

## **FOLLOW UP TO MEETING 62 OF APRIL 24, 2023**

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Thank you for the opportunity to engage with the Committee. As requested, I respectfully submit these additional comments for your consideration.

### **THE FUTURE OF THE PUBLIC SERVICE**

It occurred to me after the meeting that as Clerk I signed four annual reports to the Prime Minister on the public service, as provided for under statute. The reports were tabled in Parliament in 2016, 2017, 2018 and 2019 and posted on the Privy Council Office website for Canadians. However, I was never invited by OGGO or indeed by any House or Senate committee to discuss the reports. This lack of sustained attention is one of the reasons I have called for a new Joint Committee of the House and Senate on the public service focused on its readiness for the future. I would encourage OGGO to take an interest in the annual reporting that Parliament asked for, and invite the Clerk of the Privy Council and the Secretary of the Treasury Board to appear at least once a year to discuss the state of the public service and efforts to improve it.

### **PROCUREMENT**

As I stated I am not a procurement specialist but if the committee decides to pursue the matter I would be pleased to offer whatever perspective I can. I have said elsewhere that the two least functional and most change resistant aspects features of the federal public service have long been staffing and procurement, despite many efforts over the years to reform them.

My own view is that with procurement we won't get better results with the current machinery of government. People are doing their best with bad tools. I would submit for the committee's consideration an approach that would break up the current Public Services and Procurement Department into a portfolio of specialized agencies with the powers of a Crown Corporation and all the tools of best practice in the 2020s. The analogy in the private sector would be breaking up a conglomerate to extract value.

Just as the technology services within government were gathered up in 2011 to create Shared Services Canada I would create **Real Property Canada** to manage services related to lands and buildings and **Procurement Canada** to manage services related to acquisition of goods and services.

In both cases you would have to be comfortable with these new corporations paying the top leadership and some of the technical staff compensation to attract top talent from the private sector or other countries. You would have to be comfortable with the corporations exploring and using new approaches that could run into resistance.

As I said at committee, government procurement carries a heavy load of policy objectives – value for money is only one of them. It is called on to drive sectoral industrial policies, nurture Canadian start ups, grow the small business sector, redress regional economic disparities, green government operations, reduce plastic waste, and contribute to the transition to net-zero; as well as foster the growth of businesses by a range of equity seeking groups. Procurement is sometimes limited by protectionist policies to limited pools of Canadian suppliers and is subject to scrutiny and challenge under our trade agreements.

It would be important for legislation to provide some clarity of the purpose, priorities, and objectives the corporation, not just set leave it at “all of the above”. Procurement processes are inevitably slowed down by the heavy weight of objectives that require assessment and create channels for challenges and recourse.

Procurement attracts relentless attention by vendors and their lobbyists and there would inevitably be a risk of “stakeholder capture” of the corporation, of improper collusion with specific vendors and bidders, and of political interference. So close attention would have to be paid to transparency, governance and oversight to vaccinate against these risks.

Canada does have accumulated expertise to draw upon. Other countries have wrestled with similar challenges including other Westminster democracies. The UK government published a “green paper” in December 2020 on “Transforming Public Procurement” for the post-Brexit world. Australia’s series of procurement reforms seems very familiar to Canadian eyes.

In my experience, which includes eight years as Deputy Minister at INAC/AANDC, the current approach to using government procurement to foster Indigenous economic development has been anemic and underperforming. The United States has long had more effective tools that could be brought to Canada. Furthermore, seats on the Board of Directors of the new procurement corporation could become an important tool for economic reconciliation.

I would not limit the corporation to defence procurement, or set up a distinct defence procurement agency, but rather embed specialised and procurement functions for the military and the Canadian Coast Guard within Procurement Canada. To put it bluntly defence procurement is far too expensive and important to leave it to the military to do for itself. Canada needs procurement professionals and due diligence processes that respectfully challenge the military’s specifications, its habits and close relationships with vendors.

I would be pleased to discuss this further at the convenience of the Committee.