

Questions and Answers #001
Request for Information # PSPC-BTSS_DGO-001
Important changes to Professional Services Supply Arrangements processes

General

Q1. What has changed when Public Services and Procurement Canada (PSPC) contracts for professional services?

A1. PSPC has strengthened controls on the use of professional services supply arrangements by making the following changes:

Changes to Government of Canada (GOC) Requirements and Processes	New Vendor Requirements
<ul style="list-style-type: none">- The scope of all new contracts will need to be limited to specific programs, initiatives or projects.- All new Task Authorizations, including on existing contracts, will need to be limited in scope to a specific initiative or project to facilitate reporting on program costs.- Technical Authorities are required to validate a statistically relevant number of the resumes and claimed experience of proposed resources to ensure accuracy and accurate billing rates, and may ask vendors for supporting documentation.- PSPC will no longer rely on the resumes or proposed resources as the basis of selection during technical bid evaluation. Moving forward, bid evaluations will focus on other criteria, such as<ul style="list-style-type: none">o demonstrated past ability of a vendor to perform similar work, ando ability to commit to Canada's socio-economic objectives.- PSPC is working to increase the number of solutions-based contracts, relative to task-based contracts, when some delivery risk transference to industry is appropriate.	<ul style="list-style-type: none">- Vendors will be required to provide proof that resources being put forward for work on specific contracts have given their permission to do so.- Vendors will need to determine and disclose if proposed resources are working on other concurrent contracts or have other employment.- Vendors will be required to disclose all of their first tier subcontracts.- Vendors will be required to provide more detailed cost information in their bids, including breakdowns of direct and indirect cost, as well as projected profit.

Q2. Why is PSPC making these changes?

A2. As the Government of Canada's central purchaser, Public Services and Procurement Canada (PSPC) is continuously seeking ways to strengthen the integrity of our procurement processes.

In light of the recent reviews of professional services contracts and clear recommendations made by the Procurement Ombud and the Auditor General, PSPC has taken immediate action to strengthen controls on professional services contracts to ensure that the procurement process delivers best value for Canadians.

Q3. Can you also provide more detail as to when these changes are going to take place?

A3. The changes will be gradually implemented by PSPC in the coming weeks and information about new procedures will continue to be made available on CanadaBuys and the PSPC Centralized Professional Services System (CPSS) website.

Q4. How can I dialogue with PSPC about these changes or offer suggestions? Will one-on-one meetings with PSPC be available to discuss these changes or will there be events such as 'industry days' offered?

A4. It is expected that formal industry engagement activities will take place over the next few months. The engagement activities and schedule are still to be determined, but may include requests for written feedback, industry day(s) and one-on-one meetings. In the meantime, industry is encouraged to regularly check CanadaBuys for updates on industry engagement opportunities, and follow the RFI posted [here](#). Companies can also submit feedback about a given procurement on active Requests for Proposal or Requests for Information.

Q5. Does this new direction apply only to Tier 2 or to both Tier 1 and Tier 2?

A5. The direction applies equally to all requirements under the TBIPS, SBIPS, TSPS task-based, and TSPS solutions-based Methods of Supply, regardless of dollar value. This is to say that requirements below \$3.75M (Tier 1) and over \$3.75M (Tier 2) are equally impacted.

Q6. Has the CPSS e-portal, which is used to apply as a supplier under TBIPS, SBIPS and TSPS, been updated to comply with these new initiatives?

A6. The process for qualifying for the Methods of Supply has not changed. The direction given to Federal Departments Users clarifies departments' roles and responsibilities and introduces strengthened controls for the use of PSPC's professional services supply arrangements. PSPC will continue to monitor the effectiveness of the methods of supply and, if warranted, will initiate further changes.

Q7. What is PSPC's role in ensuring that client departments are implementing the changes communicated to industry under this RFI in any new solicitations?

A7. While PSPC has issued new direction regarding the use of some Methods of Supply, client departments also award contracts under their own authority. The process changes are now a condition of departmental access to PSPC's contracting tools and supply arrangements and all departments are required to adopt these changes.

Client departments who are authorized users of the Methods of Supply will be subject to PSPC's Assessment Framework ([Centralized Professional Services System ePortal: Assessment Framework - Centralized Professional Services ePortal - Professional Services - Buying and Selling - PSPC \(tpsgc-pwgsc.gc.ca\)](#)) and periodic reviews of their use of the tools. The Framework is being updated to reflect these changes.

Task-based vs. Solutions-based approach

Q8. Why does PSPC believe that more solutions-based RFPs will result in better contracting when one can already ask for bidder experience in the task-based methodology?

A8. There is an appropriate time to use both task and solutions-based contracts in the Government of Canada. Lately, the use of task-based contracts has been overwhelmingly favored by PSPC's client

base. PSPC will be working with its clients to strike an appropriate balance. Canada recognizes that by taking a solutions-based approach, as opposed to simply asking for resources, it can sometimes better leverage the expertise of industry in achieving an outcome, and reduce its own delivery risk, while creating opportunities to drive innovation.

Q9. If a firm does not hold any current solutions-based Supply Arrangements (SA), how long will it take for a solutions-based SA to be awarded once a submission is received by PSPC?

A9. Solicitations to pre-qualify for SBIPS and TSPS solutions-based SAs are published on a quarterly basis, with the most recent solicitation period having been opened in January 2024 and will close by end of March 2024, with an anticipated SA issuance date of end of June 2024. Additionally, contracts can be issued from the task-based supply arrangements such as TBIPS and TSPS task-based with deliverables-driven bases of payment, in lieu of direct compensation for time worked.

Q10. Will PSPC have the necessary capacity to ensure that solutions-based SAs will be issued on an urgent basis? Will there be a flood of new solutions-based supply arrangement applications in the coming months?

A10. PSPC will continue to evaluate all arrangement submissions for SAs in a timely matter. PSPC will monitor the evaluation and SA issuance process and assess whether any actions are required to ensure process efficiencies, based on the volume of submissions being received as a result of this change.

Q11. Is there a specific target number for solutions-based contracts to increase to? Does the new direction mean that tools like TBIPS and TSPS task-based will no longer be used?

A11. No, there is no specific number or target. The current usage balance is heavily weighted towards task-based contracting. With these changes, Canada is seeking a more reasonable balance. That said, the intent is not to eliminate TBIPS and TSPS task-based, as they are valuable methods of supply when used properly and in the right situation. Client departments are required to consider all available options and document their decisions with PSPC before procurement strategies are determined for each requirement.

Bid Evaluation and Selection Methodologies

Q12. Will these process changes disadvantage smaller firms? What about possible impacts on Indigenous firms? If contracts are only going to be awarded based on past experience, won't that prevent a more diverse vendors from being awarded contracts? Is there a concern that it will prevent newer suppliers from bidding?

A12. The change in the process is not designed to disadvantage any firm but to allow for a shift to more solutions-based contracting compared to recent norms, including putting less emphasis on specific resource requirements and experience and more on the expertise of a firm and how it can achieve a desired outcome, including areas of social responsibility and indigenous inclusion. Mandatory and point rated criteria will continue to reflect the scope of the requirements and the skills and experience that are required to deliver the Work detailed in a Request for Proposals (RFP) issued against a supply arrangement.

Part of the direction given to client departments is to ensure that their requirements are defined in such a way to ensure that each requirement links to specific projects or priorities as opposed to having a broadly defined scope. This focus on a refined scope definition and clear boundaries is expected to sometimes result in the unbundling of requirements, and where applicable, this may enable smaller and more specialized firms to more regularly participate in solicitations.

Additionally, tools such as TBIPS, SBIPS and the TSPS SAs have always required firms to have experience and were never intended as entry level Supply Arrangements. For new firms looking to gain experience and participate in higher value and higher risk procurements in the future, there are other tools available where contracting experience can be gained, such as [ProServices](#), [Temporary Help Services \(THS\)](#) and [Shared Services Canada's Scale Up Initiative](#).

It is also important to note that while some corporate criteria will focus on experience and past performance, others may evaluate the diversity profile of a company as well as other socio-economic factors unrelated to the size of a firm.

Q13. Do the new changes related to no résumés or proposed resources as the basis of selection apply specifically for SBIPS?

A13. The directive and associated new changes apply equally to the TBIPS, SBIPS, TSPS task-based and TSPS solutions-based Methods of Supply.

Q14. Will Federal/Provincial/Public Sector experience be given preference or included as mandatory criteria?

A14. As has always been the case, the mandatory and point rated criteria of each solicitation will differ based on the requirement. While in some cases, for example, Public Sector experience is a valuable asset, in others, it will be less important in assessing a firm's ability to perform the work required.

Q15. Is it possible to pre-screen companies for meeting Canada's socio-economic objectives, and have this screening apply across all RFPs?

A15. The specifics of each procurement and the nature of the work required by each client Department will typically define the socio-economic objectives applicable to any RFP. These objectives are crafted for each procurement based on the client department's socio-economic goals. This makes general pre-screening at the Supply Arrangement level unfeasible at this time.

Supply Arrangement Onboarding Process

Q16. I don't currently hold a solutions-based SA, how can I apply for one? Can you include a link?

A16. All suppliers interested in submitting an arrangement in response to a SBIPS and TSPS solutions-based Request for Supply Arrangement (RFSA) must enroll and establish an account in the Supplier Module of the CPSS e-Portal (<http://www.tpsgc-pwgsc.gc.ca/app-acq/spc-cps/iffpe-seeeps-eng.html>). Instructions on accessing the Supplier Module e-Portal application are specified in the RFSA document. In order to bid on a procurement and be awarded a contract by PSPC, firms must also be registered in [SAP Ariba](#).

The CanadaBuys tender notices for these Methods of Supply (linked below) contain detailed instructions on the process.

The public tender notice for the SBIPS RFSA is located at: [SBIPS \(Solution-based Informatics\) - Tender Notice | CanadaBuys](#)

The public tender notice for the TSPS solutions-based RFSA is located at: [Solutions professional services \(TSPS\) - Tender Notice | CanadaBuys](#)

Q17. Will these new processes impact current applications for TBIPS pre-qualification submitted in November but not yet awarded?

A17. The new direction does not impact the ability or process to qualify for a TBIPS, SBIPS, TSPS task-based and TSPS solutions-based SAs, but applies to subsequent solicitations and contracts against these SAs. Neither the process to qualify, nor the evaluation process to be awarded an SA have changed as a result of this direction.

Pricing and Subcontractor Transparency

Q18. Will the breakdown of direct and indirect cost and projected profit be applicable to any particular supply arrangement?

A18. Yes, the direction for a breakdown of costs applies equally across TBIPS, SBIPS and TSPS and may also apply to open bidding processes, where appropriate. Where requested, it will be a condition of bidding.

Q19. Can you please provide a concrete example on how requests for detailed cost information will be applied? Will the additional cost information be requested even for bids obtained under a competitive process? What does the government intend to do with this cost information?

A19. The information being requested will be used by Canada to confirm the Bidder's ability to provide the required services at the proposed rates and that the proposed rates are not unreasonably high or low. Where required by the procurement process, it will also inform price support validations, such as when only one responsive bid is received in a competitive process.

Additionally, the information will inform decision making on how to improve the structure of future procurements to reduce costs, for example, by making more deliberate decisions about how Canada's requirements generate sub-contracting activity.

Any information provided will be treated as commercially sensitive by Canada and will be subject to the provisions and protections afforded under the *Access to Information Act* and the *Privacy Act*.

Q20. Has PSPC considered that smaller companies may incur costs to report on direct and indirect costs and the amount of profit per bid?

A20. While PSPC understands this is an additional requirement, it believes that it is a crucial step to ensure that the procurement process delivers best value for Canadians. Limiting application to the noted supply arrangements limits applications only to firms that have the capacity required to qualify for TBIPS, SBIPS and TSPS.

Q21. Can PSPC elaborate further on the requirements around asking vendors for proof that resources have consented to being proposed for work on specific contracts?

A21. Vendors are required to certify that they have permission from any individual to propose his/her services to perform work on a contract and to submit his/her résumé to Canada. At any time, the vendor must, upon request from the Contracting Authority, provide the written confirmation, signed by the individual, of the permission that was given to the Contractor of his/her availability.

This measure is going to be enforced to ensure that the resources proposed for work have given permission to be proposed for a particular solicitation, and are available for work at time of bid submission.

Additionally, PSPC will be using a substitution of resources clause that applies not only to task authorizations post-contract award, but also to the bid itself, if the bidders are asked to propose specific resources in a bid. Meaning that if any substitute resources are proposed after contract award, they must match or exceed the qualifications of the original resources proposed.

Q22. We understand from the RFI that federal departments and agencies will be validating the accuracy of résumés and may ask vendors for supporting documentation. Is this an isolated activity or will this be occurring on a regular basis moving forward?

A22. The onus is on the vendor to demonstrate that the resource meets the requirements in the Statement of Work and in any proposed task authorization (TA) where applicable. PSPC will be updating its professional services methods of supply solicitation templates to include the requirement for the Contractor to supply a résumé, digitally signed by the resource attesting it is a true and accurate representation of their education and experience, and the requested security clearance information with their TA quotation for each resource proposed. Vendors will also be required to provide additional disclosure form(s) to disclose when their proposed resources are working on multiple contracts concurrently.

If a contracting authority does not see evidence this has occurred effectively when asked to approve and issue a TA, vendors can expect delays in the process and the work may not be approved.

Q23. Can PSPC please provide more details on expected subcontracting disclosure requirements?

A23. PSPC will be implementing subcontractor disclosure requirements in all professional services methods of supply solicitation templates, including:

- disclosing whether or not resource(s) are an employee or a sub-contracted vendor entity;
- obtaining written consent from the Contracting Authority before subcontracting or permitting the subcontracting of any part of the Work;
- disclosing resources that are providing services on multiple concurrent contracts; and
- disclosing projected cost of sub-contracts and the related markup as part of their bids and TA quotations.

Industry will be provided an opportunity to review and comment on PSPC's evolving contract clause language surrounding these changes as part of future engagement activities, but the initial changes are being implemented immediately.