



Mr. John Williamson
Chair
Standing Committee on Public Accounts
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, Ontario K1A 0A6

Dear Mr. Williamson:

As committed by the Minister of Public Services and Procurement in the May 2022 Government Response to the committee's report on Procuring Complex Information Technology Solutions, please find enclosed the final progress report, in both official languages, on certain recommendations requested by the committee.

The final progress report contains information compiled by Public Services and Procurement Canada in collaboration with Shared Services Canada and the Treasury Board of Canada Secretariat, and provides the committee with updates on the status of the relevant recommendations.

We trust that committee members will find the report useful.

Regards,

Lorenzo Ieraci
Assistant Deputy Minister
Policy, Planning and Communications Branch

Enclosures

**FINAL REPORT PURSUANT TO
THE REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS
ENTITLED
PROCURING COMPLEX INFORMATION TECHNOLOGY SOLUTIONS**

As per the Government Response tabled in the House of Commons May 31, 2022, Public Services and Procurement Canada, Shared Services Canada and the Treasury Board of Canada Secretariat committed to providing final progress reports to PACP by the end of June 2023. The following reports were prepared jointly by the departments, as noted in each Recommendation text.

Recommendation 1:

The Treasury Board of Canada Secretariat (TBS), Public Services and Procurement Canada (PSPC), and Shared Services Canada (SSC) should provide the House of Commons Standing Committee on Public Accounts with reports outlining what progress has been made with regard to developing more comprehensive guidance and training for employees to improve their understanding of agile procurement and how to apply collaborative methods. PSPC should also provide a final report.

Final report:

The three departments continue to implement actions that will support the adoption of agile procurement approaches, and as a result the Government of Canada (GC) procurement workforce will be better positioned to understand and apply agile procurement principles and approaches. TBS, PSPC, and SSC are committed to supporting procurement officers in acquiring the competencies to carry out agile procurement activities.

Training and tools

PSPC continues to develop additional guidance and tools that will better equip its procurement officers with the necessary skills, competencies, and support to undertake agile procurement in complex IM/IT acquisitions. PSPC has developed an Agile Procurement Guide for PSPC procurement officers in consultation with TBS and SSC. This guide is available on the PSPC Agile Procurement GCpedia page since June 6, 2023 (GCPedia being an internal federal government wiki that includes information for procurement professionals). The Guide provides information and details on how to conduct agile procurement, the key differences between agile procurement and traditional procurement, how to determine whether a procurement is a good candidate to leverage agile procurement, details on procurement strategies for agile procurement, and how to engage industry. Furthermore, PSPC has updated its Agile Procurement GCpedia page with: a) a revised agile procurement presentation; b) a refined definition of agile procurement; c) a list of real-life examples of agile procurements, complete with associated procurement documents such as Requests for Information, Invitations to Qualify, and Requests for Proposals; and d) links to external reading material and to external training options.

SSC's Centre of Expertise in Agile and Innovative Procurement (CoEAIP) developed the Agile Procurement Process 3.0 (APP3.0) Technical Guide. This is a tool for procurement officers who want to explore challenge-based agile procurements as an alternative, or to complement traditional procurement practices. It was launched in December 2022 and made available to all SSC Enterprise IT Procurement (EITP) employees. Furthermore, SSC is supporting PSPC's Business and Technology Solutions Sector in the implementation of APP3.0 for select software and cloud computing procurements. Under this collaboration, PSPC has access to SSC's agile procurement tools, trainings and coaching.

SSC's CoEAIP has also designed the Agile Procurement Learning Initiative (APLI), a 3-level learning curriculum comprised of 12 courses on agile procurement and conceived to develop the capacity of contracting experts to support the deployment of the APP3.0 framework across the department. The following components of the APLI have been completed for each level:

Level 1 Awareness: The Agile Procurement Immersive Experience and the Virtual Info-session on Agile Procurement.

Level 2 Enablers: The following courses were developed and tested in 2022-2023: Agile Procurement & Me (Understanding the Change), Introduction to Agile Procurement and Digitally-Enabled Vendor Engagement. Additionally, the Design Thinking Applied to Procurement (DTAP) course is offered to EITP employees on a regular basis and could be offered to other departments.

Level 3 Agilists: a Boot Camp has been developed and will continue to be improved over the course of 2023-24. A dry run took place in March 2023 and ensuing findings and improvements are underway. These sessions aims to develop the capacity of expert agilists.

SSC will continue the design, development, piloting and delivery of the remaining courses in the APLI curriculum. Courses will continue to be tested at SSC and then made available to other departments. SSC and PSPC are collaborating to ensure maximal alignment between both departments.

An Interdepartmental Capacity Working Group, with participation from TBS, the Canada School of Public Service (CSPS), PSPC, and SSC, developed a workplan to provide more comprehensive guidance and training on agile procurement to the federal procurement community. Advancements in the activities outlined in the workplan include:

- A review by TBS of the CSPS courses that are offered for the procurement community (currently 12 courses) found some gaps in respect of imparting technical competencies, particularly around project management, negotiation, data analytics and business acumen. TBS has begun, with the CSPS, to update the course curriculum to address these gaps.
- SSC is in the process of developing a comprehensive and user-friendly Agile Procurement Toolkit that will include a digital repository of templates, guidance and other tools to support contracting officers in the application of the APP3.0. This Toolkit will be initially tested among SSC employees by December 2023 and will then be made available to other departments in 2023-2024.
- In December 2022, SSC launched the Community of Practice for Agile Procurement (CoPAP), which aims to present agile procurement content and

engage the broader community. Learning forums are also being identified to promote agile procurement and answer questions from practitioners.

Collaboration with external stakeholders

The Government of Canada is also collaborating with private sector and other levels of government on the development of guidance for agile procurement. The CIO Strategy Council is developing a National Standard of Canada for agile and open procurement of digital solutions. These standards will 'specify minimum requirements for preparing, developing, and conducting challenge-based, agile and open procurement of digital products and services'. SSC, in consultation with TBS, is providing input. TBS, PSPC and SSC have also coordinated with the Canadian Institute for Procurement and Materiel Management to deliver learning sessions on agile procurement to the GC procurement community. Additionally, TBS and CSPS are working to enhance and update the training required to support the development of competencies in the GC procurement community, including understanding of Agile procurement.

Policies to support IT procurement

As reported to the Committee in June 2022, the Treasury Board (TB) approved a new Directive on the Management of Procurement which came into full force in May 2022, following a 1-year transition period. The Directive and its overarching Policy on the Planning and Management of Investments introduced the requirement for a Senior Designated Official in each department who has a number of responsibilities designed to support procurement professionals in understanding and adopting iterative approaches such as agile and collaborative methods for procurement, including the responsibilities for:

- Facilitating collaboration between contracting authorities and business owners;
- Establishing a departmental procurement management framework that promote collaborative, innovative, iterative and outcomes-based procurement approaches where appropriate; and
- Identifying and addressing the department's needs with respect to the necessary competencies, capacity and professional development in procurement management.

In support of the implementation of the new Directive, interdepartmental collaboration and engagement resulted in new guidance and tools produced by SSC and PSPC that provide practical advice and support to departments in the use of iterative, collaborative, outcomes-based procurement, specifically in the application of agile procurements over the lifecycle of the process.

TBS, PSPC and SSC will continue to work with other departments and organizations to strengthen the capacity of the GC workforce to undertake agile procurement processes.

Recommendation 5:

PSPC should provide the Committee with a progress report regarding its use of data analytics to better identify procurement integrity issues. A final report should also be provided.

Final Report:

PSPC has deployed the use of fraud analytics to detect potential fraud on a priority basis, and is currently on schedule to fully operationalize its use by 2024, leveraging the Central Intelligence Procurement Database (CIPD) that has been developed for that purpose.

PSPC developed the Fraud Analytics and Intelligence Strategy (FAIS) action plan, which anticipates that the analytical environment will continue to mature on an ongoing basis with regard to the identification and collection of new data sources, growth in intelligence stored in the CIPD, and progressive development of a broad library of PSPC-specific tests to detect potentially fraudulent activity. Given that analytic technology is constantly evolving, PSPC will monitor and adapt its processes to leverage advancements in this area.

The FAIS includes a process for referring detected anomalies for investigation, as well as for incorporating insights from the investigations into fraud detection mechanisms. PSPC will continue to identify opportunities to deploy machine learning/automation to data exporting and processing and to develop proactive computer-aided tests to automate fraud detection processes.

Recommendation 6:

SSC should provide the Committee with a progress report regarding its use of data analytics to better identify procurement integrity issues. A final report should also be provided.

SSC has combined two data management systems to enable the analysis and reporting of contract data through SSC's Electronic Data Repository (EDR). This integration gives SSC a comprehensive view of its contracts, and helps it visualize the degree of reliability of the vendors supplying these goods and services.

An Artificial Intelligence (AI) prototype was built and tested to detect anomalies in SSC's procurement financial management system using the data in EDR. No integrity issues were detected.

Between 2021 and 2023, SSC developed its 5-year Procurement Data Management Strategy which will be implemented in 2023.

Business Intelligence analytical tools continue to be used to produce SSC procurement reports. To date, a pilot using these tools has automated two procurement reports: the Executive Dashboard and the Purchase Requisition (PR) Report. Final implementation of these reports is planned for September 2023.

To improve data quality and integrity, SSC is also implementing the use of IDEA software. This software is used to assist with and automate data cleanup, and improves data quality and accuracy. The Data Management Team has completed the training, started the installation of the software, and will configure the tool to meet SSC's needs.

Recommendation 7:

PSPC should provide the Committee with reports outlining its progress with regard to improving its information management practices, including the consistency of data input, to help contracting authorities better demonstrate that procurement processes are fair, including details about problems and how they were resolved.

Report:

PSPC continues to enhance and strengthen its information management (IM) framework in terms of maintaining proper documentation related to its procurement files. The department is implementing the Electronic Procurement System (EPS), a modern cloud-based platform that will automate and streamline procurement. PSPC is updating existing IM policies and practices to help procurement officers adapt to an electronic procurement environment that is almost completely paperless, in alignment with the GC's transition towards a digital government. Updates to the Supply Manual came into effect on March 29, 2022, and were published in the Supply Manual on buyandsell.gc.ca on May 12, 2022. Moreover, Policy Notification (PN) 149 - Procurement electronic file documentation requirements - was circulated to procurement officers in PSPC on March 29, 2022, to update IM policies and practices for procurement files to reflect the move to a paperless operating environment.

In addition, PSPC has conducted various communications and other activities to ensure that employees are aware of IM tools and guidance, thereby improving IM practices and consistency across the department. This has included multiple reminders communicated through various fora on proper IM procedures — including a dedicated GCpedia page — through which relevant tools and guidance were shared. Virtual training events were also offered.