



Now and Tomorrow
Excellence in Everything We Do

ESDC Departmental Procurement Plan (2016-2017)



July 12, 2016



ESDC Departmental Procurement Plan 2016-2017

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ESDC Procurement Plan 2016-2017


1. Our Department

The mission of Employment and Social Development Canada (ESDC), including the Labour Program and Service Canada, is to build a stronger, more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives and to improve Canadians' quality of life. To achieve this, more than 95 percent of the Department's expenditures go directly to benefit Canadians in one way or another.

We help Canadians in all stages of their lives—from children to seniors—as well as Canadians with distinct needs such as Aboriginal people, people with disabilities, homeless people and recent immigrants.

We design and deliver some of the Government's most well-known programs and services, including:

- Old Age Security and the Guaranteed Income Supplement;
- the Canada Pension Plan;
- Employment Insurance;
- Canada Student Loans and Grants;
- the Canada Education Savings Program;
- the Canada Disability Savings Program;
- the National Child Benefit;
- the Universal Child Care Benefit;
- the Wage Earner Protection Program; and
- Passports.



Through Service Canada, we are continuing to improve the delivery of government programs and services to Canadians, making access faster, easier and more convenient. The click call-visit model highlights single-window access through the Internet, call centres and close to 600 points of service located across the country. Our day-to-day interactions with individual Canadians have an enormous impact on the public's perceptions of, and confidence in, our organization and the Government of Canada.


The Labour Program oversees labour-related federal responsibilities, including the facilitation of compliance with labour laws and occupational health, safety and labour standards, as well as assisting trade unions and employers in the negotiation of collective agreements and their renewal in federally regulated workplaces. It also represents Canada in international labour organizations and negotiates and implements labour provisions in the context of trade liberalization initiatives.

Finally, through grants and contributions, the Department provides funding to other orders of government and organizations such as the voluntary and private sectors, employers, unions, educators and community organizations to support projects that meet the labour market and social development needs of Canadians.

This is all part of our core business, which is to:

- support a flexible national labour market;
- increase participation in the labour force;
- remove barriers to post-secondary education attainment and skills development;
- oversee federal labour responsibilities;
- provide income support to seniors, families with children and Employment Insurance beneficiaries; and
- deliver specific Government of Canada programs and services.

The broad mandate and reach of our department puts us at the forefront of the Government of Canada's labour market and social policy agenda and priorities, and gives

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us an unparalleled opportunity to make a difference in the everyday lives of Canadians in an evolving fiscal and social environment within the global economy.

Planned procurement activities, mentioned in more detail below, coupled with continuous improvement of the procurement process and on-going training of procurement professionals will assist the department in achieving the 3 priorities as outlined in the 2012-2015 Integrated Business Plan:

- Business Transformation and Modernization of Our Core Business
- Improving Our Policies and Programs
- Building a High-performing Organization

2. Purpose of the Procurement Plan

The purpose of the Procurement Plan is to provide a high level summary of the Department's planned procurement activities and advise the public and industry with an estimate of upcoming procurement for the fiscal year 2016-2017 in support of these programs and services. This information will also be shared with appropriate stakeholders that include Innovation, Science and Economic Development Canada, Indigenous and Northern Affairs Canada (INAC) and Public Services and Procurement Canada (PSPC) to enable government-wide programs such as the Agreement on Internal Trade and the Procurement Strategy for Aboriginal Business (PSAB).

The Procurement Plan also allows ESDC the ability to look at requirements from a horizontal perspective and adjust procurement strategies accordingly (ie: the development of large capacity-on-demand contracts).

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3. General Procurement Strategy

In conducting its purchasing activities, ESDC is guided by the principles of operational readiness, fairness, openness and transparency. As a result, all contracting is conducted in a manner that will stand the test of public scrutiny, consistent with Government of Canada legislation, regulation and policy including trade agreements and Comprehensive Land Claim Agreements.

ESDC has a centralized procurement function located in the National Capital Region (NCR).

The Treasury Board restricts departmental contracting authority, including ESDC's authority in Appendix C of the Treasury Board Contracting Policy. ESDC also obtains the delegation to purchase goods from the Minister of PWGSC up to \$25,000 or to the call-up limit in PWGSC standing offers. Purchases above these amounts are completed by PWGSC on our behalf, e.g. any contracts for services awarded through electronic competition (i.e. Buy and Sell) with a total value of \$2,000,000 including taxes. Finally, Shared Services Canada (SSC) purchases IT hardware and software on behalf of government departments including ESDC.

In an effort to find efficiencies (cost and time) in the procurement process, clients are advised to use their acquisition cards up to \$10,000 where a contract is not otherwise required.

ESDC regularly reviews the commodities purchased with the goal of awarding enterprise-wide contracts that will allow Clients more efficient access to securing the goods or services required.

Approved investment projects have individual procurement plans that outline requirements to support the realization of the projects goal. The procurement plans also identify the procurement approach that will be used to satisfy the requirement.

4. What ESDC Buys

The objective of government procurement (purchasing) is to acquire goods and services in a manner that enhances access, competition and fairness and results in best value or, if appropriate, the optimal balance of overall benefits to the Crown and the Canadian people (Source: Treasury Board Contracting Policy). The procurement process can range from the very simple (e.g. Acquisition Cards, standing offers) to the very complex (e.g. major Crown projects).

In 2015-2016 the procurement team processed 2,807 contracts and amendments with an estimated value of \$244.1 M (see Figure 1.0).

Figure 1.0 Value of Contracts and Amendments by Category in 2015-2016:

Business Value by Commodity (2015-16)		
Contracts and Amendments, \$244.1 M		
Commodity	Value	Percentage
Administration of Canada Student Loans	\$88,915,063.97	36.4%
IT Consulting	\$78,388,024.85	32.1%
Software and Maintenance	\$13,636,668.90	5.6%
Computer Equipment and Maintenance	\$11,075,167.52	4.5%
Printing Services	\$8,303,964.66	3.4%
Management / Other Consultants	\$5,743,325.50	2.4%
Commissionaires & Security Systems	\$5,470,995.49	2.2%
Advertising	\$4,829,642.48	2.0%
Training	\$4,666,489.82	1.9%
Data Management	\$2,465,332.10	1.0%
Warehousing Services	\$2,004,159.52	0.8%
Office Furniture	\$1,708,893.51	0.7%
Vocational Rehabilitation	\$1,420,532.03	0.6%
Temporary Help Services	\$1,311,860.76	0.5%
Research Services	\$1,127,882.71	0.5%
Accounting and Audit Services	\$1,076,917.88	0.4%
Other (comprised of 60 commodities)	\$11,978,078.41	4.9%
TOTAL	\$244,123,000.09	100%

5. Planned Procurements for fiscal year 2016-2017

The investment plan is the basis for planning our procurement activities in the short and long term for Assets and Acquired Services. Procurement related to projects that are Stage-gated through our Investment Management Process requires focused procurement planning (see Figure 2.0). Project managers with the support of our centralized procurement team must identify the procurement requirements for planning purposes. As the projects move from gate to gate additional procurement requirements are identified and shared with the procurement team.

Figure 2.0 ESDC Investment Plan 2015-2016 to 2019-2020

5 Year Investment Summary

Investment Type (\$ million)	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
Projects	\$128.93	\$115.12	\$116.06	\$117.01	\$117.96	\$595.08
Total Projects	\$128.93	\$115.12	\$116.06	\$117.01	\$117.96	\$595.08
Assets – IT	\$22.17	\$22.17	\$22.17	\$22.17	\$22.17	\$110.85
Assets – Fleet	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53	\$2.65
Assset - Office equipment	\$1.29	\$1.35	\$1.40	\$1.45	\$1.49	\$6.98
Total Assets	\$23.99	\$24.05	\$24.10	\$24.15	\$24.19	\$120.48
Acquired Services (non-Projects)	\$230.10	\$231.06	\$232.06	\$233.06	\$234.06	\$1,160.34
Total Acquired Services	\$230.10	\$231.06	\$232.06	\$233.06	\$234.06	\$1,160.34
Total	\$383.02	\$370.23	\$372.22	\$374.22	\$376.21	\$1,875.90

Source: ESDC Investment Plan 2015-2016 to 2019-2020

Note: Values above are estimates and actual expenditures may differ

Figures 3.0 and 4.0 provide a list of procurement activities by commodity and was derived from Project Procurement Plans, Sourcing Strategies and branch input to the departmental planning activity. The list provides high level information on procurement activities and is for information purposes only. It is important to note that all values are high level estimates. These items will be procured through a variety of methods including mandatory standing offers and supply arrangements. Depending on the nature of the requirement they may also be posted on Buy and Sell, the Government Electronic Tendering Service. More information on purchasing in a Government context is available in Section 6 and 7 below.

Figure 3.0 – ESDC Projected Major Contracting Activities 2016-2017


PROJECT RELATED PROCUREMENTS	
Description	Total Estimated Value (w/o tax)
Information Technology Services, Project Management Services and Business Services	\$139,400,000
Hardware and Software	\$520,000
TOTAL	\$139,920,000
Notes: Input from Project Sourcing Strategies and branch planning exercise forms the basis of this table	

Figure 4.0 – ESDC Projected Major Contracting Activities 2016-2017

NON-PROJECT RELATED PROCUREMENTS	
Description	Total Estimated Value (w/o tax)
Software and Software Maintenance	\$20,885,000
1-800 Call Centre (Professional Services and Management Fees)	\$17,800,000
Hardware	\$6,100,000
Information Technology Consultants	\$4,500,000
Protection Services	\$4,440,000
Training	\$6,200,000
Management Consultants	\$3,800,000
Printing Services	\$2,700,000
Other Consultant Services	\$2,500,000
Business Services	\$1,600,000



Temporary Help	\$1,300,000
Service Provider Administration Fees (CSLP)	\$1,000,000
Human Resources Support Services	\$980,000
Accounting and Audit Services	\$670,000
Facilitation Services	\$660,000
Courier Services	\$530,000
TOTAL	\$75,665,000
Notes: Input from branch responses to operational planning activity forms the basis of this table	




Capacity on Demand Contracts:

ESDC awarded 19 multi-million / multi-year contracts, each containing a variety of categories as identified below. The contracts were awarded following a competitive process administered by PWGSC. These task-based contracts were awarded between October 2014 and June 2015 with a duration of three years plus two additional one year options. The following categories of consultants are available on these task-based contracts:

Change Management	Business Continuity Specialist	Technical Architect
Release Manager	Business Transformation Architect	Technology Architect
Project Executive	Technical Writer	Software Architect
Project Manager	Database Administrator	System Analyst
Project Scheduler	Database Analyst	Test Coordinator
Business Analyst	Database / IM Modeller	Tester
Business Architect	IM Architect	Programmer Analyst
Business Process Engineer		

These capacity on demand contracts will be used to satisfy the majority of requirements identified above for IT professional services, project management services and business services.

Also, various departmental capacity on demand contracts may be used to satisfy some of the requirements identified above. Where no existing capacity on demand contract exists, ESDC will look at other available procurement strategies including: existing PSPC standing offers, supply arrangements and RFPs.

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Capacity on Demand – The Next Generation

Due to the efficiency of the capacity on demand contracts referenced above it is likely that the contracts will be re-profiled. This means that the second option periods will be exercised earlier and new task-based contracts will be put in place earlier than anticipated. These multi-year, multi-vendor, multi-million dollar contracts will include the following streams: Business Services (IT), Project Management Services (IT), Application Services and IM/IT Services. The estimated value (per year) for each of the streams identified will be \$17.3M, \$15.3M, \$29.4M and \$5.6M respectively.


ESDC also plans on awarding multi-year, multi-vendor task-based contracts that will include the following streams: Business Services (Non-IT), Project Management Services (Non-IT) and Human Resource Consultants. The estimated value for each of the streams identified is \$2M over several years.

6. Government of Canada purchasing context

Contracts let by ESDC must abide by the detailed suite of federal purchasing policy rules and regulations. Some key legislation, regulation and policy are listed below in Section 7

Competition is the norm for most federal contracts of significant value (generally all purchases of \$25,000 or more, all taxes included), as a way to ensure openness and best value. Suppliers should review the Buy and Sell website regularly, to find business opportunities such as Requests for Proposals from ESDC and many other federal, provincial and municipal government organizations.

ESDC must use PSPC's Standing Offers and Supply Arrangements for the list of mandatory commodities established by the Treasury Board Contracting Policy, Appendix C, Schedule 4. This list includes office supplies (such as paper) and temporary

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help services, amongst other goods and services. The Capacity on Demand contracts will also be awarded using these existing supply arrangements.

PSPC puts these Standing Offers and Supply Arrangements in place to meet the needs of the Government of Canada. ESDC and many other federal bodies must buy from these pre-qualified suppliers.

ESDC, along with other departments, must now submit requirements for IT Hardware and Software to Shared Services Canada. The objective of this is to find cost savings by consolidating requirements across the Government.

7. Government of Canada purchasing links

- [Buy and Sell \(PSPC\)](#)
- [Buy and Sell – Tenders \(to review business opportunities\)](#)
- [Office of Small and Medium Enterprises \(OSME, PSPC\)](#)
- [Office of the Procurement Ombudsman](#)
- [Procurement Strategy for Aboriginal Business \(Indigenous and Northern Affairs Canada\)](#)
- [Public Accounts of Canada \(to review detailed financial data\)](#)
- [Reports on Plans and Priorities \(an annual statement of Government of Canada plans\)](#)
- [Departmental Performance Reports \(an annual review of Government of Canada performance\)](#)
- [ESDC Standard Terms and Conditions \(that apply to contracts with the ESDC portfolio awarded prior to April 1, 2014\)](#)
- [Standard Acquisition Clauses and Conditions \(SACC\) Manual](#)
- [Treasury Board Contracting Policy](#)

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- Government Contracts Regulations
 - Comprehensive Land Claim Agreements

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8. Contact Information

All requests for information related to this Procurement Plan are to be addressed to:

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