPEN BY DEFAULT PORTAL

Background

- Objective: To enhance and improve the user's experience in finding and retrieving information housed on the Open by Default Pilot Portal.
- The approach for this procurement evolved :
 - From "Hackathon"
 - To a "Dragon's Den"
 - To a "Pitch"



USABILITY OF TBS OPEN BY DEFAULT PORTAL

How was it different from a traditional procurement?

- In collaboration with TBS, PSPC invited industry to solve a specific problem rather than respond to a lengthy Request for Proposals document
- This approach allowed for effective engagement with creative developers and technologists, and as a result, streamlined and shortened the procurement process period:
 - **Challenge-based**: Open-ended challenge, based on usability and innovation
 - **Fast**: Accelerated timelines with very quick contract award (worked backwards from delivery date)
 - **Webinar**: Interactive Q&A session during solicitation
 - **Evaluation**: Prequalified bidders gave their Pitch to external experts with same-day evaluation and award



USABILITY OF TBS OPEN BY DEFAULT PORTAL

Results and Lessons Learned

- Our first “Agile” Procurement Pilot was a success!
- The approach up to contract award was collaborative and outcome-based.
- However, the contract itself was not fully Agile (no iterative approach to deliverables).
- This is okay because:
 - We did what worked for the procurement; and
 - We were taking baby steps...



AGILE PROCUREMENT DEFINITION

as developed through open consultation in 2018
(Developed by PSPC and endorsed by TBS/CIOB & SSC)

In order for a Government of Canada IT procurement to be considered agile, the following four factors should be present:

Iterative Approach for Deliverables



Allow for off ramps and pivots (using small, time-defined and iterative work packages, with mechanisms built into the procurement to adjust or terminate if project stops demonstrating value)

Focused on Outcomes



Allow for a range of solutions to be proposed (selection methodology drives towards the best solution, not a pre-determined one, using high-level evaluation criteria so as to assess dissimilar proposals)

Cross-Functional Teams



Involve cross-functional teams in designing and running the procurement (procurement, program managers and technical experts are involved throughout)

Collaboration with Suppliers



Iterative process between government and suppliers to have a collaborative dialogue on needs and outcomes



ACCESSIBILITY PROCUREMENT PILOT

Background

- With the open by default solution identified and delivered by the contractor, the next agile objective was to ensure documents on the portal could now be accessible to all Canadians.
- PSPC on behalf of the Treasury Board of Canada Secretariat and the Public Service Commission of Canada posted a Call for Proposal between December 2017 and January 2018 for two challenges focusing on the accessibility of:
 - 1) TBS Open by Default Portal; and,
 - 2) PSC Recruitment Platform.



ACCESSIBILITY PROCUREMENT PILOT

How was it different from the Usability Pilot?

- For this new challenge, TBS raised the bar on the agile procurement complexity and partnered with PSC for an accessibility challenge.
- The Goal: To address one requirement involving two departments under one Call for Proposal
- Suppliers had flexibility in creating their Pitch. Pre-defined questions were built in the Call for Proposal.
- Introduced “Bake Off” – 3 Contracts, \$15K each, with 3 weeks to build a prototype of the proposed solution
- Selected Contractor would see option invoked to build the solution.



ACCESSIBILITY PROCUREMENT PILOT

Results and Lessons Learned

➤ This second Agile Procurement Pilot was a failure - no responsive proposals!

There had been Early Warning Signals:

- Initially, both departments had the same challenge, but with the feedback received through constant engagement with industry, the challenges ended up being different. While both challenges were for accessibility open source software, they were intended for different websites / portals.
- The requirement was not approached from a user-perspective.

This failure is okay because:

- We failed small (limited investment)
- PSPC did a Post Request for Information in May 2018 inviting feedback from suppliers with questionnaire, one-on-one meeting and attending an industry day.
- Valuable feedback contributed to the development of lessons learned.



ENHANCED MARITIME SITUATIONAL AWARENESS

Background

- PSPC supported Transport Canada for a Geographic Information System solution to enhance maritime situational awareness in 10 selected coastal communities with Indigenous populations
- TC announced this as the biggest Agile procurement process to date (\$4 M)
- PSPC supported TC by having on premises, 4 TC employees co-located with PSPC (Support for the design and development of RFI)
- When contract delegation issues arose (Limitation of Liability), PSPC took over from TC.



ENHANCED MARITIME SITUATIONAL AWARENESS

How was it different from a traditional procurement?

- This initiative included the following characteristics:
- Collaboration with multiple stakeholders
 - Three-phase evaluation process
 - Predefined User Case to be presented under Phase 3
 - Award of 5 contracts (\$150K each) with 4 months to build a prototype.
 - WebEx evaluation of prototype with each contractor
 - The Indigenous communities evaluation and scoring on User case of Contractors presentation
 - Agile Contract delivery



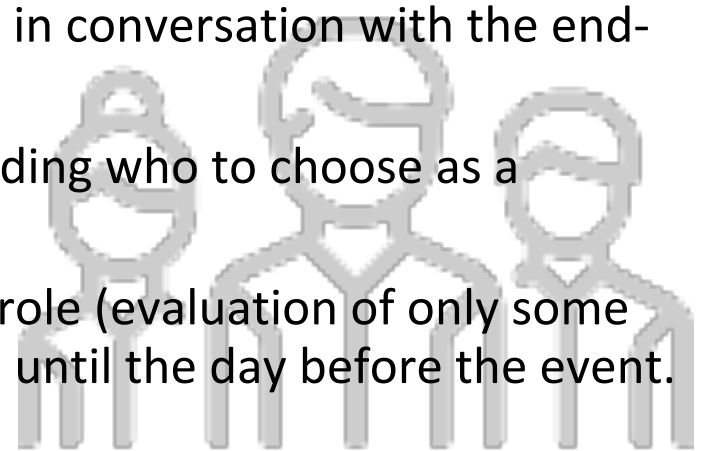
ENHANCED MARITIME SITUATIONAL AWARENESS

Results and Lessons Learned

➤ The EMSA Agile Procurement was a success!

But there are still lessons learned:

- Although the end-users were included in conversations from the beginning, PSPC procurement staff was not.
- This showcases the importance of having procurement included in conversation with the end-users. We can help design and build the process accordingly
- Indigenous communities were led to believe they would be deciding who to choose as a contractor
- The client did not prepare the end-users in understanding their role (evaluation of only some aspects of the bids) and did not share the procurement material until the day before the event.



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NEXT GENERATION HR AND PAY

Background

WHY

The Government of Canada does not have **a modern and sustainable HR and pay capability** (people, process, information, and technology) to provide employees with accurate and timely compensation.

WHAT

A complete HR and pay solution, fully implemented, and with the necessary foundational capabilities to support and **evolve** to continue to meet the needs of the GC and its users.

Digital Capabilities

Cloud SAAS Software Subscription(s) for the provision and support of the digital solution that provides relevant and current enablement of HR and pay business capabilities ex. Onboarding, HR, pay etc.

+

Foundational Capabilities / Products

Foundational capabilities necessary to support and evolve the digital solution. Ex. **Interoperability, automated testing, data management** etc.

+

Professional Services

Software vendors, with solution integrators, to provide **expertise required to plan, configure, execute, test, implement, and support** the digital solution.

+

Managed Services

End-to-end support services provided by the vendor to permanently or temporarily deliver business services and outcomes ex. Call support.

+

Value Added Services/ Capabilities

Value added services and/or **capabilities that the vendor may be able to provide above and beyond current problem statement** to address different or unanticipated business problems.



NEXT GENERATION HR AND PAY

Background

- Gate “0” started with an announcement that TBS, in collaboration with PSPC Procurement Branch, was hosting an all-day Industry Day on Sept 19, 2018.
- We presented the scope of the work for the NextGen HR and Pay Solution, the challenges faced with the current system and the way forward, and the approach we were undertaking.
- Industry Day was a big success. 46 vendors (90 participants), 25 employees from various departments, over 1,000 people (yes 1,000) participating via WebEx, Twitter and Slido.
- 130 Questions were received throughout the day.
- We said at the Industry Day that Canada was going to proceed with a procurement process that was different, in Gates/Phases, to ensure that we verify, test, use BEFORE making a commitment to buy.





Gate One



Proof of business capabilities and adherence to Digital Standards

5 of the vendors advance



65 Companies @Industry Day

7 sessions

25 Evaluators

40 Days

5 COEs

70 Videos provided as evidence

Evaluation in 5 days



Gate Two



Validation of solutions with hands-on user testing

3 of the vendors advance



Subject Matter Expert Challenges

70 sessions

160 Evaluators

55 Days

7 COEs

User Day 14 sessions

Digital User Expo



Gate Three



Capacity to deliver
User Testing | Partnership | Costing

1
2
3

Qualified list of suppliers

+

1

Task Authorization



June 14, 2019

January 2020

NextGen

Transition

Discovery

Pilot

Business Capabilities/
User Testing

1



Week of
June 17

2

Partnership/
Corporate Capabilities/
Terms & Conditions



July 2019




Potential Liabilities

Qualified List - \$15k | Discovery - \$6M

NEXT GENERATION HR AND PAY

Contracting Outcomes for Gate 3

Results / Next Steps



Qualified List of Suppliers (QLS)

A **Qualified List of Suppliers (QLS)** is a set of contracts with basic terms and conditions that enable a restricted group of qualified vendors to **compete** for work under our process

- **Flexible contracting arrangement** through which services may be procured efficiently and effectively
- **Three vendors are qualified:**
 - Ceridian
 - SAP
 - Workday
- **Contract Liability: Minimum Revenue Guarantee of \$5,000** over the initial contract period

Task Authorization

A **Task Authorization (TA)** is a process enabling the client to **authorize** work by a selected contractor for different problem sets on an "as and when requested" basis in accordance with an existing contract

- **Multiple Task Authorizations Bid Request can be competed** amongst the qualified vendors for different work packages or business problems.
- **Qualified vendors will be ranked under the TA Bid Request** where the top vendor will earn the right to work with us on the different work packages or business problems.
- **Task Authorizations will contain key decision points (KDPs)** where tasks may be extended or refined or work stopped to meet the business needs. E.g. TA is extended to work on pilot and subsequently extended for implementation and run phases

TA1: CORE HR+PAY Pre-Definition Work



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NEXT GENERATION HR AND PAY

Engagement Built-in

The NextGen Team has initiated a broad engagement strategy with external and internal stakeholders to ensure investments are both strategic and representative.



NEXT GENERATION HR AND PAY

Key Observations On The Process To Date



Transparency

- Committed to working openly by sharing materials online has proven beneficial
- Regularly updating public servants through blogs and departmental communications
- Regularly briefing the DM community, as well as unions, PBO, OCG, OPC



Engagement

- Leveraging feedback, lessons learned and best practices to course correct as needed
- Putting the user at the centre through in-person and digital engagements , such as fourteen user expos across the country.



Speed

- Working in smaller, faster sprints as opposed to the traditional waterfall approach
- Flexible and adaptable



Vendor Relationship

- Interaction with vendors has been ongoing throughout the process
- Developing a partnership as opposed to procuring a system
- New public relations/approaches by vendors

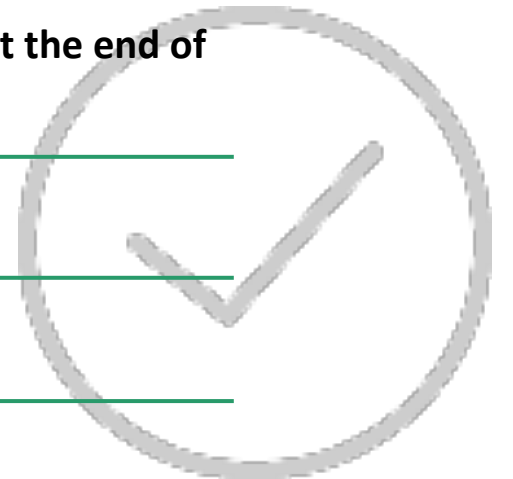


Adopting an Agile Approach



The NextGen team has adopted an agile method to support an iterative conversation with industry and stakeholders.

AGILE		TRADITIONAL WATERFALL
Smaller/faster sprints	➤	Process runs in its entirety
Gated Approach	➤	Long contractual periods
Course corrections as needed throughout the process	➤	Course corrections only available at the end of the process
Scope is flexible and adaptable	➤	Scope is determined and set
Interaction with vendors and users is ongoing	➤	Limited interactions with vendors and users
Enables industry feedback, best practices	➤	All requirements need to be known and documented up front



Questions ?

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EXAMPLES OF AGILE INNOVATION PROGRAMS

➤ Innovative Solution Canada (ISC) Program:

- In collaboration with Innovation, Science and Economic Development, PSPC manages the Calls for Proposals for this program to obtain innovative R&D solutions from Canadian small business to address challenges from 20 participating departments and agencies

➤ Innovation for Defence Excellence and Security (IDEaS) Program:

- Using the principles of Agile procurement, PSPC, on behalf of the Department of National Defence, manages the Calls for Proposals and contracting of this program
- The IDEaS Call for Proposal invites scientific, technical, and innovation communities to submit Science & Technology proposals supporting Canada's defence under Defence Research and Development initiatives



AGILE PROCUREMENT

Overall Lessons Learned

- Agile tends to introduce higher levels of subjectivity in evaluation, something that has been avoided in the past due to concerns regarding risk and defensibility if challenged
- Agile also requires competencies in collaborative dialogue and negotiations that require continued development
- Risk of going too big too quickly, we should continue to seek opportunities to test and learn lessons on an incremental scale
- Agile procurement is more resource intensive



AGILE PROCUREMENT

Risks & Challenges

Generally, Agile Procurement reduces the residual risk of having an unsuccessful procurement because it is built upon principles of taking small, iterative steps, and adjusting quickly as risks arise. Furthermore, the open nature of the requirements (not overly prescriptive) and the principle of trying solutions on a small scale allow for risk containment. However there are also some risks:

- Organizational lack of capacity (agile can be more resource intensive) for both PSPC and Client Departments
- Training and Development of procurement professionals and technical authorities to implement agile in their procurement projects
- More proactive contract management is required to oversee the delivery of positive outcome
- Creation of a “partnership like” relationship can blur the lines of responsibility between the Crown and Suppliers. Legal challenges have not been tested in court.

