



EXECUTIVE SUMMARY

TECHNATION's Industry Day 2023 brought together government representatives and tech industry leaders, fostering collective efforts to address procurement challenges and propose optimized solutions for public sector purchasing. The event, structured around two tracks of focused breakout sessions, facilitated discussions on crucial topics including **sustainability, upskilling, services, industry engagement, governance, supply methods, diversity, and terms and conditions.**

Comprehensive recommendations were produced across the eight topics, a selection of which is highlighted in this executive summary. They propose actionable measures to collectively address challenges, enhance collaboration, and foster innovation within Canada's government procurement landscape. They will serve as a foundational resource for TECHNATION's proactive role in collaborating with government to modernize procurement practices.

The event was a testament to what Canada's tech sector and government can do together to modernize the current procurement framework with practical measures that achieve value for citizens and the public sector.



Breakout Sessions



To discuss how we can better deliver value through procurement and identify effective solutions to ongoing challenges, there were two breakout sessions consisting of four groups each. Both government and industry participants were at the table. The first session focused on sustainability, upskilling, services, and industry engagement, while the second session explored governance, supply methods, diversity, and terms and conditions.

“We have the opportunity to influence the Government of Canada’s journey to digital through smart procurement and get Canada back on the map as a global leader.”

-Angela Mondou, President & CEO,
TECHNATION



SUSTAINABILITY

ISSUES

Addressing the sustainable demand gap by stimulating a preference for sustainable products over cost in procurement decisions. The necessity for clear industry-wide standards and benchmarks in sustainability. A need to redefine “value” in procurement to encompass a broader spectrum of variables, incorporating sustainability, accessibility, and environmental impact.

CONSIDERATIONS

The Government of Canada’s goal is purchasing environmentally preferable goods and services with reduced environmental impact over the life cycle. This is championed through the implementation of new green standards for major contracts, thereby encouraging businesses to align with the target of achieving net-zero emissions by 2050. Additionally, exploring joint ventures and understanding the implications for Small and Medium Enterprises (SMEs) further enhances the commitment to sustainable procurement.

RECOMMENDATIONS

- Need to develop clear, unified standards for sustainability at both company and product levels to avoid confusion and promote compliance.
- Implement ongoing dashboards and automation for continuous monitoring of sustainability performance and timely reporting.

AT A GLANCE

CHALLENGES

- Sustainable demand gap
- Standardization
- Flexibility in procurement
- Transparency

BENEFITS

- Assist Canada in reaching its Net Zero targets by 2050.



The Honourable Jean-Yves Duclos, Minister for Public Services and Procurement Canada joined us for a fireside chat to kick off Industry Day on September 26, 2023.

UPSKILLING

ISSUES

Lack of standardized upskilling efforts and training programs, which hinders efficient adoption of new technologies; and dependency on external Expertise, which results in a knowledge gap within the government and poses challenges in defining procurement requirements.

AT A GLANCE CHALLENGES

- Absence of standardized upskilling efforts.
- Training programs hinder efficient adoption of new technologies.

BENEFITS

- Optimize procurement for tech advancement and upskilling.

CONSIDERATIONS

Preparing employees to effectively utilize and derive value from new technologies, focusing on upskilling public servants in skills associated with task-based work. Ensuring knowledge transfer, establishing clear contract and technical authorities, implementing robust skills frameworks, and actively engaging indigenous communities in the region are integral aspects aligning with the Government of Canada's goal of fostering in-house digital talent and leadership to meet public expectations for digital service delivery.

RECOMMENDATIONS

- Provide training to stakeholders to define outcomes, not just requirements, fostering collaboration for strategic procurement.
- Implement structured training programs and clear communication plans involving clients, procurement, and the industry.



SERVICES

ISSUES

Challenges with security clearances for candidates, ambiguity in defining security requirements, and the need for outcome-based procurement.

CONSIDERATIONS

The Contract Security Program, where vendors now need a contract in place before they may apply for security clearances, presents administrative challenges amid serious talent shortages. Limitations in the level of security clearance may impact the incorporation of sought-after global expertise. Addressing an excessive number of mandates and rated requirements in resource grids, along with potentially high demands on the credentials of project staff, is crucial.

RECOMMENDATIONS

- Establish a unified security framework aligned with international standards to streamline security clearance processes.
- Concurrently implement outcome-based Master Service Agreements with security equivalencies.

AT A GLANCE

CHALLENGES

- Clearance process presents difficulties, particularly for global resources.
- Administratively burdensome for firms facing talent shortages.

BENEFITS

- Streamlined procurement and clearance processes, focused on outcomes.



INDUSTRY ENGAGEMENT

ISSUES

Inadequate mechanisms for continuous industry engagement once procurement processes commence. A complex and resource-intensive procurement process, disadvantaging smaller and underrepresented companies. The desire for early and continuous engagement with industry, promoting iterative problem-solving.

AT A GLANCE CHALLENGES

- Restrictive information sharing procedures hindering meaningful engagement.
- Aligning policies with rapidly advancing technology.

BENEFITS

- Enhanced transparency, efficiency and inclusivity in procurement.

CONSIDERATIONS

Conducting market sounding to gauge market dynamics, with specific attention to the inclusion of under-represented groups and engagement with Indigenous communities, including Inuit Tapirisat. Distinguishing between vendors and partners is crucial, as is the exploration of methods and approaches for early engagement to foster collaboration. Moreover, a comprehensive understanding of the supply chain is pivotal in navigating the complexities of Industry Engagement.

RECOMMENDATIONS

- Establish a formalized and continuous engagement platform between the government and industry. This platform would assist in problem definitions, share lessons learned, co-develop solutions, and ensure accountability and transparency.
- Implement an agile feedback loop for Requests for Information (RFIs), offering transparent rationale and guidance to industry.



GOVERNANCE

ISSUES

Bureaucratic challenges, outdated procurement clauses, lack of transparency, inadequate engagement, and governance overwhelm.

CONSIDERATIONS

Adherence to the Directive on the Management of Procurement, emphasizing shared responsibility, maintaining integrity, effective contract management, understanding the intricacies of the supply chain, and promoting transparency. Ensuring a comprehensive view into the contract life cycle beyond merely publishing a list of contracts exceeding \$10,000, implementation of Vendor Performance Framework, and compliance with the Code of Conduct for government suppliers.



AT A GLANCE

CHALLENGES

- Bureaucracy
- Outdated procurement clauses
- Lack of transparency
- Inadequate engagement, and governance overwhelm.

BENEFITS

- A culture of shared responsibility in government procurement strategies, aligned with societal needs.

RECOMMENDATIONS

- Shared responsibility, political will, fostering collaboration, and leveraging governance to drive procurement strategies aligned with modern solutions and societal needs.
- Improved communication between government and industry.

METHOD OF SUPPLY

ISSUES

Lack of alignment in requirement prescriptions and certifications, onerous and restrictive evaluation grids, limited understanding of bidders' response time to Requests for Proposals (RFPs), and challenges in outcome-based procurement coupled with excessive customization.

CONSIDERATIONS

Selecting the optimal method of supply to achieve desired outcomes and the subsequent impact on the construction of RFPs, especially in domains like Cloud and Artificial Intelligence (AI). The integration of demonstrations and testing prototypes, exploration of procurement strategies such as agile and challenge-based approaches, along with addressing industry barrier reduction, are essential. The distinctions between TBIPS and SBIPS, as well as the specific nuances of the SaaS method of supply, further shape the landscape. Evaluation criteria form a critical component in this comprehensive analysis.

RECOMMENDATIONS

- Adopt the principle of early industry engagement and enhance education for clients and procurement officers.
- Align procurement vehicles with evolving needs, and emphasize the role of in-house expertise in defining security requirements.
- Promote a service-focused approach and advocate for non-mandatory methods of supply.



AT A GLANCE

CHALLENGES

- Procurement methods.
- Inconsistency in terms and conditions.
- Security concerns.
- Communication gaps.

BENEFITS

- Optimized procurement framework for efficiency and better outcomes.

DIVERSITY

ISSUES

Lack of clear definitions for under-represented businesses, high barriers to entry, complexity of bids, and a need for outreach and education regarding government processes.

CONSIDERATIONS

The Supplier Diversity Action Plan, recognizing the Indigenous target of 5% and its implications for Original Equipment Manufacturers (OEMs), partners, and Small and Medium Enterprises (SMEs). Additionally, the exploration of joint ventures, support for under-represented groups, and specific attention to Indigenous business further enrich the understanding of this multifaceted landscape.

RECOMMENDATIONS

- Reducing barriers to entry, and facilitating engagement and education for under-represented groups and Indigenous business. This involves concerted efforts to define success, simplify procurement processes, and nurture collaboration between government and industry.
- For accountability, market assessments, and utilizing outcomes-based assessments were emphasized to drive long-term diversity goals and outcomes.

AT A GLANCE

CHALLENGES

- High barriers to entry
- Complexity of bids
- Need for outreach and education regarding government processes.

BENEFITS

- Enhanced inclusivity and diversity, empowering under-represented groups and Indigenous business in procurement.



TERMS AND CONDITIONS

ISSUES

Inconsistencies in Terms and Conditions (Ts & Cs) interpretation, hindrances to innovation, and challenges with liability limitations. The lack of alignment with evolving markets and difficulties in defining key terms were also highlighted.

CONSIDERATIONS

How to address the supplier's pursuit of a commercially reasonable limitation of liability, ensuring a proportional balance between risk and reward. Need to facilitate optimal access to bids and proposals for clients of the Government of Canada. Uphold 100% compliance with the Accessibility Act for Commercial Off-The-Shelf (COTS) products while addressing potential misalignment in Software as a Service (SaaS) subscriptions per industry norms. Adherence to the requirements of the Official Languages Act. Clarification in the definition of "Bidder."

RECOMMENDATIONS

- Establish two streams for Ts & Cs: 1) simple / standardized for common needs and 2) bespoke for innovation.
- Form cross-functional teams involving Legal, Policy, Security, etc., to improve Ts & Cs and ensure better collaboration between industry and government.



AT A GLANCE

CHALLENGES

- Inconsistent interpretation
- Liability and risk
- Definition of a "bidder".

BENEFITS

- Terms and conditions that facilitate procurement and see industry and government share risk.

WHAT'S NEXT?

- TECHNATION is assembling all recommendations from Industry Day 2023 as well as key insights and considerations provided by our participants. The resulting report will be shared with all government and industry attendees to Industry Day 2023.
- Recommendations outlined in the report will be reviewed and prioritized by our member-led Federal Procurement Working Group before being presented to PSPC and SSC.
- TECHNATION will work collaboratively with PSPC and SSC (and other departments as appropriate) to develop a detailed Roadmap, specifying the recommendations to be addressed in the near-, mid-, and long-term, and collectively agree on measures to implement these recommendations aimed at modernizing government procurement.



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About TECHNATION

TECHNATION is the industry-government nexus for technology prosperity in Canada. As a member-driven, not-for-profit, TECHNATION unites Canada's technology sector, governments, and communities to enable technology prosperity in Canada. TECHNATION champions technology prosperity by providing advocacy, professional development, and networking opportunities across industry and government; connecting Canadian scale-ups with global tech leaders; engaging the global supply chain; and filling the technology talent pipeline.

TECHNATION has served as the authoritative national voice of the \$242 billion ICT industry for over 60 years. More than 45,000 Canadian ICT firms create and supply goods and services that contribute to a more productive, competitive, and innovative society. The ICT sector generates more than 717,590 jobs and invests \$10.3 billion annually in R&D, more than any other private sector performer.



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