

21ST CENTURY PROCUREMENT

Helping the GoC Build
an Innovative and Inclusive
Procurement Framework

INTRODUCTION

The Government of Canada aims to make its procurement policies and practices modern, less burdensome, and inclusive. As such, Public Services and Procurement Canada, Shared Services Canada and Treasury Board Secretariat have undertaken the necessary activities to meet this ambitious mandate.

To support the modernization initiatives underway, the Information Technology Association of Canada (ITAC) hosted a one-day event on March 9, 2017 to help the Government of Canada build a 21st century procurement practice.

The event was attended by incubators/accelerators, small/medium enterprises and domestic/foreign multinationals from Canada's information and communications technology (ICT) sector. An opportunity to learn about the procurement modernization initiatives underway, share best practices found across the ICT sector and co-create solutions to help the Government of Canada build a modern procurement practice.

The following pages will summarize the outcomes from this event at a high level. For further insights into the feedback and recommendations made, please contact ITAC.

WHAT HAVE WE HEARD?

Analysts from Interis/BDO participated in the event activities noted below and captured participants feedback and recommendations in a closing presentation called “What Have We Heard.” The following document is a summary of this presentation’s key findings.

Facilitated Breakout Session Topics:

1. Procurement Policy in a Digital World
2. Leveraging Public Sector Procurement to Support SMEs and Scale-Ups
3. Innovating Contracts, Terms and Conditions
4. Socially and Economically Responsible Procurement

Feedback and recommendations are broken into the event’s four key focus areas →

SUMMARY OF KEY FINDINGS

(1) Procurement Policy in a Digital World

- *This session discussed how the Government of Canada and the ICT sector can apply global best practices and guiding principals to build a modern and agile procurement policy.*
- Outcomes-based strategy, focusing on the WHAT not necessarily the HOW
- Procurement as a Key Enabler – harnessing the power within the ecosystem of partners
- Leadership by business owners will ensure outcomes are driven from the start
- Well-informed buyers means ICT-knowledgeable procurement officers
- Strong and nimble governance that encourages collaboration and co-design
- Enterprise and lifecycle project perspective of value for money – taking the long view
- Build a culture that encourages innovation and risk-sharing
- Close the talent gap through cross-pollination between public and private sector
- Harness the value of multiple partners, including smaller players – this is key
- Bust myths and push boundaries on current procurement policies that already exist
- Right-size procurements to add flexibility to scale to business needs
- Build platforms that support speed and agility
- Culture change within procurement community – changing roles and building skills

(2) Leveraging Public Sector Procurement to Support SMEs and Scale-Ups

- *This session discussed the federal government's range of offices and programs aimed at helping SMEs grow and scale. Looking at these and other federal initiatives, this session sought to develop a shared understanding of how a procurement tool can better support growth of SMEs and Scale-Ups.*
- Balance supporting SMEs and procuring to support Scale-Ups
- Differentiate between instances where the GoC wants to innovate/buy a commodity
- Deliver Wins for all Stakeholders – SMEs, Scale-Ups, Large Firms and Public Sector
- Adjust the definition of “Bidder” – greater flexibility in partnering to compete
- Include requirements for partnership with SMEs and Scale-Ups in large procurements
- Streamline qualification process on commercialization programs, absorb testing costs to incentivize departments, and support the commercialization journey
- Increase awareness on current programs underway to support innovators looking to commercialize products

(3) Innovating Contracts, Terms and Conditions

- *This session considered how new approaches to contract terms and conditions could deliver better outcomes for government and reduce challenges for industry.*
- Focus procurement requirements on desired outcomes, with vendors and government working together to identify solutions
- Accept standard commercial terms for commercial products/services
- Identify GC wrapper elements to industry to be used on top of commercial terms
- Kickstart industry communication/engagement at the business case stage of project design and continue communications throughout the process
- Reduce barriers to entry: security requirements, insurance requirements, simplify data classification, allow outreach on Request for Information, streamline administration, innovate contract references
- Collaboration during the contract stage
- Undertake pilot projects
- Build meaningful contract clauses that reward good performance
- Streamline SACC manual
- Add terms and conditions for defined periods to renegotiate contracts

(4) Socially and Economically Responsible Procurement

- *This session discussed Shared Services Canada's interest in crafting a socio-economic development procurement strategy that is inclusive, supportive of small and medium-sized businesses, environmentally beneficial and ensures innovation is considered within what the Department procures.*
- Define both financial metrics and long term social metrics so that a successful inclusive approach is taken from the start
- Develop procurement frameworks that require partnerships with under-represented groups
- Leverage existing government assets and agencies to build capacity to support inclusiveness (for example, Business Development Bank of Canada & Export Development Canada)
- Promote dialogue and information accessibility in the early stages and ensure co-design
- Define what "innovation" means as currently there is not a common understanding
- Support innovation centres, where academia, private sector and government is brought together
- Focus on the carrot and not the stick, meaningful contract clauses need to reward good performance
- Implement less restrictive joint-venture rules for ease of partnering for innovation
- Embrace electronic bid submissions to drive sustainability and introduce minimum environmental standards in all contracts
- Consider boundaries in trade agreements that may limit advancement of socio-economic benefits

ITAC

INFORMATION TECHNOLOGY
ASSOCIATION OF CANADA

21ST CENTURY PROCUREMENT

THANKS TO OUR PARTNERS!

ca
technologies

CGI

iNTERIS

BDO

KPMG

 **Microsoft**

pwc

 **ROGERS™**