



Supplier Advisory Committee Shaping Procurement Together

November 20, 2013, 1:00 – 4:30
Place du Portage, Phase III, 11A1-101

Record of Discussion

Attendees

Co-chairs:

Pablo Sobrino, Associate Assistant Deputy Minister (ADM), Acquisitions
Hicham Adra, President, Ardan Fitzroy Enterprises Inc.

Members:

Desmond Gray, A/Director General (DG), Office of Small and Medium Enterprises and Strategic Engagement (OSME-SE)

Susanna Cluff-Clyburne, Director, Parliamentary Affairs, Canadian Chamber of Commerce

Mary Anderson, Executive Director, WEConnect

Ema Dantas, President and Chief Executive Officer (CEO), Language Marketplace Inc. (for WEConnect)

Glen Yonemitsu, CEO, Canadian Association of Management Consultants (CMC)

Dorothy Milburn-Smith, CEO of Perfortics Consulting Inc. (for CMC)

Iain Christie, Executive Vice President (VP), Aerospace Industries Association of Canada (AIAC)

Janet Thorsteinson, VP, Government Relations, Canadian Association of Defence and Security Industries (CADSI)

David Stapley, former Chair of CADSI

Cindy Baker, VP, Government Relations and Policy, Information Technology Association of Canada (ITAC)

Office of Small and Medium Enterprises and Strategic Engagement:

Lori Kibbee, A/Director, Supplier Engagement and Regional Coordination

Susan MacKenzie, Policy Advisor, Supplier Engagement

Rachelle Dean (secretariat), Policy Advisor, Supplier Engagement

Welcome and Opening Remarks

Pablo Sobrino welcomed participants and opened the meeting by explaining that at a previous meeting with the Co-Chair, they had agreed to explore ways to leverage the committee and to work collaboratively on solutions to horizontal, cross-sector issues in government procurement. He explained that he saw the committee agreeing to priority areas, beginning with those where more rapid progress was possible, and possibly set up sub-groups to Supplier Advisory Committee (SAC) to work on them for eventual recommendation to the larger group. Hicham Adra mentioned that the pre-meeting of the industry representatives had revealed similar thinking.

Procurement of Professional Services

Presentation summary:

Normand Masse, Director General of Services and Technology Acquisition Management Sector, and Richard Goodfellow, Senior Director of the Professional Services Procurement Directorate, gave an update on the implementation of the Professional Services National Procurement Strategy, including the new procurement tools and harmonized business rules and processes, and sought feedback from members on establishing ongoing engagement with industry and Public Works and Government Services Canada (PWGSC) client departments.

Discussion summary:

Members commented that efforts thus far have not focused on the more concrete issues in the procurement of professional services from the industry's perspective, such as evaluation criteria, equivalencies in certification and getting best qualified not least price, and wondered if there was any progress against these, as they had been brought up in the past. There was also a discussion of the impact on industry of Standing Offers and their downward pressure on prices, and that Supply Arrangements appear to be a better tool to achieve price/quality balance when procuring professional skills. Clarification was sought and provided with regard to the authority of PWGSC in client departments' utilization of established tools and processes, which supported the idea of involving the client departments in the proposed governance. Members also recommended that volumetrics be divided by number of contracts vs. amendments, as well as along small vs. medium enterprises, to be more useful. It was also mentioned that the use of the term SME generally is also problematic at times as it is used to mean small businesses only and can lead to ineffective policy decisions.

There was agreement that a forum for industry engagement to discuss and tackle these types of issues was needed to provide private sector insight and feedback. OSME-SE was tasked to work with Offices of Primary Interest (OPIs) to develop a sub-committee of SAC to identify three manageable issues regarding the procurement of professional services to study and return to the full committee at a later date with innovative solutions.

PWGSC List of Planned Major Procurement Activities

Presentation summary:

Michel Ruest, Director of Strategic Governance and Administration within PWGSC's Corporate Branch explained the origins of the PWGSC [list of projected major procurement activities](#) over \$1 M, which is posted online, and sought feedback on industry awareness and usefulness of the list.

Discussion summary:

Members were very supportive of the list and made recommendations to improve it, including multi-year planning and better descriptions of the projects, including links to websites where more or updated information would be available throughout the year. All agreed that this type of information allows suppliers to plan better and ultimately results in better prices for government. It was also suggested that this type of information should be available from all departments to maximize its impact. OSME-SE was tasked with establishing a web presence for SAC where these types of information could be shared.

Risk Management

Presentation summary:

Doug Taggart, Manager of the Risk Management Project, presented the current environment within which the government establishes the limits placed on contractor liability.

Discussion summary:

Members highlighted that this is a significant issue for industry, and having suppliers assume all the risk may lead to fewer bidders or elevated prices to reflect increased risk. Of particular concern was the approach being taken by Shared Services Canada (SSC). PWGSC will reach out to them on this issue. ITAC offered to provide material they had developed for SSC which outlines their concerns.

Many issues were outlined by members, including the setting of caps, the invoking of the clause for indemnity, inappropriate identification of procurement as low risk to allow firm fixed price contracts, the requirement of Treasury Board Secretariat (TBS) approval for any changes to government's policy in this area, and the estimated impact on price and speed if government was willing to share risk (as is done by other countries and jurisdictions).

A sub-committee working group of SAC, which will bring in experts in risk management, will be struck to develop a position paper, which frames the problem clearly, identifies where result does not meet original intent of policy, and proposes a balanced approach to risk management.

SAC Check-in – One year later

Discussion summary:

Members agreed that the committee was now past its learning phase and should move to a new phase, with a more structured approach to tackling horizontal cross-sector issues. They would now like to collaborate to identify priority areas and work on addressing them. Members indicated a willingness to invest time and resources as they felt the right mix of sectors were at the table to find

mutual solutions to industry-wide problems. They agreed to form smaller groups to focus on specific issues and come up with concrete products (ex: a position paper).

Two such issues identified during the meeting were procurement of professional services and limiting contractor liability. OSME-SE was tasked with working with the OPIs to frame the questions (three to five open-ended questions) to focus the effort, develop a planning schedule and set up the original meetings.

SAC members to canvass their constituencies to identify challenges which could shape future work.

Forward Agenda

OSME-SE will report back to full committee with proposals for the work of sub-committees. Sub-committees will report to the larger group on their approach and progress to date at the next meeting.

Next Steps

The next meeting will take place in the spring of 2014.