

**PUBLIC RELEASE OF THE FINAL PROFESSIONAL SERVICES NATIONAL PROCUREMENT  
STRATEGY**

**Professional Services National Procurement Strategy  
2011-2014 Review**

Prepared by Acquisitions Branch  
Public Works and Government Services Canada

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## Executive Summary

Public Works and Government Services Canada (PWGSC) has undertaken a complete review of professional services procurement with the objective of developing a national strategy.

For the federal government, professional services cover a wide spectrum of services that includes information management and information technology, management, business and administrative consulting, human resources consulting, training and learning services, as well as audit services.<sup>1</sup> These services are provided by a large supplier base consisting of several hundred suppliers ranging from individual consultants, to small and medium enterprises, to large, national and international businesses.

Contracting for professional services has traditionally been accepted as an effective way to meet unexpected fluctuations in workload and acquire special expertise not available in the public service. As stated in the Treasury Board Contracting Policy, contracting for services is not to be used to circumvent government legislation, regulations and policies, or result in any contracting situation that would be contrary or conflict with the *Public Service Employment Act*.<sup>2</sup>

On an annual basis, professional services acquisitions represent approximately \$3.1 billion in total business volume. Although approximately 70% of contracts, by value, are awarded centrally through the National Capital Region (NCR), professional services are provided, and expenses are incurred, in all regions of Canada. Typically, federal departments and agencies<sup>3</sup> utilize PWGSC procurement instruments, and, to a lesser extent, use their own contracting authorities to conduct procurements on their own behalf.

In developing the strategy, PWGSC engaged clients and suppliers to assess their priorities and concerns. This included various meetings with clients over the last year, as well as research conducted with over 1,000 small, medium and large-sized enterprises in November 2010. This was further supplemented by a formal, eight week consultation process, which was held between August and October 2011. Both suppliers and client departments were invited to provide their feedback to the various elements introduced in the strategy.

On an individual order basis, the procurement of professional services is generally considered effective, however, there is a lack of a formal strategy to coordinate the related practices, procurement instruments, and business rules in place. This has resulted in inconsistency in the basic elements of professional services procurement, such as the definition of the required services, the support tools provided to client departments and their duration, the different procurement instruments being used, how prices are adjusted to reflect market changes over time, and the roles and responsibilities of client departments and PWGSC.

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<sup>1</sup> Temporary Help Services is not covered under the present strategy and will be treated under its own separate strategy.

<sup>2</sup> Refer to Treasury Board Contracting Policy, para 16.1.15, "Services Contracts."  
<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14494&section=text>

<sup>3</sup> To further alleviate the text, "departments and agencies" will commonly be referred to as "departments."

In response to this variety of approaches, an effort to standardize and simplify the procurement of professional services has been undertaken. The present strategy provides a consistent and uniform national approach for the procurement of professional services through the five following key elements:

- i. Single governance on a national scale;
- ii. Common business rules;
- iii. Access through a single web portal known as the Centralized Professional Services System (CPSS);
- iv. Increased support for building statements of work and evaluation criteria; and
- v. Harmonized training for government departments.

This initial review was the basis for a PWGSC Strategy Working Group, led by representatives from the contracting sector and supported by representatives from Client Engagement Sector, Legal Services, Policy and the Office of Small and Medium Enterprises (OSME). Together, this group developed this strategy for providing a uniform and consistent national approach for the procurement of professional services. When implemented, this strategy will improve quality of services to client departments, enhance the efficiency and effectiveness of the procurement process, provide simplified business rules, promote accountability and respond to the need for regional and local variations.

Implementation is expected to occur progressively, with each professional services instrument transitioning over time to the new approach. The document provided below represents the current strategy in its “end state” – that is, once all elements have been fully rolled out and implemented.

In developing this strategy, it was recognized that not all opportunities are feasible in the present environment. The published Professional Services National Procurement Strategy should therefore be seen within the context of a three-year cycle, following which the strategy will be reviewed and enhanced to ensure it maintains its relevancy. While the current strategy addresses elements such as standardization, future versions of the strategy may introduce other elements not covered herein.

### Tentative Implementation Plan

<b>Method of Supply</b>	<b>Migration to Harmonized Business Rules</b>
Task and Solutions Professional Services Standing Offer and Supply Arrangement (TSPS SO and SA)	Summer 2012
Task-Based Informatics Professional Services Standing Offer and Supply Arrangement (TBIPS SO and SA) and	Spring 2012
Professional Audit Support Services Supply Arrangement (PASS SA)	Spring 2012
Learning Services Standing Offer and Supply Arrangement (Learning Services SO and SA)	Spring 2012
Cyber Protection Supply Arrangement (CPSA)	Winter 2012
Technical, Engineering, and Maintenance Services Supply Arrangement (TEMS SA)	Winter 2012
Professional Services Online (PSO)	Spring 2013

## **Professional Services National Procurement Strategy 2011-2014 Review**

### **1.0 Overview:**

An in-depth analysis of professional services procurement was conducted by the Government of Canada (GC) with the objective of developing a national procurement strategy. The resulting strategy is based on an analysis of existing market forces, client department demands, current supply and procurement activities and an exploration of potential opportunities to manage the procurement of professional services for all client departments across Canada.

The intent of the strategy is to achieve:

- i. Improved quality of services delivered to client departments;
- ii. Increased access to government business for suppliers;
- iii. Standardized and simplified approaches;
- iv. Enhanced efficiency and effectiveness;
- v. Enhanced transparency, monitoring and oversight; and
- vi. National and equitable treatment of industries.

### **2.0 Methodology**

This review followed a series of steps, designed to develop and validate strategic options on how the GC can improve or better manage the procurement, maintenance, costs, benefits or outcomes achieved from acquiring professional services. These steps include:

- i. Definition of the Professional Services Group –what is included and what is not;
- ii. Development of a draft strategy for review;
- iii. Supply and market analysis;
- iv. Preliminary engagement with stakeholders;
- v. Development of strategic options; and
- vi. Validation of these options.
- vii. Publication of the final strategy, followed by its implementation.

### **3.0 Guiding Principles**

The following guiding principles formed the basis for the review:

#### **Client Service**

PWGSC will make every reasonable effort to satisfy the operational requirements of its clients, while obtaining the best value<sup>4</sup> in each procurement process.

#### **Competitive Procurement**

PWGSC procurement will be competitive, with specific exceptions.<sup>5</sup> Where a marketplace exists, competition is expected to be the normal procurement practice.

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<sup>4</sup> For a definition of “best value,” refer to paragraph 9 of Treasury Board Contracting Policy. <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14494&section=text#cha4>

## Access for Businesses

PWGSC will conduct its procurement in a manner that supports equal treatment of suppliers. Government business opportunities should facilitate access to Canadian and foreign suppliers, while taking into account government operational requirements and the market capacity to satisfy those requirements.

## Accountability, Transparency and Fairness

PWGSC is accountable for the integrity of the contracting process. Clients are responsible to ensure that all information relating to their requirements provided to PWGSC is complete and accurate. PWGSC will manage the process in a manner that is open, fair, and transparent and respects all applicable legislation, national and international trade agreements, regulations, including Government Contracts Regulations (GCRs), and applicable policies.

## National Objectives

PWGSC supply activities will advance established government national socio-economic policies and objectives. The national objectives to be considered as part of this process include innovation and accessibility for small and medium enterprises (SMEs), green procurement, aboriginal procurement, including procurement obligations under the Comprehensive Land Claims Agreements (CLCAs).

## Standardized and Simplified Procurement

PWGSC will strive to apply standardized and easy to use procurement practices, procedures and tools. Clients and suppliers will benefit from a consistent, standard, user-friendly procurement approach. National procurement strategies will be adopted to promote commonality in the PWGSC procurement process.

## Reasoned and Rational Decisions

PWGSC will ensure that procurement activities are based on sound, rational decisions. The outcomes of procurement activities must be logical, justifiable and able to withstand critical scrutiny.

### **4.0 Definition of the Professional Services Group**

The Professional Services Group is defined as services provided by independent suppliers to the GC in order to meet unexpected fluctuations in workload or acquire expertise not available in the public service. While not limited to individuals holding professional licenses, these services are considered "professional" in that they fall within under one of the Goods and Services Identification

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<sup>5</sup> Specific exceptions are identified in section 6 of the Government Contracts Regulations.  
<http://laws.justice.gc.ca/eng/regulations/SOR-87-402/page-2.html>

Numbers (GSIN) described in the table below. Individuals, partnerships or corporations can provide these services. The selection of an independent contractor providing professional services is usually based on a combination of experience, qualifications, and price.

For this definition, professional services cover a wide spectrum of services that include information management and information technology, management, business and administrative consulting, human resources consulting, training and learning services, as well as audit services. Temporary Help Services is being considered separately due to its own peculiar rules of use, and will have its own strategy. Accordingly, this group includes, but is not limited to, the following GSINs<sup>6</sup>:  
Under Informatics Professional Services – (GSIN D)<sup>7</sup>

GSIN Code	Description
D302A	Informatics Professional Services
D302C	Designing and Programming Web Sites
D311A	Data Conversion Services
D316B	Telecommunications Network Services
D399AB	Professional Services, Telecommunications

Under Professional Services (GSIN R)

GSIN Code	Description
R001A	Business Systems
R008A	Technical Engineering and Maintenance Services Supply Arrangement (TEMS SA) {excludes requirements related to armament, Research & Development (R&D) and Repair and Overhaul (R&O)}
R010A	Internal and External Audits {Professional Audit Support Services Supply Arrangement (PASS SA)}
R019BF	Human Resource Services; Business Consulting/Change Management; Project Management Services {Tasks and Solutions Professional Services Supply Arrangement (TSPS SA)}
R019HB	Alternative Dispute Resolution Services
R019M	Harassment (Investigative Services)
R019P	Threat and Risk Assessment Services
R109B	Language Interpretation Services
R109D	Translation Services
R123AQ	Program Review Services
R201H	Executive Search Services

<sup>6</sup> A more exhaustive list of GSINS included under the strategy is provided in Appendix I of this document.

<sup>7</sup> Since April 1<sup>st</sup> 2005, the use of PWGSC procurement instruments, when available, is mandatory for Informatics Professional Services (GSIN D), and Professional Services (GSIN R).

See Treasury Board Contracting Policy, Appendix, Schedule 4.  
<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14494&section=text#appC>

Under Health and Social Services (GSIN G), Financial and Related services (GSIN L), and Training (GSIN U)

GSIN Code	Description
G009P	Ergonomic Services
L004C	Insurance Services
L007A	Collection Agency Services
L099B	Financial Management Services
U008P	End-to-End learning Services (excluding COTS training)
U004A	Management Training
U099D	Language Training Services

## 5.0 Analysis of Government Expenditures and Methods

In developing this strategy, a review of federal expenditures, the supplier community, and current practices was conducted. Relevant legislation and federal policies were also consulted.

Input from contracting authorities, client departments, and suppliers were also sought to identify concerns with respect to present approaches, needs and desires for future practices.

Highlights of the analysis include:

### a) Metrics

- For the federal government, professional services purchases represent approximately \$3.1 billion in business value annually. The top 100 suppliers receive approximately 65% of Government of Canada expenditures against professional services contracts.<sup>8</sup>
- Approximately 70% of new federal contracts are awarded centrally through the NCR; work on these contracts, however, is not restricted to the NCR; purchases are made, and services are delivered, across Canada<sup>9</sup>.
- In fiscal 2009-2010, over 85% of contracts awarded by PWGSC were done competitively.
- The average single contract value awarded by PWGSC is \$255,019.
- An estimated 1,400 suppliers receive work annually, approximately 1,200 of these are small and medium sized enterprises.

<sup>8</sup> This data is generated from the Spend Cube for fiscal year 2009-2010, which represents normalized financial data collected from client departments.

<sup>9</sup> These figures and those below are for 2009-2010, and were generated from the PWGSC Acquisitions Information System (AIS).

## **b) Challenges**

Challenges faced by suppliers and client departments include:

### **Lack of standardization in procurement**

- The lack of a general approach leads to an overlap between the various procurement tools which, in some cases, means that several different tools can be used to procure the same service (e.g. a human resources consultant). This confuses clients and suppliers and creates training and compliance issues.
- Business rules are not standardized across the various procurement tools, which means clients must invest additional time and effort to learn the various rules. This results in lengthier procurement timelines, increased workload, and higher sourcing costs. For suppliers, lack of standardization may also result in higher bid preparation costs.
- For clients, there needs to be a consistent, standardized approach to dealing with, and applying corrective measures to, suppliers who perform poorly.

### **Limited access for new suppliers**

- There is debate over the frequency to which new suppliers can qualify under a supply arrangement, or respond to a request for a standing offer. The bidding process is viewed at times to be complicated and labour intensive, particularly for contracts of lower dollar value.

### **Limited support tools for federal departments**

- Improvements are needed with respect to providing client departments with support tools to help develop statements of work and evaluation criteria. Improved support tools will provide clients with access to best practices and will also increase the likelihood that client departments obtain best value for money. This should also result in increased predictability and standardization in bid requirements for suppliers.

### **Limited focus on usability**

- For both clients and suppliers, the current monitoring and reporting structures result in an increased administrative effort, which, at times, may be time-consuming.

## **6.0 Strategy Elements**

Based on input from stakeholders, a strategy has been developed for the procurement of professional services. In developing this strategy, it was recognized that not all opportunities are feasible in the present environment. While alternative approaches to the delivery of these services may be an option in the future, they would require further detailed review, based on an improved understanding of government demands, and opportunities to best align with suppliers of professional services.

This strategy sought as a start, to select the best practices from existing approaches, address the issues and concerns with these approaches, and standardize the process as much as possible. From this improved, uniform approach, future changes will be more readily applicable. The strategy is intended to be a dynamic process, which can and likely will change over time.

The strategy is based on five key elements:

- i. Single governance on a national scale;
- ii. Common business rules;
- iii. Access through a single web portal known as the Centralized Professional Services System (CPSS);
- iv. Increased support for preparing statements of work and evaluation criteria; and
- v. Harmonized training for client departments.

i. Single Governance on a National Scale

The strategy recognizes that a unified decision making process is required to develop and maintain a coherent approach to professional services procurement. The Assistant Deputy Minister Advisory Committee on Procurement Modernization will oversee the overall governance, strategy development, and improvements to the National Strategy. This committee, chaired by the Associate Deputy Minister (DMA) of PWGSC, consists of Assistant Deputy Ministers from 13 client departments.

A minimum of three working groups will support the Assistant Deputy Minister Advisory Committee on Procurement Modernization, one for IT services (GSIN D), one for non-IT services (GSIN R), and one for the regions. PWGSC Acquisitions Branch will lead these working groups, and members will include participants from other client departments and the relevant supplier communities. These working groups will seek advice and input on specific issues, and make recommendations as necessary.

ii. Common Business Rules

A key aspect of the strategy is to ensure that a national, uniform approach to procuring these services is applied. This means that common procurement instruments will be used across all regions as much as possible.

PWGSC will put several procurement instruments in place, with minimal overlap of services between instruments. Each instrument will share the same standardized approaches and business rules so as to function in a consistent manner.

It is recognized that standardization may require some additional refinement in terms of assessing relevant capabilities. This will be done moving in parallel with the standardization of processes.

Although a uniform, national master approach will be used, suppliers will qualify on a regional or national basis. As such, suppliers will have the opportunity to identify potential work opportunities found within all regions, or only within the specific region(s) they are capable of providing services.

iii. Access through a single web portal

Access to all procurement tools will be made through a single web portal, supported by an electronic platform known as the Centralized Professional Services System (CPSS). Only one common user ID will be required to access all procurement tools. PWGSC will also provide a decision tree to help clients navigate to and select the proper procurement tool for their requirement.

iv. Increased support for developing statements of work and evaluation criteria

In support of the procurement process, standardized support tools for developing statements of work and evaluation criteria will be provided through CPSS. PWGSC will also provide, initially through web sites and eventually through CPSS, standardized selection methodologies for awarding contracts, one of which will be based on a combination of price and technical merit, and one of which will be based on lowest price alone.

v. Harmonized training for client departments

Improved training on the use of the tools will be made available for client departments, either through a consolidated training session, or alternative delivery, such as online training.

## **7.0 Strategy Details**

The strategy is intended to apply to all procurements covered in the Definition Section above, including the GSINS listed there (see page 7). For future professional services not covered under the present strategy, the default expectation is that the strategy will apply to these professional services as well. Any exceptions sought to the strategy must first be referred to the appropriate working group (IT or non-IT), who will consider whether the exception is reasonable.

As a general rule, common approaches utilizing procurement instruments will be put in place by PWGSC for other departments to use. The strategy presents a standardized approach for establishing contracts using either supply arrangements or standing offers. As supply arrangements are different in nature from standing offers, both types of procurements instruments are treated separately in the text below.

The strategy does not present a standardized approach for establishing contracts outside of supply arrangements or standing offers, for instance, standalone procurements that for a variety of reasons are not suited for these types of instruments. While standalone procurements will continue in the future, it is anticipated that supply arrangements will increasingly be used as the main instruments to procure professional services, particularly since this type of instrument offers the best opportunity to combine flexibility with standardization.

## 7.1 Supply Arrangements

Supply Arrangements are non-binding arrangements that allow departments to solicit bids and award competed contracts using a pool of pre-qualified suppliers. As a general rule, supply arrangements may be used when a simplified solicitation can be issued to obtain competitive bids from pre-qualified suppliers, when selection is based on best value, or when it is more efficient for PWGSC to operate as the provider of the framework on behalf of client departments.<sup>10</sup>

PWGSC will put in place several supply arrangements, each of which will have no defined end-date and will remain valid until such time as Canada no longer considers it to be advantageous to use it. PWGSC will also promote access to new suppliers by posting a perpetual notice onto GETS, with the intent of conducting a continuous qualification process for suppliers.

In order to reduce work duplication, PWGSC will no longer require that bidders submit financial bids as part of a two-stage process— that is, once to initially qualify for the supply arrangement (by providing ceiling rates), and a second time when the bidder responds to a bid solicitation. Instead, bidders will only be required to submit a financial bid once, at the bid solicitation stage, which is after bidders have initially qualified onto a supply arrangement.

New suppliers will be allowed to qualify on the basis of their technical bid and certifications. Currently qualified suppliers may not be required to submit a new technical bid for streams of work for which they have already qualified, but will be required to confirm their existing arrangements, including certifications, upon demand or when a refresh is initiated. Suppliers may also qualify for multiple supply arrangements, or under multiple streams or categories within the same supply arrangement.

A general summary of the approach is shown in Table 1 below.

**Table 1 - Supply Arrangements**

Former			
Contract Value <sup>11</sup>	Up to \$76,600 <sup>12</sup>	Over \$76,600 and up to \$2,000,000 <sup>13</sup>	Over \$2,000,000
<b>Approach</b>	Different business rules <sup>14</sup> for each supply arrangement  Contract Established by:	Different business rules for each supply arrangement  Contract Established by:	Different business rules for each supply arrangement  Contract Established by:

<sup>10</sup> For more information on when to use supply arrangements, refer to [Chapter 3.45 of the PWGSC Supply Manual](http://www.tpsgc-pwgsc.gc.ca/app-acq/ga-sm/chapitre03-chapter03-eng.html#s3-45).  
<http://www.tpsgc-pwgsc.gc.ca/app-acq/ga-sm/chapitre03-chapter03-eng.html#s3-45>

<sup>11</sup> Contract value includes options, amendments, travel and living expenses, and applicable taxes (GST/ HST).

<sup>12</sup> \$76,600 is the current threshold for services under the North American Free Trade Agreement (NAFTA)

<sup>13</sup> Up to \$2,000,000 or the department's contracting authority limit as set by Treasury Board, whichever is higher.

<sup>14</sup> Under the current system, each supply arrangement proposes its own set of different business rules in relation to duration of the bidding period, how many bidders are invited, dollar value thresholds, and so on.

<b>Former</b>			
<b>Contract Value<sup>11</sup></b>	<b>Up to \$76,600<sup>12</sup></b>	<b>Over \$76,600 and up to \$2,000,000<sup>13</sup></b>	<b>Over \$2,000,000</b>
	Client Departments	Client Departments	PWGSC

<b>Current</b>			
<b>Contract Value</b>	<b>Up to \$76,600</b>	<b>Over \$76,600 and up to \$2,000,000</b>	<b>Over \$2,000,000</b>
<b>Approach</b>	PWGSC will remove all rules which are additional to what is required under existing legislation	Competition using common business rules	Competition using common business rules
<b>Number of competitors</b>	Clients determine the # of pre-qualified suppliers invited.  For requirements up to \$25,000, clients may invoke an exception to the competitive process in accordance with <a href="#">GCRS</a> , if it is not cost effective to solicit bids.	Minimum of 15 pre-qualified suppliers  (10 chosen by client, 5 at random)	All pre-qualified suppliers are invited
<b>Bidding Period</b>	Clients determine the # of calendar days when soliciting bids	Minimum of 15 calendar days	Minimum of 20 calendar days
<b>Contract Established by</b>	Client Departments	Client Departments	PWGSC

**For Contracts up to the NAFTA threshold – currently \$76,600**

For contracts up to the NAFTA threshold, client departments will be directed to the appropriate supply arrangement on CPSS. Once on the appropriate supply arrangement, client departments will generate a list of pre-qualified suppliers who meet the necessary criteria for the requirement (e.g. region, work stream, category, including minimum qualifications and experience) and use their contracting authority to procure services through limited competition.

Whenever soliciting bids, client departments will consult the pool of pre-qualified suppliers on the supply arrangement, and issue a bid solicitation to the identified suppliers. Client departments will determine the number of suppliers invited, as well as the number of calendar days associated with the bidding period. (In order to be considered competitive, a bid solicitation must be sent to a minimum of 2 suppliers).

For requirements up to \$25,000, contracting authorities will be allowed to invoke an exception to the competitive process<sup>15</sup>, in accordance with GCRs, though contracting authorities are expected to issue a bid solicitation whenever it is cost effective to do so. For all requirements over \$25,000, the contracting authority must issue a bid solicitation when using a supply arrangement.<sup>16</sup>

In all cases, client departments will be responsible for justifying and documenting the rationale for their supplier selection process. In order to assist client departments, PWGSC will develop and implement an assessment framework that identifies responsibilities of client departments when contracting for services up to the NAFTA threshold. Client departments must ensure their contracting activities comply with trade agreements, regulations and policies.

### **Single Supply Arrangement for all professional services procurements up to the NAFTA Threshold**

Over the course of the strategy, PWGSC will also pilot and validate the possibility of having a single supply arrangement for all professional services contracts up to the NAFTA threshold. One of the benefits of this supply arrangement would be to allow for a faster (e.g. monthly) and less onerous supplier qualification process.

### **For Contracts over the NAFTA threshold and up to \$2,000,000**

For requirements over the NAFTA threshold, client departments will also be directed in CPSS toward the appropriate supply arrangement for their needs, and will be required to generate a list of pre-qualified suppliers who meet the necessary criteria for the requirement.

Whenever issuing a bid solicitation to pre-qualified suppliers, client departments will be required, at a minimum, to post a bilingual notice of proposed procurement (NPP) on GETS in order to ensure transparency of the procurement process. Once full functionality is achieved within CPSS, bid solicitations will be issued using the procurement module of CPSS. Until such time, PWGSC will accept that client departments issue bid solicitations by email, along with an NPP on GETS.

As a common business rule, bid solicitations will be issued to a minimum of 15 pre-qualified suppliers, 10 of which will be selected by the client department, and five of which will be chosen at random. The minimum bidding period will be of 15 calendar days.

### **For Contracts valued at above \$2,000,000<sup>17</sup>**

For contracts valued above \$2,000,000, all pre-qualified suppliers on the supply arrangements will be invited to bid (using GETS). Bid solicitations, and the bilingual NPP, will be open for a minimum period of 20 calendar days.

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<sup>15</sup> Refer to article 6.b.i of the Government Contracts Regulations.  
<http://laws.justice.gc.ca/eng/regulations/SOR-87-402/page-2.html#h-4>

<sup>16</sup> Refer to TB Contracting Policy, chapter 10.2.3.  
<http://laws.justice.gc.ca/eng/regulations/SOR-87-402/page-2.html#h-4>

<sup>17</sup> \$2,000,000 or the department's contracting authority limit as set by Treasury Board, whichever is higher.

As a general rule, PWGSC will solicit bids on behalf of client departments, who in turn will provide PWGSC with statements of work, evaluation criteria, and other supporting documentation. The only exception applies to departments whose contracting authority for services exceeds the \$2,000,000 threshold; in such cases, client departments will be able to solicit bids up to their maximum authority.

## 7.2 Standing Offers

A standing offer is not a contract, but is rather a continuous offer made by a firm that allows Canada to purchase goods and services through the use of call-ups. As a general rule, standing offers are used to satisfy the requirements of departments for a specified period when precise details on expected quantities for the period are not known in advance.<sup>18</sup>

For requirements up to \$25,000, client will be offered two choices, either select an Offeror based on a Right of First Refusal method of work allocation, or alternatively direct a call-up to any of the Offerors who are listed under a standing offer, provided that the client department can document the rationale as to why it was not cost-effective to select an Offeror on a Right of First Refusal basis. For requirements valued at over \$25,000, the selection methodology for standing offers will be the "Right of First Refusal" method of work allocation.

When using the Right of First Refusal, client departments will first begin by identifying the necessary criteria for their requirement (region, category, level of resource, etc.) and use the standing offer list to create the Right of First Refusal list of all Offerors who meet the requirements. The lowest cumulative price be used to determine the Right of First Refusal. This will be done by adding the firm per diem rates of the selected resource categories with the number of resources.

An availability confirmation form must then be sent to the highest ranked Offeror(s), who must be given a minimum of two working days to respond. For efficiency purposes, clients may send their requests to up to ten Offerors at once. The call-up must be awarded to the highest-ranked Offeror who responds to the availability confirmation request and provides proof that its resource meets the requirement.

Client departments will have a call-up limitation of up to \$250,000 (GST/ HST included). For requirements exceeding this amount, only PWGSC will be authorized to issue call-ups on behalf of client departments.

Whenever feasible, PWGSC will aim to standardize the period of the standing offer to one year. At the end of the standing offer period, PWGSC may choose to issue a request for standing offer, which will be open to new Offerors to submit an offer for the provision of professional services, and provide an opportunity for existing Offerors to bid on resource categories for which they were not issued a standing offer. New Offerors will be evaluated on the basis of the technical offer, financial offer and certifications. Existing Offerors may not have to resubmit a technical offer for streams and/or categories for which they have previously been issued a standing offer, but will be required to submit financial and certification components with their offers. In order to be issued a standing offer, an Offeror must meet the defined mandatory technical criteria and certification requirements, and must provide a financial bid which is within the range of 140% of the median price, as calculated on the basis of all bids received. (For example: if the median price of all financials bids is \$100, then a bid which is greater than \$140 will be considered non-compliant).

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<sup>18</sup> For more information on when to use standing offers, refer to Chapter 3.40 of the Supply Manual. <http://www.tpsgc-pwgsc.gc.ca/app-acq/ga-sm/chapitre03-chapter03-eng.html#s3-40>

PWGSC will evaluate other alternative approaches to standardizing business rules to standing offers over the period of the strategy.

## **8.0 Regions**

The strategy proposes to apply the following definition for regions and sub-regions.

**Pacific Region** British Columbia and Yukon

- Victoria and Vancouver sub-regions

**Western Region** Alberta, Saskatchewan, and Manitoba

- Edmonton, Calgary, Saskatoon, and Winnipeg sub-regions

**Ontario Region**

- Toronto and National Capital Region sub-regions

**Quebec Region**

- Montreal, Quebec City and National Capital Area sub-regions

**Atlantic Region** Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland

- Halifax and Moncton sub-regions

Suppliers will not be reimbursed their travel costs in the case of work occurring within 100 kilometers of their work location and will only be reimbursed their travel costs if travel exceeds the 100 km boundary. Likewise, suppliers will not be reimbursed their travel and living expenses for work occurring within their sub-region, but only for travel which leads them outside of this area.

For certain requirements where there is no preference as to the contractor's location in relation to the client, suppliers may also be invited to submit a price which is not specific to a geographic area.

## **9.0 Reporting Requirements**

### **Clients**

As per the Treasury Board Contracting Policy, departments are required to submit an annual report to the Treasury Board Secretariat on all contracting activities, including contracts issued under a supply arrangement, and call-ups against a standing offer. Beyond the annual reports provided, PWGSC will no longer require that clients provide quarterly reports on the contracts issued against standing offers or supply arrangements. Once full automation is achieved in CPSS, it is anticipated that reports will be available to clients through CPSS. This, in turn, will provide statistical information to PWGSC, as well as aid clients in responding to annual reporting requirements.

## **Suppliers**

Suppliers will be required to provide reports on a quarterly basis. Suppliers who fail to submit their reports on time may be suspended from a supply arrangement, or may no longer be issued call-ups under a standing offer until such a time as they submits their report.

It is the goal of CPSS to eventually provide fully automated reporting capabilities. Once full automation is achieved, suppliers will no longer have to regularly report on contracting data, as CPSS will capture this information.

### **10.0 Monitoring Requirements**

As per the Common Service Policy and the Management Accountability Framework, users of services offered by common service organizations must comply with the terms and conditions associated with those services. Deputy Ministers are responsible to ensure that public servants within their organizations have the capacity, training and governance to ensure that these terms and conditions are met.

As a common service provider, PWGSC must ensure that its supply arrangements and standing offers comply with the GCRs, trade agreements, and other relevant directives and policies. As such, it is reasonable to expect that PWGSC will offer training on the use of these tools, and provide an oversight function to ensure that they are used properly. Accordingly, PWGSC will reserve the right to review contract files to ensure that the client departments comply with the terms and conditions of use, and apply remedial actions where necessary.

### **11.0 Vendor Performance**

PWGSC has the authority and the duty to take reasonable measures to ensure that vendors perform their obligations. It has the same rights as other prudent business firms in the market to assess a vendor's performance, and may take action to prevent future problems, based on the vendor's past performance. Such action will be taken in a fair and reasonable manner.

For contracts awarded by PWGSC, the Vendor Performance Corrective Measure Policy<sup>19</sup> will apply. For contracts awarded by client departments, a Vendor Performance Program will be developed to address issues of poor vendor performance and corrective measures, which includes not issuing call-ups to a specific supplier on a standing offer, or requesting the removal of a supplier from the list of qualified suppliers under a supply arrangement for a pre-established period.

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<sup>19</sup> Refer to Policy Notification PN-11R2: Vendor Performance Policy (now the Vendor Performance Corrective Measure Policy).

<http://www.tpsgc-pwgsc.gc.ca/app-acq/arp-pns/ap11r2-pn11r2-eng.html>

## Appendix I

The Professional Services National Procurement Strategy  
includes but is not limited to the following  
Goods and Services Identification Numbers

### Under Informatics Professional Services – (GSIN D)

GSIN Code	Description
D302A	Informatics Professional Services
D302C	Designing and Programming Web Sites
D311A	Data Conversion Services
D316B	Telecommunications Network Services
D399AB	Professional Services, Telecommunications

### Under Professional Services (GSIN R)

GSIN Code	Description
R001A	Business Systems
R006A	Technical Writing Services
R006B	Job description writing
R008A	Technical Engineering and Maintenance Services Supply Arrangement (TEMS SA) {excludes requirements related to armament, Research & Development (R&D) and Repair and Overhaul (R&O)}
R010A	Internal and External Audits {Professional Audit Support Services Supply Arrangement (PASS SA)}
R010AF	IT Systems Audits {Professional Audit Support Services Supply Arrangement (PASS SA)}
R010AG	Finance & Accounting Services Audits {Professional Audit Support Services Supply Arrangement (PASS SA)}
R010AH	Forensic Audits {Professional Audit Support Services Supply Arrangement (PASS SA)}
R010B	Audit Services, not elsewhere specified.
R010C	Recipient and Contribution Agreements Audits {Professional Audit Support Services Supply Arrangement (PASS SA)}
R010D	Audit Services for Management Systems: Quality, Environmental, Food Safety, and Health & Safety
R019AB	Professional Services / Program Advisory Services
R019BF	Human Resource Services; Business Consulting/Change Management; Project Management Services {Tasks and Solutions Professional Services Supply Arrangement (TSPS SA)}
R019E	Business Services
R019HB	Alternative Dispute Resolution Services
R019M	Harassment (Investigative Services)
R019P	Threat and Risk Assessment Services
R019R	Professional Services / Financial Analysis
R019S	Professional Services / Leasing Services ( Office, Common Use, and Commercial Letting Services)

R019U	Professional Services / Program Research Analysis
R019UA	Professional Services / Assets Value Assessments
R019UB	Professional Services / Waste Management Services
R109B	Language Interpretation Services
R109D	Translation Services
R112A	Information Systems - Other than Categorized Under EDP Professional Services D302A
R113A	Data Collection Services
R115A	Materiel Management
R118AB	Real Estate Advisory Services
R120A	Regulatory Analysis Professional Services
R199B	Miscellaneous Business Services
R199H	Consulting Services   Change Management   Organization Development (CM OD)
R199HC	Fairness Monitoring Services
R199HD	Values and Ethics Services
R199I	Human Resources Support Services (HRSS)   Organization and Classification, Staffing and Compensation
R199X	Adjudication Services
R199J	Administrative Services
R123A	Organization Development
R123AH	Project Management Services
R123AO	Work Measurement
R123AQ	Program Review Services
R201H	Executive Search Services

Under Special Studies (not R&D – GSIN B), Health and Social Services (GSIN G), Quality Control Services (GSIN H), Financial and Related services (GSIN L), and Training (GSIN U)

GSIN Code	Description
B208A	Area Resource Development (Regional Planning)
B302A	Feasibility Studies   Needs Analysis
B509A	Land Use Studies
B303A	Systems and Statistical Analysis
B303B	Statistical Services and Analysis
B329A	Business Services / Modelling and Analysis
B506B	Socio-Economic Surveys
B506D	Economic Studies / Modelling and Analysis
G009P	Ergonomic Services
G009K	Substance Abuse Counselling
G103B	Social Rehabilitation Services for Prisoners
G009M	Radiology Services
G009L	Physiotherapy Services

G009N	Occupational Therapy
G103D	Mental Health Services
G009F	Medical/Dental Laboratory Services
G009E	Medical/Dental Clinic Services
G009J	Massage Therapy Services
G103C	Halfway House Services for Mental Health Patients
H100B	Quality Assurance Services
L004C	Insurance Services
L005A	Credit Reporting: Commercial
L007A	Collection Agency Services
L099A	Financial and Related Services N.E.S
L099B	Financial Management
L099D	Financial Accounting Services
L099G	Financial Transaction Processing Services - Electronic Commerce
L099J	Financial Advisory/Investment Banking Services
U002C	Vocational and Psychometric Testing
U004A	Management Training
U006C	Technical / Vocational Training
U008P	End-to-End learning Services (excluding COTS training)
U009E	Informatics Training
U099A	Business Training
U099D	Language Training Services