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ITAC Industry Insider Newsletter

ITAC encourages Federal government to remove impediments to SME procurement

In February, ITAC's Vice President of Government Relations and Policy, Andre Leduc, stood before the Committee on Government Operations and Estimates to discuss the engagement of Small and Medium Enterprises (SMEs) within federal procurement.

The overarching purpose of the meeting was to reinforce the importance of the government to find ways to mitigate the risk of unsuccessful IT projects and wasted taxpayer money, and to remove the barriers for SMEs and diversity led businesses in Canada's ICT Sector to do business with Government.

Current landscape

The attempts of the Government to mitigate legal and security risks in contracting, discourages many SME participants from submitting bids. This includes impediments from requiring multiple corporate references, to proven case studies and security requirements, to the length of procurement cycles.

Setting quotas for SMEs, diversity-led and Indigenous firms will not have the socio-economic impacts the government seeks unless they address current impediments to SME procurement.

These issues, teamed with the length of time more complex procurements take – in certain circumstances well over a year – limits how many SMEs can afford to dedicate resources to procurements that take this long.

There is a need for risk officers in government to have someone evaluate how the inclusion of strict government terms and prescribed requirements are impacting the number of bidders and the Government's access to the most effective solutions. Government needs to address how their procurement environment is supporting industry growth, the expansion of the Canadian supply-chain, the scaling-up of SMEs, and finally, industry partnerships and collaborative innovation.

ITAC's work with the Government

Over the past few years, ITAC has partnered with the Government of Canada in various ways to work on modernizing both their IT procurement processes, and contracting terms and conditions, to enable the Government to successfully leverage information technologies to execute on their Digital Transformation agenda.

ITAC has also been calling on the Government to better engage the ICT community earlier in the procurement process, at the outset of procurement discussions, not further down the line when the decision on what to procure has already been taken. This would better enable ICT companies to more easily and quickly, provide and share industry knowledge and expertise regarding the new technologies and solutions that are being developed and deployed.

As the government seeks to improve procurement frameworks, it must also realize its role in as the largest customer of ICTs in Canada. In doing so, the government can build a platform that fuels digitization and innovation, supports single-window mandates, and successfully delivers simple and secure citizen- and business-centric services.

What's needed to move forward?

Better tracking and data is needed to understand and where government procurement currently sits.

Canada's government bodies need to ask themselves a serious of questions:

- What is the current proportion of procurements awarded to SMEs? To indigenous, minority and women led organizations?
- What are the value of those contracts and are these detailed by sector and sub-sector?
- Were the procurements SMEs engaged in simple, commodity based or complex procurements?

It would be near impossible to set new requirements, policies or quotas without fully understanding where things are at currently.

Interested in learning more about this? Contact Andre Leduc at aleduc@itac.ca.