



Canada Border
Services Agency

Agence des services
frontaliers du Canada

CBSA Assessment and Revenue Management (CARM)

June 2019

Canada 

CARM | CBSA Assessment and
Revenue Management

Purpose

Share insights from the CARM procurement

CARM Overview

CBSA Assessment and Revenue Management (CARM) is a multi-phased IT-enabled business transformation project being executed through an innovative delivery model.

CARM Will Deliver Important Results to Canada

- **Increases Government of Canada (GC) revenues** by enabling improved consistency in the treatment of all importers and reducing missed opportunities to apply taxes and/or duties.
- **Improves CBSA efficiency** while increasing levels of external service and improving openness and transparency.
- **Reduces the burden for Canadian importers** and other trade partners, aligning with CBSA goals to streamline trade and improve Canada's global trade enablement ranking, thereby improving Canadian competitiveness and meeting stakeholder expectations.

Examples of benefits for trade chain partners

Self-Service

Ability to complete registration including delegation of authority, program enrolment, payment, adjustments, and submit and track rulings and appeal requests online



Visibility

Ability to view account information and transactions (e.g. penalties), receive automated billing and payment notifications, and monitor financial security



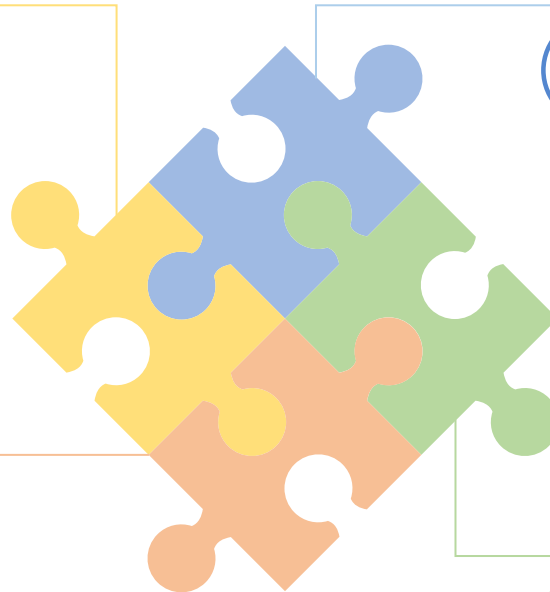
Efficiency

Helps to eliminate burdensome manual, paper-based processes. Improved payment efficiencies with harmonized billing for Release Prior to Payment participants. Ability to submit supporting documentation online.



Support

Access to information and support to assist with accurately completing import accounting declarations. Access to a ChatBot to submit inquiries.



CARM is much more than an IT project



CARM Delivery Strategy – Pillars for the Procurement

Engage a Contractor with global experience and expertise to provide a dynamic solution and delivery model based on the following key objectives:

- **Modernize** - Effectively and efficiently design and deliver those CARM business capabilities and technology services requiring only technology renewal with minimal business model changes, while maintaining the long-term vision required to realize CARM's benefits and outcomes.
- **Transform** - Help the CBSA to define, develop and implement new and more effective business models and associated technologies for those CARM business capabilities where the opportunity exists for transformation across people, process and technology; and,
- **Innovate** - Build-in and enable continuous innovation and improvement in a manner that can adapt to new and emerging technology trends

Strategic Procurement Attributes

The following were some of the strategic attributes identified during the initiation phase that guided the decision making during the Collaborative Procurement process.

- 1) Business Transformation is priority #1
 - This is an IT-enabled project, not an IT project.
- 2) Procure a Service, not Software
 - Strategically, CBSA does not want to be in the software maintenance business
- 3) Outcomes-based as much as possible
 - Where possible, ensure maximum authority and accountability is given to the vendor to achieve the defined outcomes
 - Avoid contracts where the CBSA is directing the vendor on what to do or how to do it.
- 4) Business operations outsourcing is not in scope
- 5) Ongoing Innovation is an imperative

Confidence in the approach

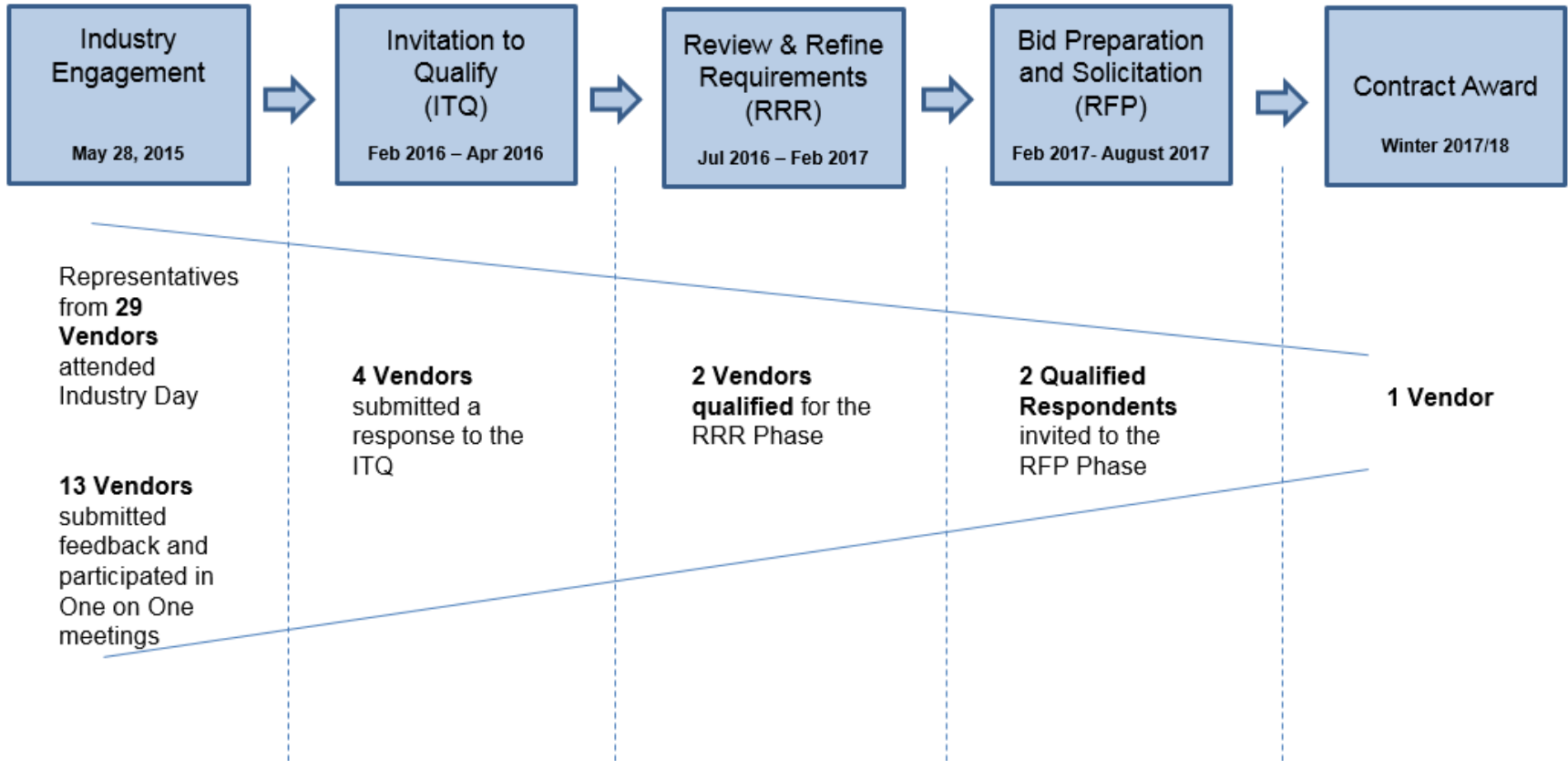
External perspective - A third party assessment identified technology outsourcing as a viable option for CARM to help mitigate risk

Positive experience - The CBSA experienced challenges delivering Release 1 of CARM. CBSA pursued a contract with a Systems Integrator to complete the development and implementation - accomplished within 12 months of onboarding.

Procurement as a Project

1. **Run the procurement as a project** - not just as a procurement exercise.
2. **CBSA executive vision and engagement** - vision and engagement driven from the top.
3. **Concept Paper** - use of concept paper to obtain agreement on fundamental procurement strategies and objectives.
4. **Engagement with PSPC leadership** - early and direct engagement between CBSA and PSPC leadership.
5. **Develop a core cross-functional SME team** - diverse skills and industry experience with delegated authority and accountability for the development of the statement of work and making strategic recommendations throughout

CARM Collaborative Procurement Process with PSPC

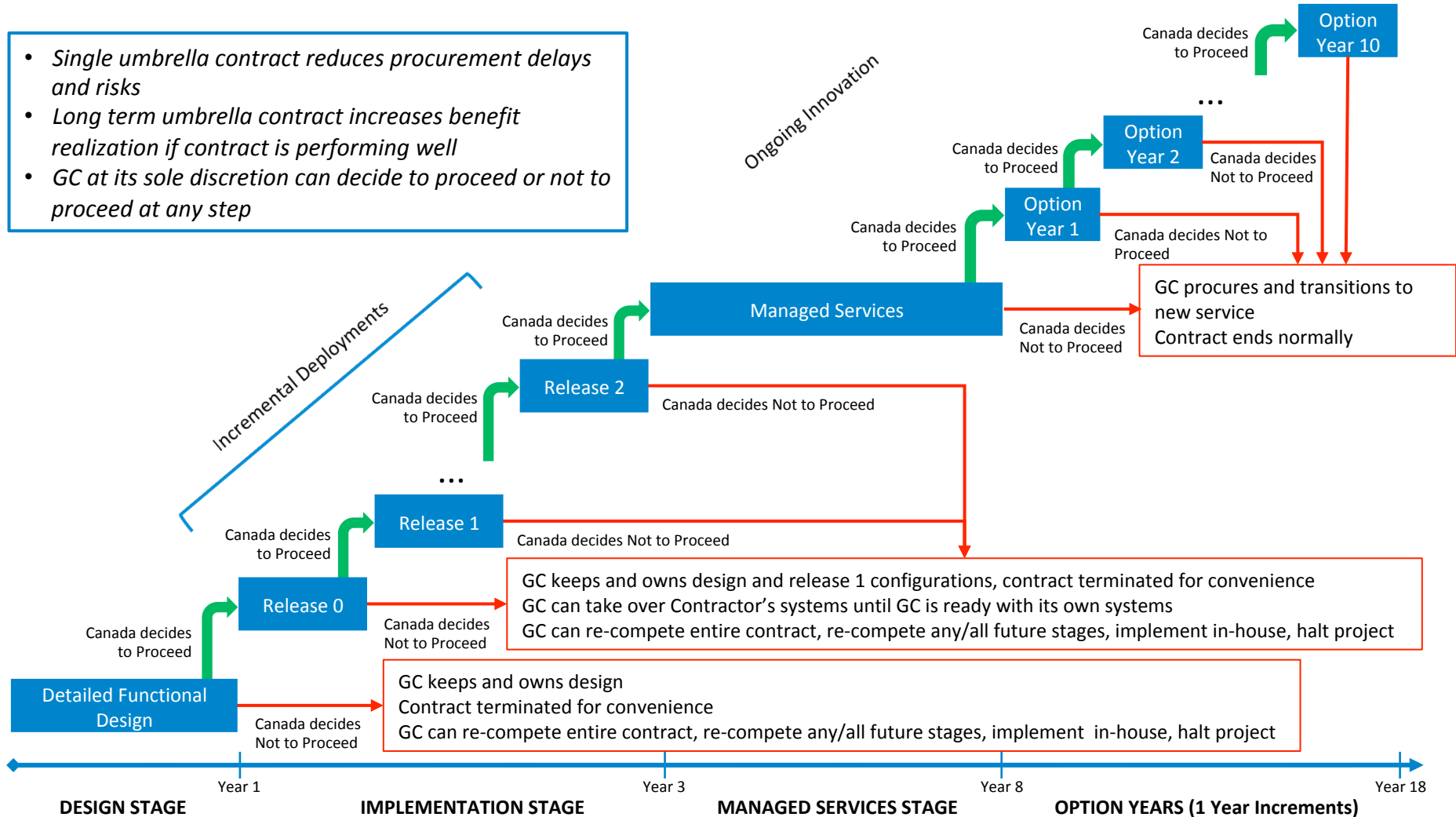


Flexible, outcome focused framework

- Potential 18 year contract - flexibility built in
 - Fixed fee for design and implementation
 - Deliverable based payment structure
 - Addressed limited information available in some key areas at the time of RFP/contract by accommodating a combination of fixed fee and additional services (daily rates), allowing for refinement of estimates as new knowledge has been gained during execution
 - Additional services, based on a daily rate structure, allow for the introduction of future solution features/functions
 - Ongoing management of CARM is based on a business focused service consumption pricing model (number of commercial assessments)

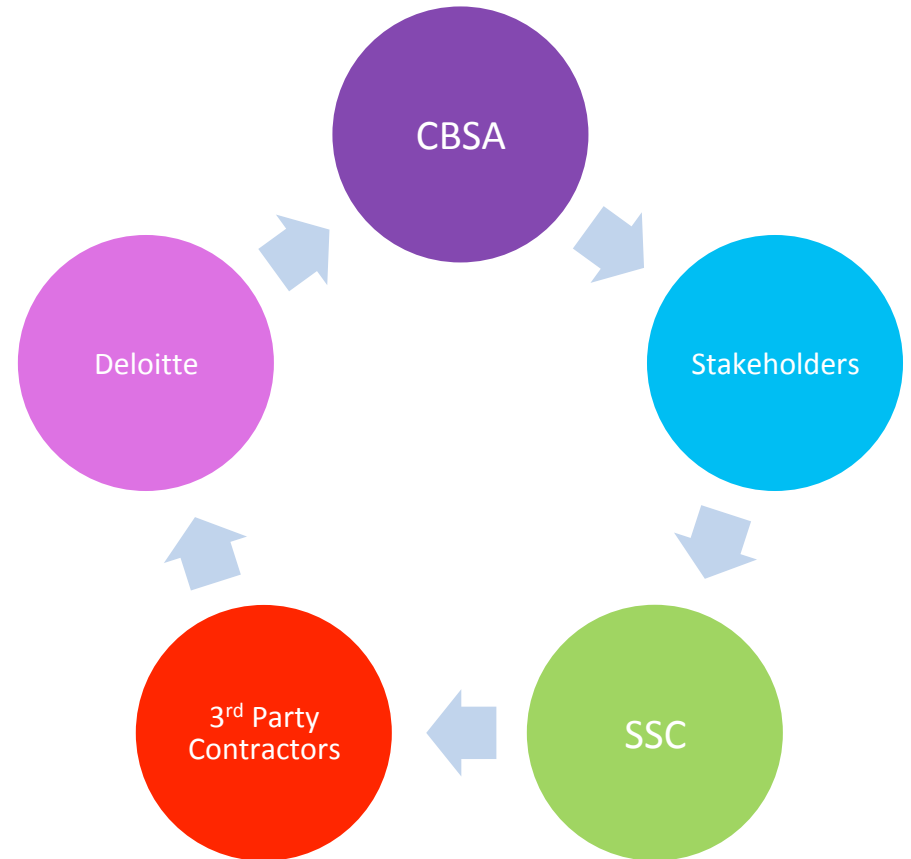
CARM Contract Terms: Incremental Contracting

- Single umbrella contract reduces procurement delays and risks
- Long term umbrella contract increases benefit realization if contract is performing well
- GC at its sole discretion can decide to proceed or not to proceed at any step



CARM Collaborative Design and Delivery

- **CBSA** has overall accountability for CARM – Programs, Operations, Finance and Corporate Management, Human Resources, and ISTB are all involved
- **Stakeholders** (internal, external, other government departments) actively engaged throughout the project
- **Shared Services Canada (SSC)** engaged around the technology landscape
- **3rd Party Contractors** support the overall delivery and governance of CARM including-value and benefit management and technical architecture reviews and benchmarks
- **Selected third-party vendor**, is responsible to work alongside the CBSA to design the CARM solution (people, process and technology). **Will also manage the technical solution and drive continuous innovation**



Beyond the procurement – setting up for success

- CBSA executed a comprehensive “Design Stage Readiness” plan. This included:
 - Logistics
 - Extensive communication and engagement across the CBSA to secure support for the integrated delivery model and identification of critical resources to be involved in the project
 - A proactive CBSA team onboarding program
- Up front investment in establishing the project culture/environment
 - CBSA/Deloitte joint efforts to define project values
 - Articulation of team working norms
 - Communicated expectations of various new project roles

Work Streams

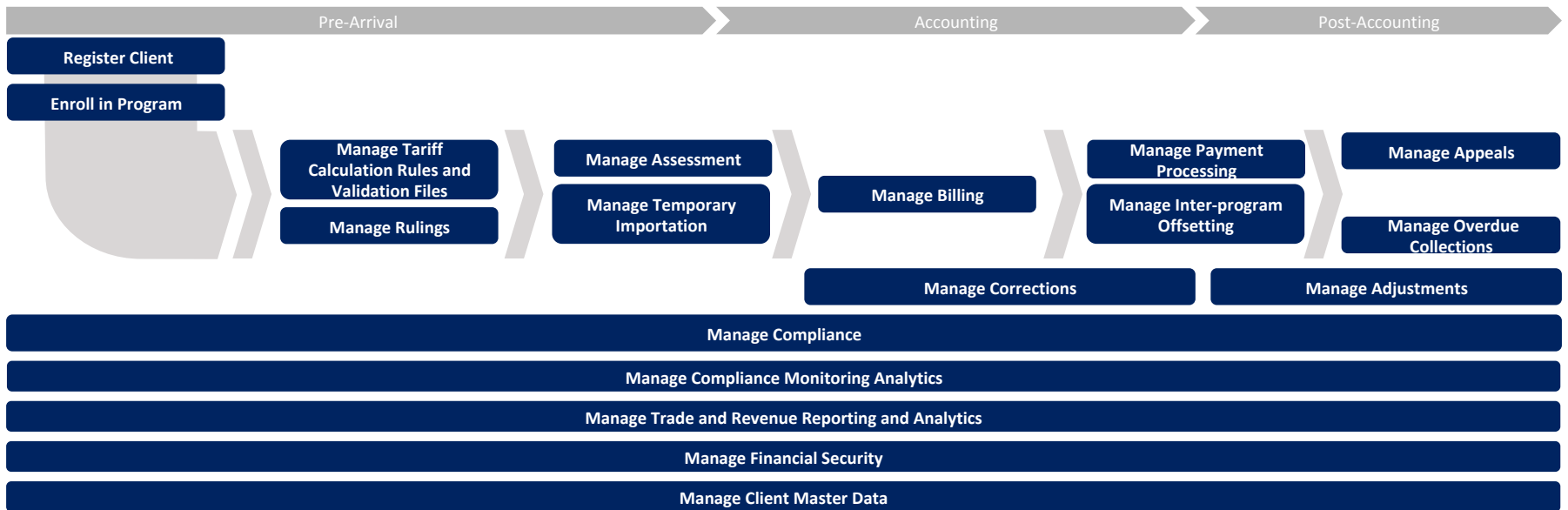
CARM is comprised of **four (4) divisions** and nine **(9) work streams** operational throughout the implementation stage, beginning April 1st and to be completed in July 31, 2021. The project work streams, in combination with its service delivery partners include the following:

- **Change Enablement** - includes planning and execution of activities and development of products to enable all CARM stakeholders (internal, external and Other Government Departments) to make the required changes, adopt the new roles/processes and use the new tools/solutions of CARM. Change Enablement is comprised of Stakeholder Engagement, Training & Business Readiness and Program Authority.
- **Project Control Office:** includes planning and execution of project management activities as defined in the project charter and according to the CARM Project Management Plan (scope, schedule, budget, quality, etc.). Vendor relationship management activities focused on the performance and quality of products and services delivered by the CARM Vendor according to the CARM Contract.
- **Solution Delivery:** includes design, build, test, conversion, cutover, deployment, and stabilization of the application and infrastructure components of CARM, and as well as definition, design, build and transition to the managed services that comprise the contractor-provided solution-as-a-service. The Solution Delivery is comprised of the Managed Services/Cloud/Security and Solutions.
- **Business Delivery:** comprises planning and execution (delivery) of the CARM business model and results. Activities including changes to CBSA commercial business processes, and benefits planning and realization activities. The Business Delivery is comprised of Revenue Management and Commercial & Trade.

CARM Design Stage








- The CARM Phase 2 design stage began on March 8, 2018 and was successfully completed as planned, on March 31, 2019.
- Two Task Authorizations were issued for the Design Stage
 - TA #1 - Mobilize the team, create the Design Stage project plan
 - TA#2 – Execute the design stage project plan
- The CARM Team completed all Design Stage deliverables including:
 - 75 design workshops
 - Over 600 functional specifications
 - Moved from Facilities as a Service to a Cloud hosted solution
 - Held 68 External Engagement activities for stakeholders (Trade Chain Partners and Other Government Departments) including Monthly calls, consultation sessions, deep-dive sessions, persona workshops, presentations, meetings, and written artifacts
- The CARM Innovation Program was launched on May 4, 2018

CARM includes 18 core processes



CARM Innovation Program – Overview

The CARM Innovation Program is currently involved in four core experiments

	Chatbot	Digital Declaration	Nudging TCPs	Rapid AI Deployment
 Our Core Objective	Develop a new, AI-enabled, one-stop method of answering clients' authenticated and non-authenticated inquiries	Create a digital alternative for the paper B3 form, making the process more simple, convenient, and efficient for CBSA and users	Leverage concepts from the field of behavioural insights to 'nudge' users towards greater compliance (e.g., pay accounts on time)	Employ AI to offer analysis, insights, and reporting capability on Customs Regulations to support the CARM project
 What We've Done to Date	<ul style="list-style-type: none"> Built the business case Developed a prototype with 4 use cases Received go-ahead to build out the chatbot Gained access to the platform environment 	<ul style="list-style-type: none"> Built the business case Developed a prototype with 5 sample HS codes Developed a user testing plan 	<ul style="list-style-type: none"> Conducted stakeholder engagement and performed data analysis to understand the challenge of overdue accounts Identified Notice of Arrears as target for intervention 	<ul style="list-style-type: none"> Developed a working prototype (<i>Helios</i>) for the CBSA team to test Presented Helios usage and findings to legal stakeholders 
 The Path Forward	<ul style="list-style-type: none"> Complete user testing to refine the prototype Share our insights with Solution Design team as part of formal hand-off 	<ul style="list-style-type: none"> Complete user testing to refine the prototype Share our insights with the Solution Design team as part of formal hand-off 	<ul style="list-style-type: none"> Refine intervention design and draft of trial design, and validate them with key stakeholders (e.g., Innovation Council, other CBSA stakeholders, CRA) 	<ul style="list-style-type: none"> Continue support and upskill of client team Present Helios usage and findings session to strategic policy branch stakeholders

Insights

- Collaboration with vendor community was worthwhile
 - New ideas, alignment, clarification
 - Could have been accomplished faster – limited value of the RRR phase (did not eliminate questions in RFP)
- Forging relationships at all levels with PSPC is essential
 - New approach = bumps in the road
- New types of procurement arrangements were challenging
 - Risk centric starting point
 - Not able to fully integrate into the project team – prolonged back and forth
 - Unable to collectively establish accurate timelines

Questions?