

Follow-up Items
Standing Committee on Government Operations and Estimates
Federal Government Consulting Contracts Awarded to McKinsey and Company
Questions taken on notice
February 6, 2023

1. Regarding the date the Minister was asked to review contracts with McKinsey and Company

The Prime Minister asked Minister Jacek to investigate the issue on January 11, 2023.

2. Regarding contracts awarded to McKinsey and Company for the 2022-23 fiscal year

Since the beginning of fiscal year 2022-2023 (i.e. since April 1, 2022), Public Services and Procurement Canada (PSPC) awarded 5 contracts and issued 6 amendments to existing contracts for a total aggregate value of \$16,313,425.50.

3. Regarding approval of contracts issued by PSPC

The *Department of Public Works and Government Services Act* confers the legal authority for procurement to the Minister. The Minister's authority is delegated to officials in the Department in order to carry out procurement processes. Procurement officers are delegated authorities to authorize them to enter into contracts, and issue contract amendments, in accordance with the level of responsibility of the position they occupy, as set out by the Department's Delegation of Authority Instrument.

It is important to note that at PSPC, the approval to enter into or amend a contract forms part of the procurement strategy and is approved at different levels based on an assessment of the value, complexity and risk of the procurement. The approval authority is the individual who approves the procurement strategy.

The signing authority is the individual who signs the contract or contract amendment. As per the Department's Delegation of Authority Instrument, all contracting officers have been delegated full signing authority, however this can only be completed after the procurement strategy is approved at the appropriate level.

Regarding contracts issued by PSPC to McKinsey and Company:

- 1 contract was approved at the Ministerial level (August 2022)
- 1 contract was approved at the Assistant Deputy Minister (ADM) level. This contract has a value of \$0 and was never activated (April 2021)
- 13 contracts were approved at the Manager level
- 9 contracts were approved at the Supervisor level

Note: While approval levels differed, all the aforementioned contracts were signed at the Manager level or lower once approval was secured.

4. Regarding measures taken to protect shared data

McKinsey and Company's benchmarking services consist of functional tools, databases, and expert support to measure an organization's performance, or other metrics, against similar Canadian and international organizations in order to identify deficiencies and opportunities for improvement. These services are based on the contractor's proprietary database of survey responses that have been cleansed, anonymized and categorized, from over 1,700 global organizations in 100 countries across 88 benchmarks. All data captured via these diagnostics come from the contractor's global client base, across all sectors, and is securely stored in compliance with governing legal requirements and other standards agreed to with their clients. Dependent on the nature of the requirement, and in consultation with the client, the contractor determines which datasets should be used to execute the work and provide diagnostics and analyses to meet the client's objectives.

All the contracts issued by PSPC to McKinsey and Company included confidentiality provisions. The contractors agreed to use any information provided by or on behalf of Canada only for the purpose of executing the contract and acknowledged that all this information remains the property of Canada.

For the call-ups issued under the Benchmarking Standing Offer, the terms and conditions allow the contractor to incorporate Canada's information into its benchmarking databases for use in reporting on sanitized or aggregate trends and metrics without attribution to Canada.

The contractor retains the right of ownership of diagnostic data in aggregate, unidentifiable form, for use in benchmarking projects.