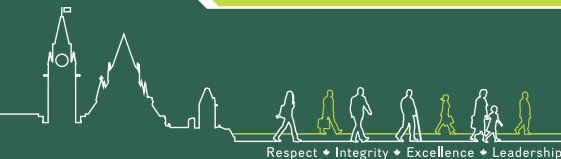Public Services and
Procurement Canada

Services publics et
Approvisionnement Canada

Canada

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GOVERNMENT,
Serving
CANADIANS.

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2016–17
DEPARTMENTAL RESULTS REPORT
PUBLIC SERVICES AND PROCUREMENT CANADA

Carla Qualtrough, PC, MP
Minister of Public Services and Procurement

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Prime Minister Trudeau, PSPC Minister Carla Qualtrough and Government General David Johnston at the August 28, 2017 Swearing-in Ceremony (Photo Credit: MCpl Vincent Carbonneau, Rideau Hall (2017))

Minister's message

As we celebrate Canada's 150th birthday, Public Services and Procurement Canada (PSPC) can reflect on its own history of service to our country, from constructing the Parliament Buildings to opening up vital transportation routes. I am proud to present this 2016–17 Departmental Results Report, which highlights more recent successes in providing key services and programs to federal organizations and Canadians.

Construction of both large ships and small vessels under the National Shipbuilding Strategy made progress. This strategy to renew the Royal Canadian Navy and Canadian Coast Guard fleets is creating thousands of jobs and revitalizing Canada's marine industries. To ensure best results, PSPC introduced measures to better manage large projects, new costing approaches, and improved monitoring of shipyard performance. The Department is also informing Canadians of each project's progress.

Our goals to foster innovation, encourage economic growth and support small and medium enterprises are also served by the Build in Canada Innovation Program. Under federal contracts awarded through this program, more than 200 entrepreneurs have moved their innovations from the testing phase to the marketplace.

To make it easier for businesses to sell their products and services to the government, the Department took steps to simplify its procurement processes. Work also continues to better align government purchasing with social-economic goals, such as greening government operations and creating opportunities for businesses owned by women and Indigenous peoples.

As the government's chief procurement arm, PSPC is working with the departments of National Defence and Innovation, Science and Economic Development to replace Canada's aging fleet of CF-18 fighter aircraft. In late 2016, we announced that the Government will launch a competition in 2019 for what will be one of the largest procurement projects ever on behalf of the Canadian Armed Forces.

I am proud that, as the federal government's real property manager, PSPC was the first department to ban the use of asbestos in new construction and major renovation projects. Further, the Department led the way in developing a national inventory of the buildings in its portfolio that contain asbestos to provide open and transparent information to federal employees. In addition, we are supporting other government departments in doing the same.

The rehabilitation of the heritage buildings in the Parliamentary Precinct continues to track on time, on scope and on budget. The West Block, the Government Conference Centre and Phase 1 of the Visitor Welcome Centre will all be ready as planned in fall 2018. Work will then turn to restoring and modernizing the Centre Block, a complex job that involves careful long-term planning as we ensure that Parliament will continue to function and will remain accessible to senators, Members of Parliament and visitors. This project will ensure the building meets the needs of a 21st-century Parliament.

The Translation Bureau within PSPC has an important mandate in support of Canada's linguistic duality. In early 2017, we announced measures to strengthen the Bureau's capacity to carry out this mandate, which I am confident will position it for long-term success.

The Government is steadfastly committed to supporting our employees, and we continue to work hard to address ongoing pay issues. Public service pay is extremely complex, and there are no quick or simple solutions, but we are committed to ensuring that every employee is paid what they have earned. We are taking action on several fronts to stabilize the pay system, including hiring additional compensation staff and implementing technical enhancements. Our goal, and our commitment to all employees, is to reach a steady state as quickly as we can. This will require efforts across Government, but we will not rest until this situation is fully addressed. As we work through this challenging situation, we are remaining open and transparent with employees by publicly reporting on our progress each month.

Finally, the comprehensive review of Canada Post reaffirmed the government's commitment to openness, transparency and evidence-based decision-making. All of the input is being reviewed and the government will announce the future direction of this important institution later this year.

Thanks to the efforts of a dedicated workforce, Public Services and Procurement Canada has achieved considerable success in meeting ambitious goals. I appreciate the good work of all and look forward to continued progress on behalf of Canadians. ❦

Carla Qualtrough, PC, MP
Minister of Public Services and Procurement

Installing copper around House of Commons glass roof

Results at a glance

What funds were used?

Public Services and Procurement Canada (PSPC)'s spending (authorities used) for 2016–17: **$3,205,426,707.**

Who was involved?

PSPC's full-time equivalents (FTE) number for 2016–17: **12,305.73.**

Key Achievements

Program 1.1: Acquisitions

Key Priorities	Achievements
Open and Transparent Competition to Replace the CF-18 Fighter Aircraft	In November 2016, the Government announced that it would launch an open and transparent competition to purchase a permanent replacement for Canada's fleet of CF-18 fighter aircraft, which is one of the PSP Minister's mandate letter commitments. PSPC worked with its partners in the Department of National Defence, and is gathering information from governments and industry in preparation for a bid solicitation in 2019. Canada's Defence Policy confirmed the requirement for 88 aircraft to renew Canada's fighter aircraft fleet.

The Government also announced that it would explore the purchase of 18 Super Hornet aircraft to supplement the fleet until its permanent replacement. |
| **Procurement Modernization** | PSPC had developed a comprehensive agenda to ensure that procurement provides best value for Canadians and supports socio-economic priorities. This includes a number of initiatives to make it easier for suppliers to sell to the Government: for example, providing suppliers with email notifications of upcoming competitions for goods and services; the introduction of a new electronic method of bid receipt so suppliers can compete faster; and adoption of agile procurement methodologies to promote an early and rapid engagement with suppliers.

Additionally, the Department, in partnership with the Treasury Board of Canada Secretariat, is moving forward with the electronic procurement solution (EPS), as part of its key client service improvement initiatives, and in alignment with the Minister's mandate commitments. |
| **Prioritization of the National Shipbuilding Strategy** | In alignment with the Minister's mandate commitment, progress was made toward renewing the fleets of the Canadian Coast Guard and the Royal Canadian Navy, including the construction of large and small vessels, which is underway, as well as vessel repair, refit and maintenance. Most recently, the competitive process for the Arctic and Offshore Patrol Ships and Joint Support Ships In-Service Support resulted in the award of an important maintenance and support contract. PSPC also announced a series of enhancements to strengthen the National Shipbuilding Strategy. Substantial economic benefits are being derived from the strategy and are contributing to the development and sustainment of a viable Canadian marine industry. |

Program 1.2: Accommodation management and real property services

Key Priorities	Achievements
Affordable Housing	Another of the Minister's mandate commitments was to develop criteria to establish a federal inventory of buildings that could be repurposed for affordable housing. In addition to creating its own inventory, PSPC assisted 21 other federal custodians with the assessment of 32,000 properties to complete the federal inventory.
Payment in Lieu of Taxes (PILT)	PSPC issued payments of approximately $593 million to 1,163 Canadian local governments under the PILT program. In addition, effective collaboration led to settlements that benefited both the municipalities and the federal government.
Long Term Vision and Plan (LTVP) of the Parliamentary Precinct	PSPC unveiled the rehabilitated Wellington Building which was recognized for demonstrating leadership in sustainable design features, such as green walls and solar panels. PSPC also made significant progress on rehabilitating the West Block and the Government Conference Centre, as well as constructing the Visitor Welcome Centre. All of these projects are on time, on scope and on budget.

Program 1.3: Receiver General for Canada

Key Priorities	Achievements
Receiver General Modernization	PSPC conducted an in-depth analysis of information technology (IT) applications to replace aging ones. PSPC also implemented a new IT solution for the publication of the 2016 Public Accounts. Using state of the art technology allows better integration with new systems while improving business processes.

Program 1.4: Integrity program and services

Key Priorities	Achievements
Government-Wide Integrity Regime	The Government-wide Integrity Regime[i] ensures that the Government does business with ethical suppliers in Canada and abroad. All federal organizations required to adopt the regime are now applying it in their respective contracts and real property agreements. PSPC has been working with other organizations such as Crown Corporations and Agents of Parliament who may adopt the regime on a voluntary basis.

Program 1.5: Federal pay and pension administration

Key Priorities	Achievements
Pay and Pension Administration	To deal with the backlog of pay cases, PSPC enhanced its Call Centre capacity and 2nd level support to clients to respond to inquiries related to tax or other pay issues. Call Centre agents were able to transfer any tax-related questions to the appropriate revenue agencies related to an employee's specific tax situation. It has also opened satellite offices in Gatineau, Montreal, Shawinigan, Winnipeg, Halifax and Kingston with more than 200 compensation staff. Working with our union partners, we identified parental and disability leave cases as key priorities. A dedicated team of Compensation Advisors at the Public Service Pay Centre in Miramichi was established to assist those experiencing delays with the processing of their disability claims. To improve pay processes and system functionality, PSPC enlisted the support of consultants and a private-sector payroll provider. The transfer of the administration for the Canadian Armed Forces pension plans was completed in January 2017.

Program 1.6: Linguistic management and services

Key Priorities	Achievements
Linguistic Services Quality and Succession Planning	PSPC's Translation Bureau renewed its focus on quality by creating the position of Chief Quality Officer, and emphasizing succession planning strategies, notably by restoring its co-op program for students in linguistic field and its targeted hiring of language specialists.

Program 1.7: Specialized programs and services

Key Priorities	Achievements
Service Strategy, Single Online Window, Performance Standards and Assessment	PSPC provided advice and contributed expertise in the development of the Government of Canada Service Strategy. PSPC supported the government priority to improve service to veterans by reopening offices to help veterans and their families receive services and benefits in person. To enhance PSPC's Service Strategy and performance standards, a departmental client relationship management system was implemented to manage client data and intelligence and to better support service delivery. PSPC met 73% of all service standards and results were made available online. To improve these standards and ensure they clearly outline what clients can expect, PSPC undertook a review of all service standards. Following this review, the performance standards were revisited to enhance their relevance and the total number of service standards was reduced from 66 to 60.

Program 1.8: Procurement Ombudsman

Key Priorities	Achievements
Promotion of Fairness, Openness and Transparency in Federal Procurement	The Office of the Procurement Ombudsman (OPO) which operates at arm's-length from federal organizations, reviewed the procurement practices of federal organizations, reviewed complaints from Canadian suppliers, and provided dispute resolution services. In 2016–17, OPO received 30 written complaints as opposed to 52 the previous fiscal year, representing a 42% decrease.

Program 1.9: Internal services

Key Priorities	Achievements
Canada Post Corporation Review	Achievements to date include the creation of the Canada Post Review Secretariat, appointment of the task force, engagement with Canadians and stakeholders, public opinion research, validation of Canada Post Corporation's financial situation, delivery of the discussion paper, and tabling of the parliamentary committee's recommendations. The Government responded to the report in April 2017 and thanked the parliamentary committee for its work. PSPC is examining all of the input received and developing options for the future of Canada Post.

For more information on the Department's plans, priorities and results achieved, see Section III "Results: What We Achieved" of this report. ❧

The Ottawa river and the City of Gatineau, Quebec

Section I—Raison d'être, mandate and role: Who we are and what we do

1.1 Raison d'être

Public Services and Procurement Canada (PSPC) plays an important role in the daily operations of the Government of Canada. It supports federal departments and agencies in the achievement of their mandated objectives as their central purchasing agent, real property manager, linguistic authority, treasurer, accountant, pay and pension administrator, and common service provider. The Department's vision is to excel in government operations, and its strategic outcome and mission is to deliver high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

As per the mandate letter to the Minister of Public Services and Procurement, the Minister's overarching goal is to ensure that the services provided by her portfolio are delivered efficiently, and in a way that makes citizens feel respected and valued. At the same time, the Minister ensures that the Government's internal services are held to a high standard and that procurement processes reflect modern best practices. The delivery of government services, including procurement practices, reflects public expectations around transparent, open, and citizen-centered government and serves the Government of Canada's policy goals of sustainable economic growth that grows the middle class.

1.2 Mandate and role

The Department, founded in 1841, was instrumental in building our nation's canals, roads and bridges, the Houses of Parliament, post offices and federal buildings across the country.

The Department of Public Works and Government Services Act (the Act), passed in 1996, established the current Department and set out the legal authorities for PSPC's services. The Act established PSPC as a common service organization providing government departments, boards and agencies with support services for their programs that today include:

- Procurement;
- Office accommodation and facilities;
- Architectural and engineering services;
- Construction, maintenance and repair of public works and federal real property;
- Pay services;
- Pension services;
- Receiver General, treasury of Canada administration, and maintenance of the Accounts of Canada;
- Linguistic services;
- Industrial security services; and
- Specialized programs and services, including government-wide applications.

PSPC's goal is to manage its business in a way that demonstrates integrity, innovation, accountability, efficiency, transparency, and adds value for its client departments and agencies, and Canadians.

The portfolio of the Minister of Public Services and Procurement includes Shared Services Canada, which reports separately. It also includes three Crown corporations (Canada Lands Company Limited, Defence Construction Canada, and Canada Post Corporation), two quasi-judicial bodies (Public Servants Disclosure Protection Tribunal and Public Service Labour Relations and Employment Board) and the Public Service Commission, an independent government agency. The Office of the Procurement Ombudsman (OPO) also reports to the Minister and operates independently. Details of the operations of the Crown corporations and OPO are provided in separate annual reports that are tabled in Parliament by the Minister.

In 2016–17, PSPC had three organizational priorities:

1. Service Excellence;
2. Innovation and Modernization; and
3. Value for Money.

These are taken into consideration in the analysis of programs and actual results in Section III "Results: What We Achieved" of this report.

For more general information about the Department, see Section V "Supplementary information" of this report. For more information on the Minister's mandate letter commitments, see the Prime Minister of Canada's website. ❧

Peace Tower

Section II—Operating context and key risks

2.1 Operating context

Over the 2016–17 reporting cycle, PSPC continued to play its critical role as a central service provider, in which it provided federal departments, agencies and Parliament with a range of services including procurement solutions, real property management and translation. In doing so, the Department supported federal departments and agencies in the delivery of the Government's core priorities: open and transparent government, social inclusion and diversity, inclusive and sustainable economic growth, and a safer and stronger Canada at home in the world.

PSPC facilitated the delivery of high quality programs and services and assisted federal department clients in striving towards the efficient use of resources. This achievement was made against the backdrop of PSPC's ongoing efforts to address outstanding issues with the Phoenix pay system. Many activities are underway to capture lessons learned from the rollout of Phoenix that will then be integrated into future complex projects and transformations. The Department will also utilize lessons learned from the successful implementation of initiatives, such as the smooth transfer of the pension administration for the Canadian Armed Forces, during which all service levels were met or exceeded.

We demonstrated leadership in meeting the Government's environmental focus through the promotion of new approaches to how we manage federal buildings, what we buy, and how we manage acquisitions. For example, our environmental remediation on surplus federal buildings makes them suitable for housing. As well, an overarching

sustainable development and environmental strategy was developed to ensure that sustainability is integrated into all departmental real property activities.

PSPC continued to implement the Long Term Vision and Plan for the Parliamentary Precinct to address the deteriorated state of Canada's 19th century parliamentary buildings, meet the accommodation needs of the 21st century Parliament, and implement security measures while maintaining a balance of openness and security on Parliament Hill. Through projects such as rehabilitating the West Block and the Government Conference Centre, as well as constructing the Visitor Welcome Centre, the Department improved the sustainability, accessibility and safety of the Parliamentary Precinct, while promoting innovation and offering unique opportunities for youth and Indigenous peoples.

PSPC strove to meet clients' expectations, while balancing its enduring commitment to deliver improved programs and services with integrity. Fair, open and transparent procurement processes, for example, delivered products and services in a manner that was consistent with the highest standards. The Department undertook many initiatives to simplify government procurement, provide modern comptrollership and support socio-economic priorities.

PSPC continued to collaborate with federal partners to innovate its delivery of programs and services, and align its activities with government priorities to deliver clear results. These efforts led to the delivery of common GC applications, such as My GCHR, the Shared Case Management System, and GCDOCS to support government-wide modernization. As well, internal changes, like adapting governance structures and procedures, were made to streamline processes and help deliver the highest quality programs and services to clients.

Over the past year, PSPC continued its efforts with respect to change management support for employees through the creation a Mental Health Ombudsman, a first in the federal public service, and promoting change management training to employees. The Department remains focused on continued progress toward a high-performing public service that embraces innovation, transformation and renewal.

2.2 Key Risks

Public Services and Procurement Canada (PSPC) integrates risk into business planning, decision making and organizational processes to minimize negative impacts and maximize opportunities across its diverse range of services and operations. Risk management is conducted throughout PSPC in accordance with the Treasury Board Framework for the Management of Risk, the PSPC Policy on Integrated Risk Management, the International Organization for Standardization 31000, and the Canadian Standards Association Implementation Guide to CAN/CSA-ISO 31000, Risk Management: Principles and Guidelines.

As outlined in the following table, in 2016–17, PSPC's top four risks were as follows:

1. Financial risk
2. Complex, transformational and interdepartmental major projects and procurements related risk
3. Workforce risk
4. Managed services risk

PSPC reports on these four risks, as they were identified in the 2014–15 to 2016–17 Departmental Risk Profile and the 2016–17 Report on Plans and Priorities. However, the Department updated its risks for inclusion in the 2017–18 Departmental Plan.

For further information, please visit the 2017–18 Departmental Plan— "Key risks"[ii] section.

Risk Table

Risks	Mitigating strategy and effectiveness	Link to the department's programs	Link to mandate letter commitments or to government-wide and departmental priorities
Financial Risk: PSPC's reliance on cost recovery poses risks in an environment of reduced expenditures on the part of client departments.	PSPC's mitigating strategies included: PSPC included sustaining rigorous forecasting, management and monitoring of revenues, as well as working closely with other departments through the client service network to identify changing requirements and their impacts on the Department.	• Acquisitions • Accommodation management and real property services • Receiver General for Canada • Integrity programs and services • Linguistic management and services • Specialized programs and services • Internal services	**PSPC Priority:** • Service excellence
Complex, transformational and interdepartmental major projects and procurements related risk: There are inherent risks in PSPC undertaking and delivering complex, transformational and interdepartmental major projects and procurements on time, within the approved budget and according to scope (which could ultimately have an impact on the Department's service strategy).	PSPC's mitigating strategies included: implementation of disciplined investments and project management processes including the Departmental Investment Plan; development and implementation of service agreements with clear identification of responsibilities; sound contract management; and early engagement with client departments and other stakeholders.	• Acquisitions • Accommodation management and real property services • Receiver General for Canada • Integrity programs and services • Federal pay and pension administration • Linguistic management and services • Specialized programs and services	**Government of Canada priorities:** • Growth for the middle class • A clean growth economy **Minister's mandate letter priority:** Prioritize the National Shipbuilding Procurement Strategy to support renewal of the Canadian Coast Guard fleet and to ensure the Royal Canadian Navy is able to operate as a true blue-water maritime force **PSPC Priorities:** • Innovation and modernization • Value for money
Workforce risk: There is a risk that PSPC may not have the ability to maintain a high-performing workforce with the appropriate skills and competencies to achieve the expected service delivery levels in support of evolving business needs.	PSPC's mitigating strategies included: reinforcement of the integrated approach to talent management to support employee development and succession planning, including in the context of transformation; modernization of the HR management through new systems and approaches; reinforcement and streamlining of internal processes to better meet clients' needs; and focus on leadership excellence as a driver for people engagement and building an efficient workforce for the future.	• Acquisitions • Accommodation management and real property services • Receiver General for Canada • Integrity programs and services • Federal pay and pension administration • Linguistic management and services • Specialized programs and services • Internal services	**PSPC Priorities:** • Service excellence • Innovation and modernization
Managed services risk: There is a risk that PSPC may not always meet increasing client expectations and achieve the expected efficiencies and/or savings, or it may experience challenges maintaining service quality under the managed service approach in a context of reduced expenditures.	PSPC's mitigating strategy included: provided a balanced approach between meeting the needs of client departments and demonstrating sound stewardship of resources.	• Acquisitions • Accommodation management and real property services • Receiver General for Canada • Integrity programs and services • Federal pay and pension administration • Linguistic management and services • Specialized programs and services • Internal services	**Minister's mandate letter priority:** Support the President of the Treasury Board in the development of a new service strategy that aims to create a single online window for all government services with new performance standards. **PSPC Priorities:** • Service excellence • Value for money

Risk narrative

Financial risk: PSPC continued to implement a more robust Financial Management Framework, a more rigorous approach to manage and monitor revenues, as well as a departmental client service strategy targeted at providing quality services while adapting to fluctuating business volumes.

Complex, transformational and interdepartmental major projects and procurements related risk: PSPC has a sustained commitment to the exploration of innovative solutions. Focusing on large and complex transformational initiatives presents the opportunity for delivering more effective and efficient government services and offering enhanced results and benefits for Canadians. Yet at the same time, such large undertakings demand rigorous systems and controls that contain clear accountabilities, and ensure experienced teams possess the flexibility and agility to quickly allow for course correction, when required. PSPC is establishing mechanisms to identify lessons learned from current program challenges, including the Phoenix pay administration initiative, to ensure that new approaches are well supported by effective policies, training and necessary technical expertise to succeed.

Workforce risk: PSPC must have human resources possessing the requisite skills and competencies to ensure its continued delivery of service excellence. Resource capacity is affected by a number of factors, including the Department's demographic characteristics and its ability to attract and retain talent. Demographics point to over a quarter of PSPC employees being eligible for retirement within the next five years. Meanwhile, the implementation of major transformation initiatives and associated challenges may impact the retention and attraction of highly qualified employees, as well as employees' need for professional development. PSPC is mitigating this situation through human resources management strategies that focus on strengthening skills and capacity, enhancing talent management approaches, and leveraging enabling technologies to ensure the Department remains an employer of choice.

Managed services risk: PSPC strives to ensure that its service offerings continue to meet its evolving client departments' needs while delivering efficiencies and ensuring sound stewardship. In many cases, PSPC is reliant on third party vendors for service delivery where PSPC itself is the intermediary between the client department and vendor. This situation lends itself to the possibility of implementation and performance risks, which could lead to reduced client satisfaction. PSPC is addressing this through more rigorous contract management and enhanced client relationship management. ❧

PSPC Employees at the Canada 150 sign

Section III—Results: What we achieved

Strategic outcome

PSPC's strategic outcome is to deliver high-quality central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

3.1 Programs

The following section describes PSPC's programs and actual results that supported our strategic outcome. It also includes an overview of the financial and human resources, the expected results, and the performance indicators and targets for each program. Additional information is available on our PSPC website[iii].

Program 1.1.   Acquisitions

This program provides federal organizations with procurement solutions such as specialized contracts, standing offers, supply arrangements, and memoranda of understanding for acquiring a broad range of goods and services, including construction services. This program delivers acquisitions and related common services using the smart procurement principles (early engagement, effective governance, independent advice, and benefits for Canadians) through an open, fair and transparent process to ensure best value to Canadians and the federal government.

Program performance analysis and lessons learned

PSPC continued to provide effective, efficient and fair procurement services that support Canada's institutions in delivering their programs while contributing to socio-economic goals.

The Department moved forward on the Government's procurement modernization agenda, including the electronic procurement solution (EPS), as key client service improvement initiatives aligned with the Minister's mandate commitments. Following extensive industry consultation, the request for proposals for the EPS was launched early in the fiscal year news and; it successfully closed in January 2017 and multiple competitive bids were received. In partnership with the Treasury Board of Canada Secretariat (TBS), PSPC has developed a comprehensive agenda, including a number of initiatives to simplify government procurement, provide modern comptrollership and support socio-economic priorities, while providing best value for Canadians. Several of these key initiatives have significantly progressed, including contract simplification, phased bid compliance, and the sustainment

initiative. PSPC is also consulting with industry to improve their access to Government of Canada (GC) business.

The construction of large ships for the Canadian Coast Guard and the Royal Canadian Navy advanced on both coasts under the National Shipbuilding Strategy. Progress was also made in the construction of small vessels, as well as vessel repair, refit and maintenance projects. The competitive process for the Arctic and Offshore Patrol Ships and Joint Support Ships In-Service Support is a prime example of effective modern procurement practices, as it featured robust industry engagement, an integrated project team, and concurrent evaluation. A major milestone was also hit when the request for proposals was launched for the Canadian Surface Combatant, the largest and most complex procurement in Canadian history. While the National Shipbuilding Strategy is still in the early stages of implementation, its economic benefits are already substantial and will continue to support the development and sustainment of a viable marine industry and

produce significant opportunities for Canadians. Progress has been made on enhancements to the National Ship-building Strategy, announced by the Minister, including: stronger oversight and greater internal expertise; increased internal capacity; more accurate planning; detailed monitoring; and increased transparency and account-ability. These activities support the Minister's mandate commitment to prioritize the National Shipbuilding Strategy.

In November 2016, the government announced that it would launch an open and transparent competition to purchase a permanent replacement for Canada's fleet of CF-18 fighter aircraft, including acquiring new aircraft and the associated in-service support. PSPC worked with its partners in the Department of National Defence (DND) and Innovation, Science and Economic Development Canada (ISEDC), gathering information from governments and industry to prepare and plan for a bid solicitation in 2019. Fighter aircraft are heavily controlled goods and their acquisition requires the involvement of foreign governments. Through consul-tations conducted over the summer of 2016, PSPC confirmed that some aircraft are available through commercial contracts while others are only available through agreements with foreign govern-ments. These factors add to the complexity of the procurement project. Actions aimed at ensuring a successful procurement include extensive planning and stakeholder engagement. The Government also announced that it would enter into discussions with the United States Government and Boeing to explore

Key Facts!

In 2016–17, PSPC continued to support the government-wide efforts to resettle refugees from Syria. Over the course of the year, more than 10,000 refugees were transported to Canada under a contract established by PSPC.

the purchase of 18 Super Hornet aircraft to provide an interim capability until the permanent replacement is fully operational.

The Build in Canada Innovation Program (BCIP) has advanced its efforts to help businesses get their innovative products and services from the laboratory to the marketplace. Through the introduction of a continuous intake process, improved matching, and the implementation of additional sales opportunities after the initial BCIP contract, the program has generated the most pre-qualified inno-vations to date. In addition, the BCIP maintains its focus on green innova-tions, in line with the Minister's mandate commitments.

PSPC worked closely with the provinces and territories to share best practices and procurement instruments, which resulted in collaborative procurements for eight commodities. In addition, the Department continued to increase the Acquisitions Program's web presence; for example, an online tool was imple-mented on PSPC's Buyandsell.gc.ca website, allowing the provinces and territories with whom agreements have been signed to view and use PSPC standing offers and supply arrange-ments. Work is ongoing to complete agreements with additional jurisdictions,

in line with the Government's agenda of closer cooperation between levels of government. Also, additional procurement data sets were identified for publication on the Open Data Portal, including aggregated Government of Canada procurement spend.

The Department also continued to provide oversight and execute the Defence Procurement Strategy (DPS), working collaboratively with DND, ISEDC, the Canadian Coast Guard, as well as other partner departments and central agencies. The Defence Procurement Strategy Secretariat continued to support DPS interdepartmental governance committees to enable integrated and effective decision-making for defence and major Canadian Coast Guard procurements, while respecting existing individual ministerial accountabilities and mandates.

The implementation of the DPS progressed in a number of important areas, with DPS partner departments making notable progress on:

- the continuation of the Defence Industry Advisory Group which helps to inform the Government's approach to defence procurement;
- early and regular engagements with industry;
- the release of the third Defence Acquisition Guide;
- the continued application of Value Propositions in eligible procurements;
- ongoing independent, third-party challenge for major procurements provided by the Independent Review Panel for Defence Acquisition;

- continued increases in delegated authority to DND;
- a short list of Key Industrial Capabilities which was established and is in consultation with industry; and
- the Interdepartmental Streamlining Working Group which has advanced work on identifying key objectives.

PSPC rationalized a variety of shipbuilding reporting to a single Executive Summary; established a Master Schedule to oversee strategic items; and continued to engage a shipbuilding expert to provide advice.

PSPC met its timeliness service standard for level 1 complexity procurement processes; however, it did not meet its standard for level 2 complexity procurement processes. The Department intends to conduct a review to investigate the complexity classification methodology, and will analyze the causes of the delays having an impact on our service standards. Recognizing that time is not the only measure of success and obtaining best value, the Department will continue to pursue efforts to streamline processes while ensuring stewardship and respect for international trade agreements.

The variance between actual spending and planned spending is mainly due to the planned reduction of the inventory, as well as the timing in revenue collection, under the Vaccine Program.

The difference between actual and planned FTEs is mainly due to an increase in capacity related to procurement modernization initiatives, the staffing of vacant positions and increased procurement activity.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
148,255,037	148,255,037	148,300,208	137,999,616	(10,255,421)

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual	2016–17 difference (actual minus planned)
1,491.05	1,617.47	126.42

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
Open, fair and transparent acquisitions that provide best value to Canadians and are delivered effectively and efficiently to the satisfaction of the Government.	Overall level of federal departments' and agencies' satisfaction	75%	82%	85%	72%
	Percentage of PSPC contracted value awarded through competitive processes	70%	80.5%	86%	88.3%
	Cost of procurement services per $100 of contracts awarded by PSPC annually	$0.80	$0.47	$2.00*	$0.75

*In 2015–16, the target was $2.40 as a different methodology was used.

Program 1.2. Accommodation management and real property services

PSPC provides federal departments and agencies with affordable office and common use accommodation that supports the delivery of their programs and services. The department acts as steward for various public works such as buildings, bridges and dams, and national treasures such as the Parliamentary Precinct and other heritage assets across Canada. PSPC also provides other federal departments, agencies, and the Parliament of Canada with responsive and cost-effective real property services.

Program performance analysis and lessons learned

PSPC completed the Minister's mandate letter commitment to establish a federal inventory of buildings that could be repurposed for affordable housing. In addition to creating its own inventory, the Department provided assistance to 21 other federal custodians to assess 32,000 properties.

The inventory was then provided to Employment and Social Development Canada, Canada Mortgage and Housing Corporation, and TBS in August 2016. PSPC transferred 11 properties valued at $1.9 million in communities across Canada to support the surplus federal real property for homelessness initiative.

In alignment with the Government's commitment to reduce the carbon footprint of federal operations, PSPC provided accommodation for federal public servants using less workspace per employee. The Department continued to effectively manage its large real property portfolio while ensuring the many projects, such as the new Vimy Visitor Education Centre[iv], were delivered on time, on budget and on scope.

Key Facts!

PSPC implemented smart building technology in 13 buildings. Results tracked in real time showed a 16% energy consumption decrease in these buildings, translating to a reduction in over $650,000 in direct operating cost in the last fiscal year. Furthermore, the Department initiated and completed a procurement process for the smart building technology that will enable PSPC and other departments to have access to real time information on energy usage. Smart building technology leads to improved efficiency in building operations and changes to occupant behaviours to save energy. The smart buildings initiative[v] supports a whole-of-government approach to reduce the Government of Canada's carbon footprint.

In support of greening government, PSPC completed a National Carbon Neutral Portfolio Plan in March 2017. The plan is essential to supporting the Government's agenda and reducing greenhouse gas emissions for buildings owned by PSPC. The Department also ensured that all Crown-owned and lease-purchase buildings have an ENERGY STAR performance rating, which will enable comparisons against similar Canadian facilities. Furthermore,

PSPC developed a strategy to incorporate fiscally-responsible building improvements that target energy and greenhouse gas reductions.

As a result of ongoing improvement efforts, PSPC realized a reduction in incidences relating to legionella bacteria in 2016–17, compared to previous years. The PSPC Legionella Standard was updated and an internal audit program was launched to verify compliance.

In delivering real property Accelerated Infrastructure Programs (AIP) as part of the Government's commitment to build and renew infrastructure across Canada, PSPC worked closely with 13 other government departments to advance AIP projects. Applying the lessons learned over the course of the Department's three AIPs has resulted in PSPC's program being referred to as a model of success by senior manage-ment across the Government of Canada in terms of an organization that obtains results based on national collaboration and engagement with the regions and client departments.

In 2016, PSPC launched an initiative aimed at providing innovative activity-based workplace solutions for the Government of Canada. This initiative introduced industry leading practices and methodologies for integrating people, space and technology into a modern, flexible, efficient, healthy, innovative and sustainable workplace environment to support "a collaborative and high-performing public service workforce today and into the future".

The Department held hundreds of engagements in more than 20 client departments to communicate this new approach and shared best practices and guidance on alternative work arrangements.

The Department also launched a new annual client feedback questionnaire to gauge client satisfaction with real property services and service delivery. Comprehensive results were received from the 28 clients solicited and the survey will go to all clients in 2017–18. In 2016–17, results indicate that 73% were satisfied with our services and 82% were satisfied with the overall client experience. Client feedback will inform action plans for continuous improvement.

PSPC worked in close collaboration with Veterans Affairs Canada to reopen office space[vi] in communities where offices were previously located. Offices in Sydney, Nova Scotia; Brandon, Manitoba; Corner Brook, Newfoundland and Labrador; Kelowna, British Columbia; Saskatoon, Saskatchewan; Charlottetown, Prince Edward Island and Thunder Bay, Ontario have been turned over to Veterans Affairs Canada and activities related to the other three locations are underway and on schedule.

PSPC obtained the necessary approvals to move forward with the Exterior Wall Rehabilitation project of Les Terrasses de la Chaudière. This project offers a unique opportunity to update and transform one of the Department's most visible and important assets in the

National Capital Area, and is expected to set a high standard for sustainable design in future government projects. As well, the successful completion of the Big Chaudière Dam, Latchford Dam, and Timiskaming Ontario Dam projects ensures the safety of their users and surrounding community, and provided opportunities to local economies.

A total of 70 out of 75 bridges have a structural condition rated "4" or better (fair to excellent). The five bridges which have a lower rating than "4" are: Alexandra Bridge (Ottawa, Ontario/Gatineau, Quebec), LaSalle Causeway Bascule Bridge (Kingston, Ontario), Hull Trestle (Chaudière Crossing; Ottawa, Ontario/Gatineau, Quebec), Union Bridge (Chaudière Crossing; Ottawa, Ontario/Gatineau, Quebec) and Portage Channel Bridge (Dokis, Ontario). For all bridges, an annual program of work, which includes life cycle cost analysis and studies on the structure, and strategic measures are developed as required to attain or maintain a rating of "4 or" better.

PSPC unveiled the rehabilitated Wellington Building which can now house 70 members of Parliament, 10 committee rooms and a library. The building received a very high eco-rating for sustainable design features such as green walls and solar panels. PSPC also made significant progress on rehabilitating the West Block and the Government Conference Centre, as well as constructing Parliament's Visitor Welcome Centre

Key Facts!

PSPC was the first department to ban the use of asbestos-containing materials in new construction and in major rehabilitation projects. On September 23, 2016, PSPC showed leadership by developing and publishing a national inventory of all buildings in its portfolio that contain asbestos. This proactive measure mitigates potential health and safety concerns by providing open and transparent information to federal employees and the general public. In addition, the Department is supporting other government departments in preparing their own inventories.

(Phase 1). These projects are progressing on time and on budget and will be ready for occupancy by the opening session of Parliament in the fall of 2018, positioning PSPC to initiate the most complex Long Term Vision Plan project[vii] to date: the rehabilitation of the Centre Block, and other buildings that have yet to be rehabilitated in the Precinct. In support of the rehabilitation of the Centre Block, the project has obtained approval to proceed and competitive contracting processes have been completed.

"I have been impressed with the success of Public Services and Procurement Canada (PSPC) in leading the implementation of the Long-Term Vision for the Parliamentary Precinct, which includes major projects to renovate culturally and historically significant heritage buildings. This year, the Wellington Building renovation was completed within scope, on time and on budget. In fact, over the past several years, PSPC's project teams have delivered dozens of major projects on time and on budget, and the Auditor General has recognized its strong project management practices."

Michael Wernick, Clerk of the Privy Council
Twenty-Fourth Annual Report to the Prime Minister on the Public Service (March 2017)

Update to the LTVP (most recently completed and ongoing projects)

LTVP project	Performance indicators
Perimeter Security Project	Achieved: 2013
East Block 1867 Wing: Northwest Towers	Achieved: 2013
Sir John A. Macdonald Building Rehabilitation	Achieved: 2015
Wellington Building Rehabilitation	Achieved: 2016
West Block Building Rehabilitation	On track for 2018 Result achieved: 87% Year-end target: 85%
Visitor Welcome Centre: Phase 1 construction	On track for 2018 Result achieved: 82% Year-end target: 80%
Government Conference Centre	On track for 2018 Result achieved: 57% Year-end target: 45%

The variance between actual spending and planned spending is mainly related to additional funding received for the operations and maintenance of federal buildings to address health and safety risks, as well as the need for urgent repairs stemming from years of underinvestment.

The 2% variance between actual and planned FTEs is due to the normal, inherit cycle of staffing and attrition in human resourcing.

In terms of performance results, one of the two Cape Breton Operations Program's expected results reads as follows: "Over the long term, a portfolio of federal properties that minimizes short- and long-term financial and environmental liabilities". One of the three performance indicators measuring

this expected result is "Percentage of priority 1 disposals completed" (disposals representing properties with the greatest market interest and least complex administration). In 2016–17, for this indicator, the Department's actual result (5%) was below the target (25%). The low percentage is primarily attributable to the in-progress transfer of approximately 4,048 acres of undeveloped resource lands, located in mostly rural and forested areas of the Cape Breton Regional Municipality and Cape Breton County, to the Nova Scotia Department of Natural Resources. Once the transfer is complete, the result becomes 30% (hence surpassing the target by 5%).

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
2,192,828,508	2,192,828,508	2,712,343,182	2,458,990,334	266,161,826

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual*	2016–17 difference (actual minus planned)
3,577.04	3,507.19	(69.85)

*There are 292 FTEs that directly support the Parliamentary Precinct Branch, of which 253 FTEs are reported under 1.2.3 Real Property Services sub-program and 39 are reported under 1.2.5 Parliamentary Precinct sub-program.

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
Federal organizations have affordable accommodation and facilities that meet government standards.	Efficient use of office space as measured by m² allocation per person	18.4 m²/person	17.4 m²/person	17.4 m²/person	18.2 m²/person
	Affordability of office space as measured by cost ($) per m²	$330/m²	$341.64/m²	$341.07/m²	$333.25/m²
Federal organizations and the Parliament of Canada receive responsive and cost-effective real property services.	Satisfaction rating for service calls reported through the National Service Call Centre	90%	88%	90%	89%
	Percentage of all Real Property projects over $1 million that are on-time, on-budget, on-scope (average of on-time, on-budget and on-scope performance indicators)	95%	96%	96%	97%
A real property portfolio that maximizes economic benefit and minimizes short and long-term liability.	Percentage of recapitalization budget spent	82%	95.5%	91.8%	92.2%
	Deferred maintenance and recapitalization costs as a percentage of portfolio replacement cost (Facilities Condition Index)	<10%	11.5%	9.23%	9.4%

Program 1.3. Receiver General for Canada

> This program manages the operations of the federal treasury, produces the Public Accounts and maintains the Accounts of Canada. It provides federal departments with an optional departmental financial and materiel management system offering and bill payment services.

Program performance analysis and lessons learned

Through the Receiver General operations, PSPC carried out mission critical functions for the Government of Canada by successfully managing the operations of the federal treasury. The Receiver General managed over $2.2 trillion in cash flow of federal money in and out of the Consolidated Revenue Fund, and ensured that deposits to the Consolidated Revenue Fund were reconciled on time.

PSPC provided accurate and timely government-wide financial reporting. This included the Monthly Statements of Financial Operations and the Public Accounts of Canada for 174 organizations. They were successfully posted on the web within 24 hours of tabling in the House of Commons. For the 18th consecutive year, the Consolidated Financial Statements of the Government of Canada received a clean audit opinion from the Auditor General. The Auditor General also recognized that very few countries have achieved this level of excellence.

The Department also contributed to the open government initiative by publishing eleven data sets, available on the Open Government Portal[viii] in 2016–17 including sales of goods and services as per Public Accounts of

Key Facts!

PSPC issued close to 327 million payments which includes:
- **Nearly 140 million for Old Age Security and Canada Pension Plan**
- **40 million for Child Benefit related payments**
- **24 million for Employment Insurance**
- **17.6 million for Federal Pay and Pension.**

Canada, and losses of Revenues due to fraud or willful misrepresentation. This contributed to creating a more responsive, accessible and transparent government for Canadians.

In order to support the Department's priority to implement initiatives that increase the efficiency and effectiveness of its programs and services, PSPC continued the implementation of the direct deposit initiative through working with partners in other government departments. The Department saw an increase in direct deposit rates of almost 3 percentage points from 86.05% in 2015–16 to 88.89% in 2016–17.

The Receiver General continued to enhance its systems and business processes in order to continue fulfilling its mandate, meet future business requirements, and take

advantage of opportunities. With those objectives in mind, the Department consulted various stakeholders to gain an understanding of current and future needs, and to benchmark its business against similar entities. PSPC also performed an in-depth analysis of the IT applications available to eventually replace aging systems and improve services.

Under its modernization initiative, PSPC implemented a new IT solution for the publication of the 2016 Public Accounts.

This solution, leveraging industry-leading technology, ensures the Receiver General for Canada continues to provide Canadians with information on the Government of Canada's finances.

There is no significant variance between actual spending and planned spending.

The difference between actual and planned FTEs is due primarily to the use of additional term employees for cheque redemption activities.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
106,647,604	106,647,604	117,092,773	104,491,576	(2,156,028)

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual	2016–17 difference (actual minus planned)
289.04	308	18.96

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
Timely and efficient issuance of all government payments, provision of deposit detail files, and central accounting reports.	Percentage of payments issued through direct deposit	90%	88.89%	85.9%	79.25%
	Public Accounts of Canada posted on the web within 24 hours of tabling in the House of Commons	100%	100%	100%	100%
	Average cost per payment	$0.33	$0.22	$0.27	$0.31
	Percentage of deposits to the Consolidated Revenue Fund reconciled within 2 business days	95%	100%	95%	95%

Program 1.4. Integrity programs and services

> This program provides the Government of Canada with high quality, timely and accessible specialized services and programs in support of sound, prudent and ethical management and operations.

Program performance analysis and lessons learned

PSPC continued to implement the integrity regime and ensure it is applied to all relevant contracts and real property transactions government-wide through signed agreements with departments and agencies. The Department engaged with government departments, suppliers, civil society and other stakeholders to enhance understanding and universal application of the regime in all federal procurement activities. PSPC also released a simplified, plain language version of the Ineligibility and Suspension Policy[ix] in April 2016, along with updated and streamlined Integrity provisions. The policy enables PSPC to declare a supplier or potential supplier ineligible or suspend them

from award of a contract or real property agreement with the Government of Canada.

Over the course of the year, the Department completed over 152,000 checks to assist government in verifying supplier compliance, exceeding the target of answering 80 per cent of requests within four hours. In October 2016, a web-based integrity portal was finalized, providing improved service to procurement officers across government. PSPC also implemented fast-track verification processes to assist in the issuing of emergency contracts (e.g., Fort McMurray fires), demonstrating the adaptability and responsiveness of the process.
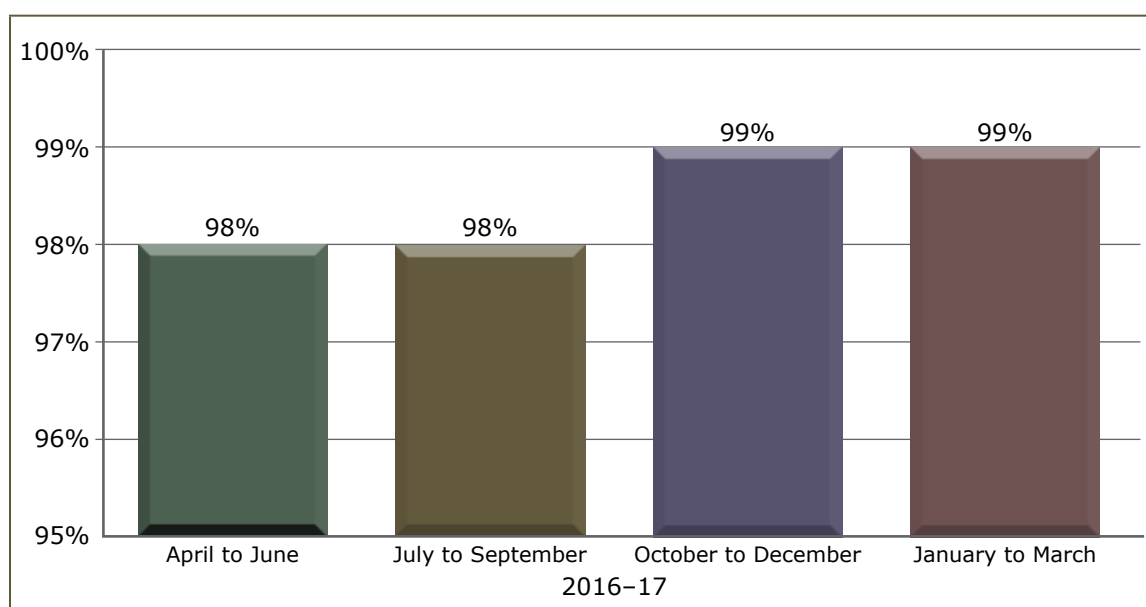

Figure 1. Percentage of integrity verifications done within four hours for each quarter of fiscal year 2016–17. (Target = 80%)

By streamlining its contract security processes and resources and implementing a backlog reduction plan to improve timelines for reliability requests, PSPC was able to consistently meet its reliability request standard, despite increases in business volumes and reliance upon aging applications.
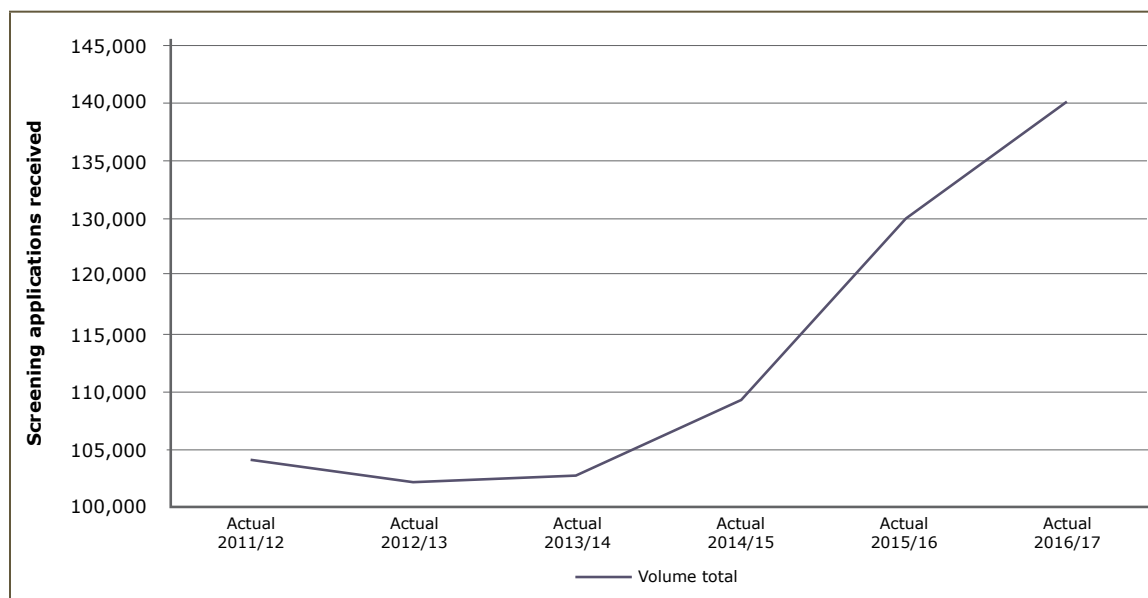

Figure 2. Growth in total business volume.

PSPC has a number of initiatives underway to close the gap of our performance target of 80% for classified screening requests completed within 75 business days from our actual performance result of 54% in 2016–17.

One such initiative was the implementation of electronic fingerprints to meet Royal Canadian Mounted Police (RCMP) requirements, which is replacing the name based criminal record check process. To support this initiative, PSPC introduced new learning and web navigation tools, conducted information sessions, and delivered webinars to government and industry stakeholders. Over time, PSPC expects to improve stakeholders' understanding of the program, thus reducing mistakes in requests, and improve service delivery.

Another initiative is the implementation of electronic signatures regarding the contract security process. The implementation, which started in April 2017, will reduce paper correspondence and permit faster processing of requests.

Furthermore, PSPC issued a request for proposal for the development of a new integrated information system for the Contract Security Program and the Controlled Goods Program. This system will serve as a case management system, which will streamline processes and reduce processing times.

PSPC expanded trade opportunities requiring the exchange of classified government information by concluding a bilateral security arrangement with the United Kingdom. Canada currently has 18 bilateral security arrangements which are particularly relevant for defence, security and aerospace sectors.
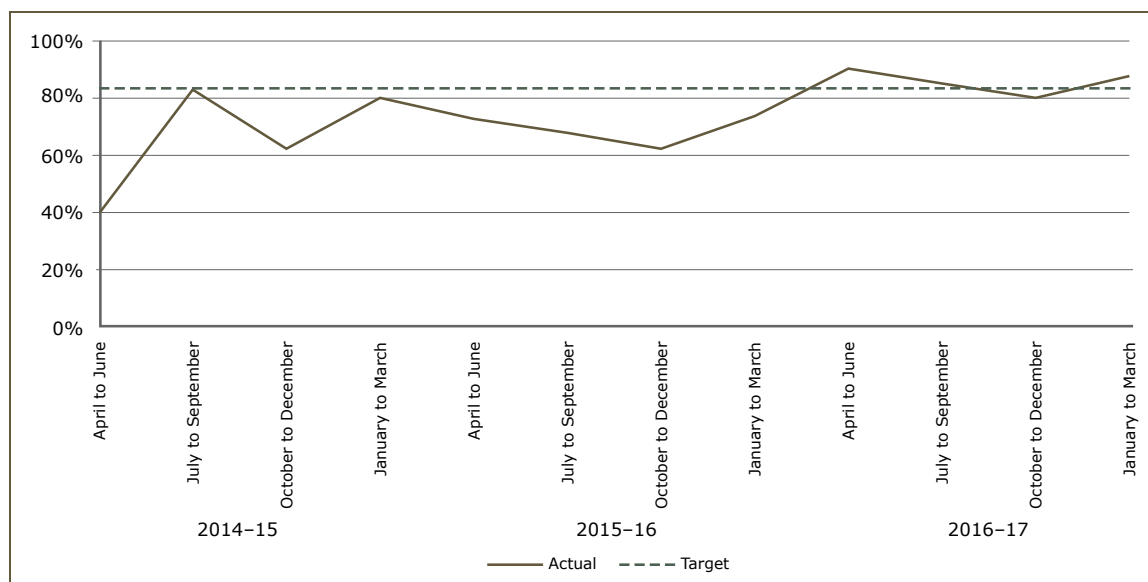
Figure 3. Percent of simple reliability screenings processed within seven business days for each quarter beginning in fiscal year 2014–15 and ending in fiscal year 2016–17.

Amendments to the Controlled Goods Regulations which enable the Department to conduct more robust security assessments came into effect in July 2016. To ensure registrants were aware of the impacts of the new regulations, PSPC provided communication and training material for program registrants and stakeholders.
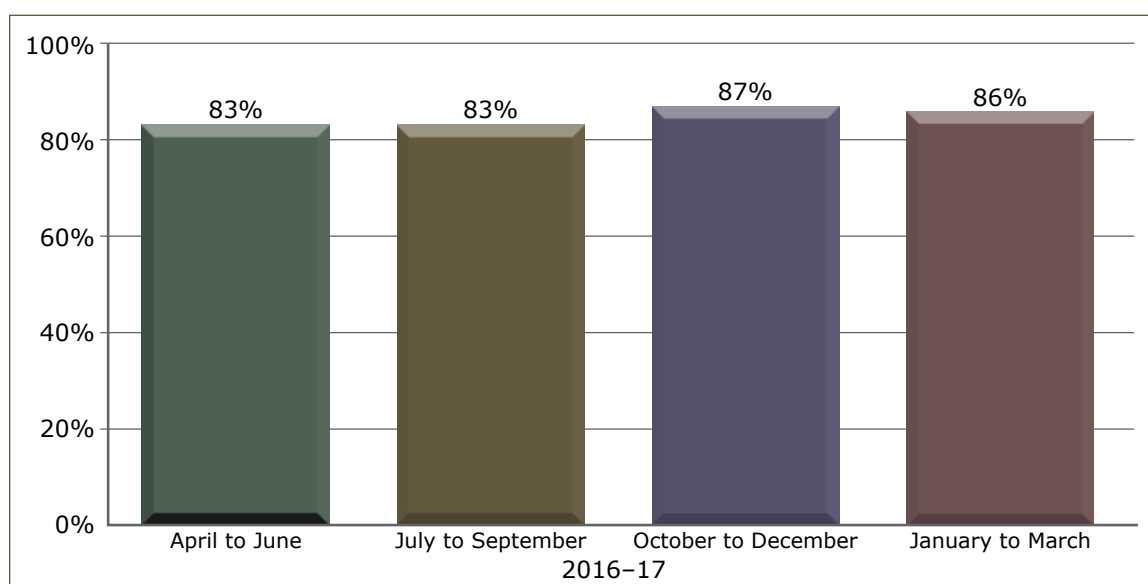
Figure 4. Percent of companies compliant with the Controlled Goods Regulations upon first inspection in fiscal year 2016–17.

PSPC provided forensic accounting services, ensuring that all reports (over 150) met the Investigative and Forensic Accounting standards and were delivered according to requirements. In order to adapt to new requests from other government departments, PSPC started to streamline its quality assessment processes for non-criminal investigation services to achieve the same quality and efficiency as in criminal investigation services. Furthermore, PSPC delivered many training sessions, including at the Canadian Centre of Excellence for Anti-Corruption, to promote forensic accounting services.

PSPC updated its Policy on Fairness Monitoring and further integrated fairness monitoring into its procurement risk management processes. The Department provided assurance that monitored departmental activities

were carried out fairly, openly and transparently, publishing 24 fairness monitoring final reports, and launching 26 fairness monitoring engagements on top of the 80 on-going engagements. As well, lessons learned from previous fairness monitoring engagements were shared with a variety of procurement officer audiences throughout the year.

The variance between actual spending and planned spending is mainly related to a business volume increase in the Contract Security Program, as well as the implementation of the new enhancements to the Controlled Goods Program as set out in the Enhanced Security Strategy.

The difference between actual and planned FTEs is mainly due to delayed staffing actions.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
15,184,073	15,184,073	20,240,292	18,315,360	3,131,287

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual	2016–17 difference (actual minus planned)
368.4	358.14	(10.26)

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
High quality and timely integrity programs and services that support fairness, openness and transparency in government operations.	Number of government departments that apply the integrity regime*	140**	80***	N/A	N/A
	Percentage of simple reliability screenings processed within 7 business days	85%	89%	71%	67%

*   This is a new performance indicator as of 2016–17.

** The planned target was 78, however due to an oversight, the published target in the Report on Plans and Priorities 2016–17 was 140.

***Under the Ineligibility and Suspension Policy, 78 organizations under Schedules I, I.1 and II of the Financial Administration Act are required to apply the Integrity Regime in their procurement and real property transactions. All of these organizations have signed a Memorandum of Understanding with PSPC to use integrity verification services, including two Crown Corporations (Defence Construction Canada and the Windsor-Detroit Bridge Authority) who have elected to adopt the regime on a voluntary basis.

Program 1.5. Federal pay and pension administration

> This program provides reliable central systems and processes for pay and pension administration to federal organizations. Through our pay and pension services, PSPC ensures that federal government employees and pensioners are paid accurately and on time.

Program performance analysis and lessons learned

The Federal Pay and Pension Administration delivered nearly 14 million pay and pension payments to over 310,000 pay accounts for public servants, including uniformed and civilian members of the RCMP, and 854,440 pension accounts.

Federal Pay Administration: PSPC continued the work to stabilize the Phoenix pay system, to achieve a steady state and to meet service standards consistently. The Department has committed to being transparent and providing employees with reliable and useful information regarding pay administration, providing online tools, including monthly dashboard on progress, and regular public communications on the Phoenix pay system, as well as steps to address pay issues.

To address pay issues, many comprehensive measures have been implemented. These include:
- resolving challenges in the Pay Centre in Miramichi with increased resources and the redesign of work processes which will, in time, enable the Pay Centre to process pay within service standards;
- enhancing Phoenix system functionality;

- providing additional training, knowledge transfer, detailed documentation and improved communication;
- supporting users through the transition to steady state[1] with support through the contact centre and increased information made available online; and
- working closely with The Office of the Chief Human Resources Officer and departments to establish an end-to-end approach, including roles, responsibilities and integration.

The Department has been working closely with all departments, unions and stakeholders to address and resolve pay issues as quickly as possible. PSPC has taken a number of concrete actions. In June 2016, the Minister announced the opening of satellite offices in Gatineau, Montreal, Shawinigan, Winnipeg, Halifax and Kingston with more than 200 compensation staff to help resolve the pay backlog. PSPC opened a national call centre, created a feedback form for employees and implemented a "Track my Case" self-serve feature which allows clients to check on the status of their case through a self-serve portal. Building from lessons learned and recognizing the need of having

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1. When pay requests are processed in an efficient, consistent manner with minimal errors and the Department is meeting its service standards 95% of the time.

skilled people in place to process pay cases as efficiently as possible, the Department provided increased training to employees. Most notably, PSPC developed a boot camp with departments to help train human resource specialists. The Department regularly updated employees and media through messages and public briefings. It also made a number of technical enhancements to facilitate and automate processing.

PSPC worked closely with the Canada Revenue Agency to ensure readiness for the 2016 tax filing season. PSPC and the Canada Revenue Agency jointly developed tax related questions and answers which were posted on both organizations' web sites, and held bi-weekly conference calls to address any issues and identify new pay/tax related questions received by the Canada Revenue Agency call centre. PSPC collaborated with both the Canada Revenue Agency and Revenu Québec to address automatic reassessment of amended T4s.

PSPC enlisted support of consultants and a private-sector payroll provider to assist with the review and design of business processes to gain efficiencies. Based on the consultant's recommendation PSPC initiated process redesign activities. Three process redesign activities were undertaken (creation of compensation advisor pod dedicated for student hire; revamp process to implement internal procedures; service delivery model redesign with pilot to begin in November 2017 to improve services to government clients. PSPC also enlisted the services of a business process reengineering expert to work exclusively with the Pay Centre. The Department continues to make improvements to the Phoenix pay system and regularly activates system releases to incorporate these enhancements.

Additional resources have been, and will continue to be hired at the Pay Centre, in satellite offices, and temporary offices as well as at PSPC offices in Shediac and Matane. PSPC has also increased support for Pay Centre staff through a Workplace Wellness Program which includes mental health sessions for employees and increased access to employee assistance both on site and through an after-hours toll free number.

In order to resolve the issue of pay backlogs, PSPC developed a plan to achieve steady state. The plan focuses on investing in both people and technology as part of a step-by-step approach to help address the problem. In addition to the investments, PSPC will also implement a new case management tool that will allow compensation advisors to better track pay transactions and respond to employees' enquiries with current and accurate information.

The plan demonstrates the monthly progress, based on assumptions such as resource availability, and volumes of work inflow and completion. Progress against the plan is and will continue to be measured on a regular basis.

There have been significant challenges with the implementation of Phoenix. PSPC acknowledges that a more comprehensive training plan (both within PSPC and within departments) would have significantly reduced the number of issues that have been experienced. It has also been recognized that a more comprehensive change management strategy and more rigorous user acceptance testing would have contributed to a more successful implementation.

The service standards established by PSPC in the provision of pay and the percentage of transactions meeting the standard on March 31, 2017, are as follows:

Government of Canada Pay Centre service standards	Service standard (business days)	Percentage of transactions meeting service standards
Promotions	30 days	21%
New hires—benefits	20 days	22%
Termination	20 days	24%
Disability	20 days	37%
Parental leave	20 days	95%*
Return from leave	20 days	29%
Acting	30 days	9%
Employee transfer	45 days	42%
Other (such as assignment at level, exchange of information between third parties)	20 days	46%

*As of March 9, 2017, 95% of incoming transactions are processed within service standards.

Figure 5. Public Service Pay Centre service standards.

The percentage of public service pay transactions processed by the Pay Centre within the established time-frames fell well below the 95% target. This was due to a variety of factors:

- A higher than anticipated number of cases in the Pay Centre's inventory prior to conversion to Phoenix;
- System functionality which did not deliver all of the efficiencies envisioned;
- Inadequate training for Pay Centre staff, departmental managers and departmental HR experts.

PSPC worked to complete the fit-up of the end-state building for the Public Service Pay Centre in Miramichi. The building, which will house the full complement of employees, will be ready for occupancy in 2017–18.

Federal Pension Administration: The transfer of the administration for the Canadian Armed Forces pension plans was completed in January 2017. All three major

federal plans for Canadian Armed Forces members and Reservists, RCMP, and public servants are now administered by one department and form the second largest defined benefit pension administration in Canada.

While completing the transfer of the pension administration for the Canadian Armed Forces pension plans, all service levels for service delivery to plan members continued to be met or exceeded. Pension payments were made accurately, and were subject to a verification and quality assurance process. The quality of pension payments is measured on a monthly basis and the results published online on the service standard results[x] monthly report. Additionally, PSPC ensured the integrity of the pension plan funds via regular financial audits.

The service standards established by PSPC in the provision of pension and the percentage of transactions meeting the standard on March 31, 2017, are as follows:

Government of Canada Pension Centre service standards	Service standard (business days)	Percentage of transactions meeting service standards	Targets
Initial payments to retired members	30/45 days	98%	96%
Initial payments to survivors	30 days	98%	96%
Pension benefit division payments	120 or 45 days	97%	90%
Transfer value payments	45 days	100%	96%
Pension transfer out payments	90 days	100%	90%
Return of contribution payments	30 days	98%	96%
Pension benefit division estimates	5 days	100%	90%
Pension transfer out estimates	90 or 30 days	98%	90%
Pension estimates to retired members (in writing)	5 days	97%	90%
Pension estimates to retired members (over the phone)	Immediately	98%	96%
Pension benefit options statements	5 days	98%	90%
Pension transfer in estimates	60 days	100%	90%
Service buyback estimates (in writing)	5 days	93%	90%
Service buyback estimates (over the phone)	Immediately	98%	96%

Figure 6. Public Service Pay Centre service standards.

The variance between actual spending and planned spending is mainly due to the increased workload to stabilize the Phoenix pay operations.

The difference between actual and planned FTEs is mainly due to the increase in unplanned work resulting from challenges incurred with the implementation of Phoenix and the opening of satellite offices in Gatineau, Montreal, Shawinigan, Winnipeg, Halifax and Kingston with more than 200 compensation staff. There was also a variance for the Federal Pension Administration program due to the transfer of the Canadian Armed Forces Pension Plan and 230 employees to the Government of Canada Pension Centre in Ottawa.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
81,761,681	81,761,681	136,602,627	135,402,231	53,640,550

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual	2016–17 difference (actual minus planned)
1,559.08	2,088.71	529.63

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
Employees are paid accurately and on time through reliable and efficient central systems and processes.	Cost per account (PSPC) to deliver Pay Centre Services (front office)*	$314	$545**	N/A	N/A
	Cost per account (PSPC) to administer pay systems and associated processes for all GC employees (back office)	$105	$206**	$108.44	$115
	Percentage of timely and accurate processing of government payroll as per schedule	100%	100% (26 of 26 payrolls were administered) ***	100% (26 of 26 payrolls were administered) ***	100% (26 of 26 payrolls were administered) ***
Retirees are paid accurately and on time through reliable and efficient central systems and processes.	Cost per account (GC-wide) to administer the Public Service Pension Plan and the Royal Canadian Mounted Police Pension Plan	$178 (PSSA) $156 (RCMPSA)	$149.90 (PSSA) $132.24 (RCMPSA)	$165.50 (PSSA) $135.78 (RCMPSA)	$165.32 (PSSA) N/A**** (RCMPSA)
	Percentage of timely and accurate processing of pension payments as per schedule	100%	100%	100%	100%

* This is a new performance indicator as of 2016–17.

** The variance for the cost per account for both the back office and front office is a result of challenges incurred with the implementation of Phoenix and the increased capacity required to work towards the stabilization of pay operations.

*** This metric measures how often we produce the payroll for the Government of Canada on time every second Wednesday.

****PSPC assumed responsibility for RCMP Pension Administration in July 2014, and therefore, the first full year of data is provided in 2015–16.

Program 1.6. Linguistic management and services

This program defines the Translation Bureau of PSPC as a key component of the Federal Government's service delivery infrastructure. The Bureau is the sole internal linguistic services provider and offers translation, revision, interpretation and other linguistic services for Parliament, the judiciary, and federal departments and agencies. It is also the terminology authority within the Federal Government and has been mandated to develop terminology standards to ensure clear, uniform and quality communications within government. The Linguistic Management and Services program is mandated under the Translation Bureau Act.

Program performance analysis and lessons learned

Over the last few years, PSPC's Translation Bureau focused on cost containment. While the intent was to reduce fixed costs and cost per word, it also resulted in an increased risk of gaps in capacity and of knowledge loss. As a result, the House of Commons Standing Committee on Official Languages undertook a study on the Translation Bureau. In February 2017, the Minister and Deputy Minister appeared before the House of Commons and Senate Standing Committees on Official Languages, and announced that, going forward, PSPC's Translation Bureau was shifting towards an innovation-driven business culture and renewing its focus on succession planning, collaboration with universities, restoration of the co-op program, training, and quality, as illustrated by the creation of the position of Chief Quality Officer.

PSPC continued to provide quality translation services to Parliament and to federal departments and agencies on a 24-hours-a-day, 7-days-a-week basis. It reduced the prices of linguistic services, returning close to one million dollars in rebates to clients. It translated

Key Facts!

PSPC provided more than 4,500 interpreter-days and 4,500 hours of closed captioning to both chambers of Parliament and to their committees and delivered approximately 6,000 conference interpretation days for events such as the G7, G20 and the North American Leaders' Summit. It also delivered over 9,000 hours of visual interpretation to support deaf and hard of hearing public servants. In addition, PSPC continues to examine ways to offer clients efficient and innovative linguistic products and business lines, such as remote interpretation services, to encourage bilingual engagement.

close to 325 million words for departments and agencies and successfully managed deliverables in support of such events as the United Nations' Marrakech Climate Change Conference (COP22), the National Inquiry into Missing and Murdered Indigenous Women and Girls, and the communications surrounding the Fort McMurray wildfires. PSPC also translated more than 58 million words for Parliament, 49% above a four year average.

PSPC redesigned the Resources of the language portal of Canada[xi], adding

over 400 content items and establishing partnership agreements with provincial and territorial governments, as well as organizations such as the Office of the Commissioner of Official Languages, Editors Canada, the Canadian Association of Immersion Professionals, the Canadian Association for French-language Education, and the Canadian Foundation for Cross-Cultural Dialogue. In order to promote a consistent use of terminology across the Government of Canada, PSPC's Translation Bureau also made more than 56,000 changes to update and add content to its terminology and linguistic data bank TERMIUM Plus®xii. It produced reference documents such as the updated list of country, capital and inhabitant names in four languages and provided a section within TERMIUM® for use by the Government of Nunavut to help support Indigenous languages.

The result of the new indicator "direct cost of terminological records published in TERMIUMPlus®", in sub-program 1.6.1 Terminology Standardization, significantly exceeded the target. This difference is due to a change in calculation methodology, as well as variations in the nature of the work performed.

The variance between actual spending and planned spending is mainly related to lower than projected operating costs.

The difference between actual and planned FTEs is mainly due to hiring by the Translation Bureau to reflect the new orientation announced by the Minister and to close some gaps in staffing.

Innovation

PSPC rolled-out a language comprehension tool to 39 departments to enhance employees' understanding of their second language and enable them to comprehend short, non-official texts, thereby promoting the use of both official languages in the federal public service. An independent evaluation of the tool will be available in fiscal year 2017–18. PSPC also adapted its tools to be fully functional in the parliamentary information management and information technology environment. In addition, PSPC's Translation Bureau created an innovation lab to encourage experimentation and tasked a working group to produce a report on virtual work, which was completed in February 2017.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
60,707,474	60,707,474	62,684,259	52,946,867	(7,760,607)

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual	2016–17 difference (actual minus planned)
1,124.65	1,149.51	24.86

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
The GC benefits from efficient, quality and timely linguistic services to support the use of both official languages in its operations and to communicate with Canadians in the official language of their choice.	Percentage of documents translated and revised for Parliament within the deadline	95%	95%	96.7%	97.43%
	Percentage of clients satisfied with services provided by the Translation Bureau	85%	89%	87.4%	86%
	Charge per word for linguistic services	$0.37	$0.36*	$0.39	$0.41

*Starting in 2016-17, the scope of this indicator has been redefined to include only translation services in official languages.

Program 1.7. Specialized programs and services

> This program provides federal organizations with high quality, timely and accessible specialized services and programs.

Program performance analysis and lessons learned

PSPC provided advice and contributed expertise in the development of the Government of Canada Service Strategy and continued to support the Government's priority for improving services to veterans by re-opening seven offices. To enhance PSPC's own Service Strategy and performance standards, a departmental client relationship management system was implemented to manage client data and intelligence.

To share forwarding-thinking best practices in service delivery, hear the voice of PSPC's client organizations, and look at the landscape of client service innovations, the Department organized a variety of client service events.

With regard to government-wide corporate services, PSPC continued to focus on providing modern, innovative solutions for its clients across government to support them in delivering their programs and services. It worked closely with TBS to contribute to the Government's back-office transformation, which involves large-scale complex projects to bring the Government's finance, human resources and information management systems into the digital age, through the ongoing roll-out, expansion and evolution of common administrative services and IT systems. These systems make administrative services more efficient and take advantage of economies of scale, which in turn supports the Government in delivering better services to Canadians with better value for taxpayer dollars.

Excellent progress was made in the roll-out and ongoing management of key administrative services; for example:

Managing human resources through "My GCHR"

- My GCHR is replacing more than 70 HR systems with one government standard (PeopleSoft 9.1)
- 4 organizations were on-boarded, totalling 15,379 FTEs.
- 41 departments with 55,000 employees were using the new system.
- The My GCHR GCPedia website was created in partnership with the Office of the Chief Human Resources Officer as an information source and learning support for all users.

Managing information through "GCDOCS"

- 139,000 employees were using GCDOCS.
- 11 new departments were on-boarded to GCDOCS, and several departments and special projects were at the development or testing stage.
- GCDOCS was enhanced including with improved permissions management.

Managing business processes through "Shared Case Management System"

- 26 clients departments were on-boarded to the government-wide service providing a common case management solution.

Managing finances through "FreeBalance Cluster and Integrated Financial Materiel System (IFMS)"

- Supported clients in preparation for the new Government of Canada Finance and Materiel system planned for April 2019.
- IFMS made close to 60 enhancements and fixes.

Since integrating Phoenix and human resource system training was a major priority in 2016–17, an end-to-end HR-pay integration training was delivered to 1,850 participants. The Department also aligned My GCHR releases to focus on information linked to pay, such as work scheduling and bilingual bonus. This end-to-end approach to integrating HR and pay benefitted from a collaborative approach with colleagues at the Office of the Chief Human Resources Officer.

PSPC's shared travel services is the end-to-end travel and expense management solution that helps simplify, efficiently manage, and reduce the cost of government travel.

Key Facts!
By the end of the fiscal year 2016–17:
- **89.5% of federal government employees were satisfied with Shared Travel Services; and**
- **90% of Government of Canada entities adopted the Shared Travel Services Solution.**

In 2016–17, there were significant improvements to the current tool, which included the search speed of the on-line booking tool. PSPC supported client departments and agencies in using the solution by providing a training initiative that reached 20 organizations. Planning continued on the next generation of the tool, which will be designed to better meet the emerging needs of clients.

Happy Anniversary to the Canada Gazette!

Did you know the Canada Gazette is older than Canada? It was created in 1841 and celebrated its 175th anniversary on October 2, 2016. The Canada Gazette is published by the Canada Gazette Directorate in PSPC, on behalf of the Queen's Printer.

In its role in supporting Government of Canada communications to Canadians, PSPC:

- expanded and continued to promote e-services offered by the Canada Gazette, such as updating its electronic request forms to make them more relevant and user-friendly;
- implemented a workflow management system to allow the seamless tracking of documents throughout the Canada Gazette publication process;

- undertook initiatives specific to supporting Official Language compliance in advertising, including:
  - conducting a study on media consumption patterns of populations of official language minority communities; and
  - developing a bilingual toggle on Government of Canada digital advertisements to facilitate access to both languages regardless of the advertisement's placement.

PSPC continued to contribute to the Government of Canada's Open Information Portal in 2016–17. It catalogued a record number of Government of Canada publications by adding 76,335 publications to its website (compared to approximately 42,000 the previous year), and the public downloaded about 1,226,000 publications in 2016–17 (compared to 700,000 the previous year).

In addition, PSPC delivered services related to asset disposal as well as standards development and conformity assessment. For instance, in 2016–17, the Department:
- set a new record selling over $57.5 million of surplus goods to Canadians;
- maintained positive net proceeds from disposal of seized assets; and
- hosted the Criminal Asset Management Enforcement Regulators Association meeting in March 2017.

PSPC also provided quality and efficient document imaging and data capture offerings as a cost-recovery service to federal organizations, leveraging internal and private-sector solutions. The Department provided image processing, indexing and secure archiving of electronic records in support of the government's modernization and process automation initiative. In 2016–17 the service imaged 31 million pages.

PSPC continued to improve document imaging services by implementing more rigorous tracking and management of processes, production and

Key Facts!

On October 19, 2016, the GC Digital Advertising Day was held, helping departments make government advertising more effective, more memorable, and actionable. Reaching more than 240 attendees and over 250,000 digital government social media influencers, GC Digital Advertising Day was one of the Government of Canada's premier learning events of the year.

costs, implementing LEAN process improvements and enhanced quality assurance. Marketing activities were increased through participation in regional events.

The variance between actual spending and planned spending is mainly related to required investments in IT infrastructure conversion and upgrades for document imaging activities.

The difference between actual and planned FTEs is mainly due to postponed staffing to replace resources for integrated services. Of note, 2016–17 planned FTEs sub-program 1.7.4 document imaging services should have shown as 172, resulting in a variance against actual of 15 FTEs due to lower than expected imaging volumes; the published planned number was understated.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
29,454,041	29,454,041	33,319,449	31,466,314	2,012,273

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual	2016–17 difference (actual minus planned)
572.91	642.63	69.72

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
Federal organizations have access to quality services to improve the management, delivery and safe-guard of selected government operations and/or assets while minimizing their impact on the environment.	Percentage of clients satisfied with quality of services	85%	89%	82.5%	87.4%
	Percentage of sub-programs and services that meet their expected results including service levels or published standards.	100%	90.4%	71.4%	75%

Program 1.8. Procurement Ombudsman

This program, operating at arms-length from the government, reviews procurement practices across federal departments and agencies, investigates complaints from suppliers regarding the award and administration of contracts for goods and services, and ensures the provision of alternative dispute resolution services for existing contracts. This program helps to promote fairness, openness and transparency in the federal procurement process.

Program performance analysis and lessons learned

The 2016–17 Annual Report of the Procurement Ombudsman provided parliamentarians and Canadians with information on the Office of the Procurement Ombudsman's (OPO) mandate and services, as well as the results of OPO's activities.

OPO provided an independent and neutral avenue to address supplier complaints regarding the award or administration of federal contracts. OPO received 30 written complaints as opposed to 52 the previous fiscal year, representing a 42% decrease.

OPO launched seven reviews of written complaints by Canadian suppliers as these complaints met the requirements of the Procurement Ombudsman Regulations. One of these reviews was completed in 2016–17, in addition to two other reviews which were carried over from 2015–16. Since the remaining six written complaints were submitted towards the end of the fiscal year, they will be completed and reported on in 2017–18.

OPO also offered dispute resolution services to suppliers and federal organizations, providing a timely, neutral and cost-effective alternative to potentially lengthy and expensive litigation. In 2016–17, OPO received 10 requests for its alternative dispute resolution (ADR) service. One request resulted in an ADR process where OPO assisted the parties in reaching a settlement agreement. One request could not be accommodated as it fell outside of the Ombudsman's mandate; nonetheless OPO brought the situation to the attention of the relevant organization's deputy head. Five requests were withdrawn by suppliers after OPO helped parties reach a resolution to the dispute prior to the launch of a formal ADR process. The remaining three requests were declined by federal organizations.

Part of the Procurement Ombudsman's mandate is to review the procurement practices of federal organizations for acquiring materiel and services to assess their fairness, openness and transparency, and make recommendations for improvement. In 2016–17, OPO conducted two reviews of procurement practices to assess bid evaluation processes and to examine non-competitive contracting in multiple federal organizations. Both reviews explored whether organizations conducted their procurement activities in a manner consistent with applicable sections of the Treasury Board Contracting Policy, the Financial Administration Act and

regulations made under it, and the principles of fairness, openness and transparency.

In addition, OPO conducted a follow-up review to assess Health Canada's response to recommendations made by the Procurement Ombudsman in a procurement practice review conducted in 2013–14. The follow-up review outlined the actions undertaken by the Department in response to the recommendations, and the extent to which each action had been completed and monitored by the Department. OPO noted the Department had responded to the recommendations and taken steps to strengthen its procurement practices.

OPO also conducted a study examining publicly available procurement information to determine if gaps existed between the available information and the information required to be made public by

government policies, guidelines and initiatives. This study also sought to determine if the available information was useful, from both an OPO and supplier perspective, and if any additional information might be useful to suppliers and other interested stakeholders.

All reviews were completed and reported within the legislated timelines, and the reports or summaries are available on the OPO website and in the Procurement Ombudsman's 2016–17 Annual Report.

The variance between actual spending and planned spending is mainly due to delays in staffing processes and employee departures.

The difference between actual and planned FTEs is mainly due to delays in staffing processes and employee departures.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
4,118,152	4,118,152	4,021,026	3,257,831	(860,321)

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual	2016–17 difference (actual minus planned)
26.5	23.37	(3.13)

Results achieved

Expected results	Performance indicators	Targets	2016–17 actual results	2015–16 actual results	2014–15 actual results
Increased awareness of fairness, openness and transparency in federal procurement practices.	Percentage of reviews of complaints, requests for alternative dispute resolution (ADR) services and procurement practice reviews initiated and completed within the timelines specified in the Procurement Ombudsman Regulations	100%	100%	100%	100%

3.2 Internal services

Internal services (IS) are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization and not those provided specifically to a program. The groups of activities are management and oversight services; communications services; legal services; human resources management services; financial management services; information management services; information technology services; real property services; materiel services; and acquisition services.

Program performance analysis and lessons learned

IS 1. Management and oversight services

PSPC continued to prepare decision documents (including Memoranda to Cabinet and Treasury Board submissions) in support of the Department's business requirements. When required, decision documents included consideration and analysis of the impacts of strategic environmental assessments, gender-based analysis and official languages. To ensure well-defined objectives and issues underpinned the provision of comprehensive advice to senior management, PSPC engaged in robust integrated planning, risk management and strategic reporting. This ensured that Ministers are presented with clear and comprehensive information for decision-making. Furthermore, PSPC contributed to advance top government-wide priorities through the implementation of the Minister's mandate commitments, in close collaboration with the Privy Council Office and partner departments, to ensure alignment of approaches and strengthen outcomes. Through the Treasury Board Policy on Results, the Department is implementing a results-delivery approach for all its

programs and activities. It has continued to develop performance metrics and measure progress.

The Department continued to provide services and advice to the Minister regarding portfolio affairs, international affairs and federal-provincial-territorial affairs and continued to administer the policy on naming Government of Canada structures. It continued to work closely with portfolio organizations and central agencies and any other implicated parties as required to ensure effective, efficient, and well-coordinated processes for corporate documents and other matters requiring the Minister's attention, action or approval.

PSPC, through its security and emergency management services, conducted a comprehensive review and analysis of security and emergency management services in the National Capital Area and the regions to identify gaps and associated risks. PSPC also enhanced its security and emergency management services through initiatives

to support building security, business continuity planning and the protection of departmental personnel, information and assets.

PSPC, through Special Investigations and Internal Disclosure Sector, continued to provide investigative services by conducting administrative investigations and procurement reviews, and by addressing allegations pursuant to the Public Servants Disclosure Protection Act (PSDPA). Throughout the year, PSPC conducted over 100 investigations and reviews, including 25 disclosures under the PSDPA. The Department also reviewed its quality assessment process, which led to the update of the service delivery standard regarding investigations and procurement reviews, to make it more timely, consistent and transparent.

PSPC contributed to the integrity and effectiveness of departmental operations by delivering nine independent and credible internal audits and one review that provided reasonable assurance on the effectiveness and adequacy of risk management, controls and governance processes; delivered three neutral evaluations on the relevance of departmental programs, policies and initiatives; and continued to play an important role in support of the Deputy Minister's responsibilities as accounting officer.

PSPC also carried out an independent review of Canada Post which was completed in two phases. In the first phase, an independent four-member task force undertook an analysis of Canada Post's services and current

financial situation, conducted public opinion research, met with key stakeholders, and examined international best practices for postal delivery. In September 2016, the Minister received the task force's discussion paper, entitled "Canada Post in the Digital Age[xiii]", outlining options for the future of Canada Post. In the second phase, the House of Commons Standing Committee on Government Operations and Estimates consulted Canadians from coast to coast using the task force's discussion paper as a starting point. In December 2016, the Standing Committee on Government Operations and Estimates' released their report, entitled "The Way Forward for Canada Post[xiv]".

IS 2.   Communications services

PSPC's Communications worked closely with the Department's business lines to consistently promote the Department's key priorities and activities. In particular, significant efforts were directed towards providing regular updates to employees on public service pay issues. During the year, 19 technical briefings for Canadians and media were held and a broad range of communications products were developed.

A results-focussed initiative was put in place to pursue a more proactive, relevant and creative approach to communicating with Canadians. Videos, infographics and web articles were developed to provide Canadians with information about the Department's day-to-day business and its impact on citizens. For example, PSPC filmed a series of videos demonstrating the economic impact of the decommissioning of Her Majesty's Canadian Ship Iroquois in Atlantic Canada.

In line with the Government's digital by default approach and supporting open and transparent communications, social media continued to evolve. PSPC began filming and disseminating live events and using 360 virtual tours. In addition, PSPC has rewritten and restructured 90% of its website content and web applications to improve readability.

IS 3.   Legal services

PSPC provided operational and administrative support to Counsels and the Senior General Counsel. The Department also provided paralegal support to Counsels and the Senior General Counsel.

IS 4.   Human resources management services

PSPC continued to advance several initiatives to enhance the overall efficiency and effectiveness of the Department in building and maintaining a capable, productive workforce while providing a safe, healthy workplace. In addition to modernizing systems and tools, PSPC's Human Resources Branch (HRB) is redesigning its organizational structure to better integrate and streamline functions for optimal client service. PSPC's HRB also contributed to the Transformation of Pay Initiative by ensuring support for PSPC employees and managers.

Following the implementation of the new Direction in Staffing in April 2016, PSPC redesigned its staffing program aimed at maximizing legislative flexibilities, minimizing irritants and control measures, enabling managers to exercise judgment/discretion in an environment of greater accountability, and supporting staffing advisors to become strategic business partners. Through its staffing reboot initiative, the Department also removed inflexible, complex or outdated elements of human resources management and explored innovative approaches. It reduced the overall "time to staff", while reinvigorated strategic discussions between HR advisors and hiring managers.

To further support continuous improvement, a second Pulse Check Survey was conducted for all employees across the Department. These results show the progress made since the previous Pulse

Key Facts!

PSPC position of departmental Ombudsman for Mental Health is the first of such positions in the federal public service.

"My motto is quite simple: People first."
André Latreille, PSPC's Ombudsman for Mental Health

Check and Public Service Employee Surveys, helping the department to establish or realign targeted workplace strategies and priorities as needed. Talent management sessions continued to be delivered across the Department to support talent management at all levels and to help managers better understand their workforce needs to recruit the right talent in the right positions.

In May 2016, PSPC joined union representatives in signing a mental health vision statement developed by the TBS Mental Health Joint Task Force, which reflects our shared commitment to promoting psychological health, safety and well-being in the workplace through collaboration, inclusiveness and respect. PSPC also created an integrated workplace well-being unit, allowing the Department to enhance its focus on well-being and mental health, as well as early intervention and support for managers and employees. In January 2017, PSPC announced the appointment of departmental national co-champions for mental health, and in February 2017, the Department created a new position of departmental Ombudsman for

Mental Health. This position reports directly to the Deputy Minister and is responsible for making recommendations for improvements to existing well-being programs and services, proposing solutions that are reasonable and feasible in response to the one-time and systemic issues and individual or organizational problems for which

Key Facts!
PSPC was selected as one of Canada's Best Diversity Employers in March 2017 by Media Corp Canada Inc.

action is required, and promoting ideas and steps to take to meet the changing needs of employees and the organization.
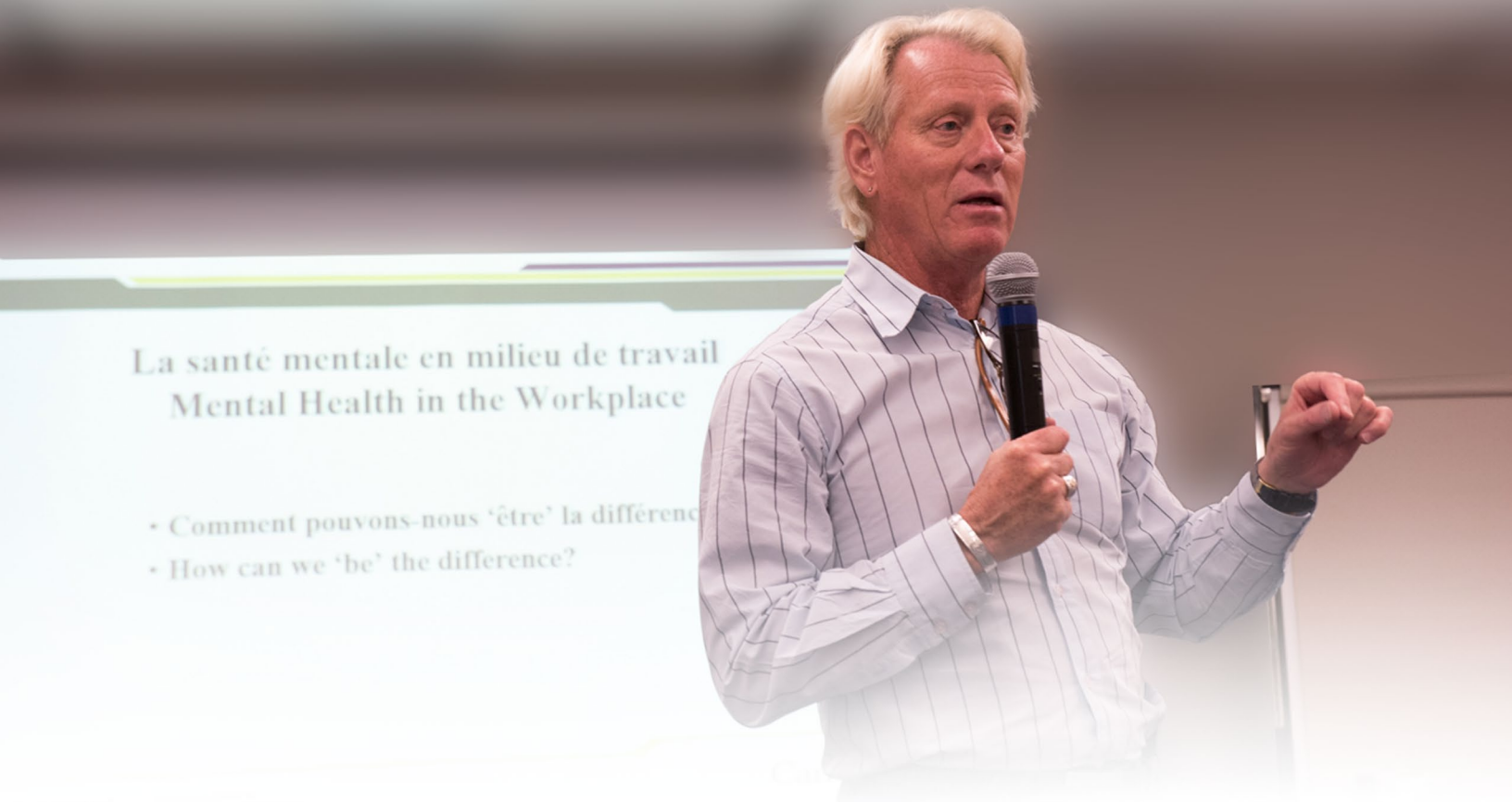
IS 5. Financial management services

The Department focused on sound stewardship and management excellence by remaining committed to effective resource planning and workforce management.

PSPC was supported by a robust and sound financial management approach via the reinforcement of a number of elements including budget and revenue management excellence, departmental investment management, chief financial officer attestation on cabinet submissions, and excellence in financial reporting. Financial reporting was enhanced through the introduction of dashboards/placemats and the Integrated Management Report which provided additional financial and non-financial information for better integrated decision-making in advancing major projects.

Throughout the year, financial strategies were developed and kept evergreen in order to align available funding to departmental priorities to secure achievement of our commitments despite financial challenges. Also, close monitoring and oversight of the departmental financial situation ensured the Department delivered on the additional activities such as the Accelerated Infrastructure Plan.

Effective April 1, 2017, the new PSPC Revenue Management Framework was implemented to address some aspects such as:
- **Revenue forecasting:** To improve consistency and accuracy of mid-term and long-term revenue forecasting for management decision making.

- **Collection of revenues:** To establish consistent departmental collection targets and consistent departmental revenue monitoring.

Furthermore, the Department focused on providing strong financial leadership, and in support of its business partner relationships with other government departments.

PSPC continued to improve efficiency of operations by identifying technology opportunities and improving optimal use of departmental resources. The increased adoption of project and time management, the continuous automation of its procurement invoice to payment process, the enhancement of the paperless workplace and the standardization of business processes are examples that lay the groundwork for a modernized and optimized use of technologies enabled by PSPC's financial, procurement and real property management system.

IS 6.   Information management services

PSPC continued to implement GCDOCS throughout the Department. Increased use of GCDOCS allows for better standardization and enables the Department to manage information more efficiently. As measured by the departmental space utilization, PSPC increased the level and adoption of GCDOCS by more than double (9.2 terabytes), as compared the previous year.

In compliance with the Directive on Record Keeping, the Department completed 71% of planned paper disposition and is currently moving forward with a strategic plan that will guide how the Department manages electronic holdings.

In line with the Directive on Open Government, PSPC published 41 datasets and a completed data inventory to open.canada.ca, enhancing accessibility, knowledge and sharing of Government of Canada data for Canadians.

Building on success from the previous year on the management framework for protecting personal information, the Department also developed a stand-alone privacy program, distinct from the access to information component. Targeted consultations on privacy considerations were undertaken with PSPC's senior management teams responsible for managing large amounts of personal information. Training products were revised in fall 2016, resulting in content related to privacy requirements. An awareness presentation was created in winter 2017 on privacy breaches, with a focus on preventative measures and required steps to follow in the event of a breach. The evolution into a stand-alone privacy program permitted increased engagement with key stakeholders, resulting in enhanced support to senior management on proactively managing privacy-related risks.

IS 7.   Information technology services

PSPC continued to work with partners to lead and deliver a stable GC common application suite to enable successful adoption of government wide modernization initiatives. The roll-out and expansion of such applications as My GCHR, the Shared Case Management System, and GCDOCS, continued to be priorities in support of back-office transformation. The Department also maintained its readiness levels to transition to the government-wide initiative for a common email system.

By managing information and data as strategic assets for timely decision making, enhancing performance measurements and enabling access for Canadians, PSPC continued to focus efforts in promoting a culture of service management excellence working towards how IM/IT services are provided to enable the delivery of programs and their results while ensuring the security of systems and data.

PSPC managed its portfolio of IT applications, ensuring that mission critical applications were adequately sustained, aging IT issues were identified, and remediation plans were in place.

The Phoenix Pay system was implemented with defined service level and issue resolution procedures, ensuring that the payroll process occurred throughout the reporting period, with changes made to further enhance pay-related results and system performance.

IS 8.   Real property services

PSPC provided an extensive range of internal accommodation and real property services (i.e. relocations, project management, and workspace reconfigurations) and sustained an effective National Accommodation Program to ensure the provision of a useful and productive workplace. PSPC ensured its own space portfolio continued to be managed in a sustainable and financially responsible manner throughout its life-cycle to support the cost effective delivery of programs.

The transformation of the workplace under PSPC's workplace renewal initiative continued with the delivery of a number of innovative accommodation solutions projects at various locations across Canada. PSPC achieved its space reduction targets of 15,166 m² as set out in Budget 2012 and provided activity-based flexible and agile modern workspaces. PSPC is implementing a range of workplace solutions with a view to improving wellness and productivity. An electronic workstation reservation system is currently being piloted in three regions where an unassigned work environment is being implemented. This will allow employees to easily and readily choose from a wide variety of work points ahead of the work day, as well as providing the right work setting to serve the business needs that day. The lessons learned from the pilot project will assist in implementing a PSPC-wide standard reservation system, adapted to any kind of work, across all locations.

IS 9.   Materiel services

PSPC provided sound stewardship of departmental materiel management functions and, in doing so, contributed to the achievement of high-quality, effective, efficient, and compliant materiel management practices.

To continue minimizing the Government's environmental footprint, PSPC reviewed all fleet vehicles to ensure we are meeting our optimal fleet size goal and determined that 90% of our fleet vehicles have the most environmentally-friendly fuel consumption in their class.

In addition, PSPC achieved its disposal goals by disposing of assets in an environmentally sound and secure manner and utilizing ecologically certified programs.

IS 10. Acquisition Services

PSPC reported on its procurement obligations in a timely and accurate manner, indicating well managed and transparent procurement practices as well as strengthened oversight and monitoring of procurement.

Additionally, the Department established the Departmental Sustainable Development Strategy with regards to green procurement and waste management targets. Green procurement training is entrenched in the curriculum of internal procurement specialists, with completion rates above 90%. It also contributed to reducing greenhouse gas emissions for departmental fleet vehicles by only replacing vehicles with the most fuel efficient available in the required class.

Financial and FTE variances for the program "internal services"

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 planned spending	2016–17 total authorities to date	2016–17 actual spending (authorities used)	2016–17 difference (actual minus planned)
231,502,828	231,502,828	307,364,502	262,556,577	31,053,749

Human resources (full-time equivalents [FTEs])

2016–17 planned	2016–17 actual*	2016–17 difference (actual minus planned)
2,700.4	2,610.71	(89.69)

The variance between actual spending and planned spending is mainly due to the increased workload to stabilize the Phoenix pay system.

The difference between planned and actual FTEs is mainly due to the following reasons:
- management and oversight services: there were delays in anticipated staffing processes
- communications services: there was an unplanned transfer of employees to PSPC's Communications
- human resources management services: there was a transfer of compensation employees to the Miramichi Pay Centre
- real property services: there were delays with the workplace renewal initiative project. ❦

Section IV—Analysis of trends in spending and human resources

4.1 Actual expenditures

Budgetary performance summary for programs and internal services (dollars)

Programs and internal services	2016–17 Main Estimates	Planned spending			2016–17 Total authorities to date	Actual spending (authorities used)		
		2016–17	2017–18	2018–19		2016–17	2015–16	2014–15
Acquisitions	148,255,037	148,255,037	153,731,765	114,121,744	148,300,208	137,999,616	151,557,532	144,689,522
Accommoda-tion management and real property services	2,192,828,508	2,192,828,508	2,994,281,729	2,380,190,423	2,712,343,182	2,458,990,334	2,112,305,111	2,032,720,120
Receiver General for Canada	106,647,604	106,647,604	128,471,892	106,537,458	117,092,773	104,491,576	109,908,581	116,448,841
Integrity programs and services	15,184,073	15,184,073	18,651,926	15,189,099	20,240,292	18,315,360	20,273,364	22,035,911
Federal pay and pension administration	81,761,681	81,761,681	80,895,164	77,426,283	136,602,627	135,402,231	128,954,893	115,698,499
Linguistic management and services	60,707,474	60,707,474	64,762,500	65,106,226	62,684,259	52,946,867	51,299,267	57,727,344
Specialized programs and services	29,454,041	29,454,041	27,562,369	27,700,366	33,319,449	31,466,314	24,537,710	47,133,036
Procurement Ombudsman	4,118,152	4,118,152	4,080,925	4,080,925	4,021,026	3,257,831	3,830,009	3,889,948
Subtotal	**2,638,956,570**	**2,638,956,570**	**3,472,438,270**	**2,790,352,524**	**3,234,603,816**	**2,942,870,130**	**2,602,666,467**	**2,540,343,220**
Internal services subtotal	**231,502,828**	**231,502,828**	**221,643,915**	**221,602,215**	**307,364,502**	**262,556,577**	**230,649,243**	**226,820,291**
Total	**2,870,459,398**	**2,870,459,398**	**3,694,082,185**	**3,011,954,739**	**3,541,968,318**	**3,205,426,707**	**2,833,315,710**	**2,767,163,511**

Totals may not add up due to rounding.

As part of the present Departmental Results Report, PSPC is informing parliamentarians and Canadians of the budgetary performance achieved for 2016–17. This performance is measured against the planned spending defined in PSPC's 2016–17 Report on Plans and Priorities.

The variance of $335 million between actual spending and planned spending in 2016–17 is the result of the following factors:

- additional repairs and maintenance of federal buildings to address health and safety risks;
- increased workload to stabilize the pay system and operations; and
- other factors such as:
  - timing in revenue collection under the Vaccine Program
  - lower than projected operating costs to deliver translation services

The increase of $438 million in actual spending from 2014–15 to 2016–17 is mainly explained by the significant variance observed between 2015–16 and 2016–17. This variance is primarily the result of additional investments made for repairs and maintenance of federal buildings, as well as the substantial effort to stabilize the pay system and operations.

After the planned spending was submitted as part of the 2016–17 Main Estimates, PSPC was provided new funding for various initiatives, such as the Accelerated Infrastructure Program and Real Property Program Integrity (Budget 2016).

For additional information on:

- past years actual spending, please consult the 2014–15, 2015–16, 2016–17 Public Accounts
- future years planned spending, please consult the 2017–18 Departmental Plan

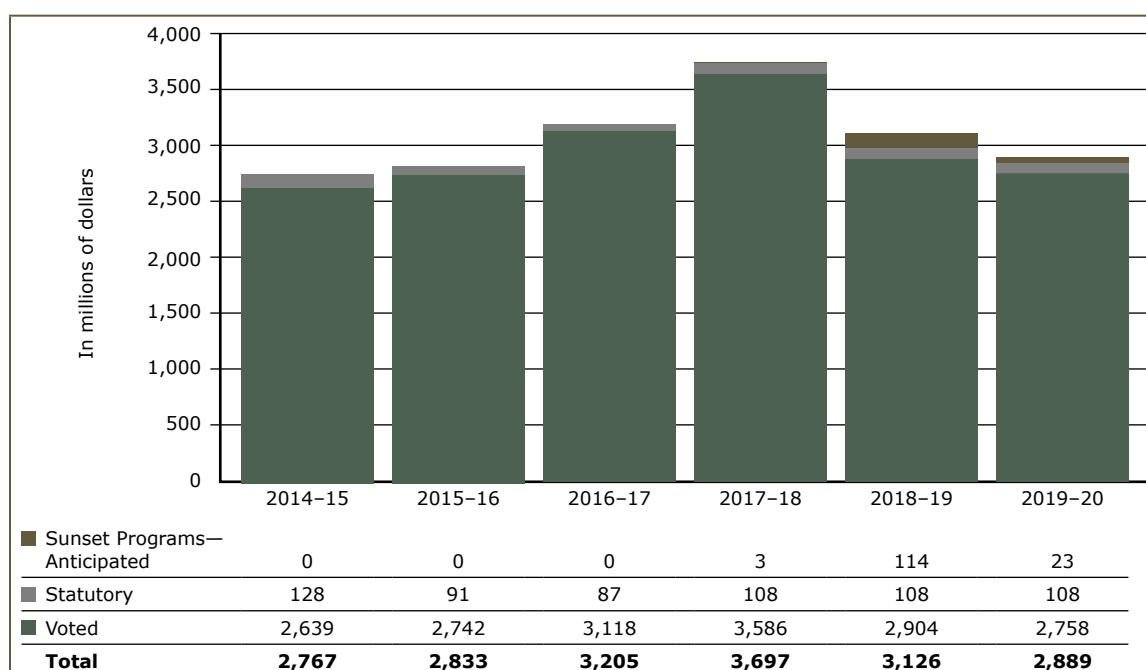|	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Sunset Programs— Anticipated	0	0	0	3	114	23
Statutory	128	91	87	108	108	108
Voted	2,639	2,742	3,118	3,586	2,904	2,758
Total	**2,767**	**2,833**	**3,205**	**3,697**	**3,126**	**2,889**

Figure 7. Departmental spending trend.

The departmental spending trend graph presents trends in the Department's planned and actual spending over time. The data represents actual spending (2014–15 to 2016–17) and planned spending (2017–18 to 2019–20). The data is broken down between sunset programs: anticipated, statutory and voted expenditures to demonstrate the impact of the anticipated renewal of sunset funding over the three-year planning period.

The departmental spending trend is based on the information provided in the "budgetary performance summary for programs and internal services" table to which is added the anticipated sunset programs.

For more information on the departmental spending trend graph, please consult the 2017–18 Departmental Plan.

Alignment of the 2016–17 actual spending with the whole-of-government framework[xv] (dollars)

Strategic outcome: High quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

Program	Spending Area	Government of Canada Outcome	2016–17 Actual Spending
1.1 Acquisitions	Government Affairs	Well-managed and efficient government operations	137,999,616
1.2 Accommodation management and real property services	Government Affairs	Well-managed and efficient government operations	2,458,990,334
1.3 Receiver General for Canada	Government Affairs	Well-managed and efficient government operations	104,491,576
1.4 Integrity programs and services	Government Affairs	Well-managed and efficient government operations	18,315,360
1.5 Federal pay and pension administration	Government Affairs	Well-managed and efficient government operations	135,402,231
1.6 Linguistic management and services	Government Affairs	Well-managed and efficient government operations	52,946,867
1.7 Specialized programs and services	Government Affairs	Well-managed and efficient government operations	31,466,314
1.8 Procurement Ombudsman	Government Affairs	A transparent, accountable and responsive federal government	3,257,831

Total Spending by Spending Area (dollars)

Spending area	Total planned spending	Total actual spending
Economic affairs	0	0
Social affairs	0	0
International affairs	0	0
Government affairs	2,638,956,570	2,942,870,130

4.2 Actual human resources

Programs and internal services	Actual FTEs 2014–15	Actual FTEs 2015–16	Planned FTEs 2016–17	Actual FTEs 2016–17	Planned FTEs 2017–18	Planned FTEs 2018–19
Acquisitions	1,694	1,712.34	1,491.05	1,617.47	1,551	1,542
Accommodation management and real property services	3,409.8	3,410.4	3,577.04	3,507.19	3,509.28	3,100.44
Receiver General for Canada	328	319	289.04	308	307	307
Integrity programs and services	363.58	354	368.4	358.14	398	382
Federal pay and pension administration	1,607	1,773	1,559.08	2,088.71	2,022	2,022
Linguistic management and services	1,263.77	1,197	1,124.65	1,149.51	1,114.85*	0*
Specialized programs and services	481	479.65	572.91	642.63	609	620
Procurement Ombudsman	25.02	25.14	26.5	23.37	23.03	23.03
Subtotal	**9,172.17**	**9,270.53**	**9,008.67**	**9,695.02**	**9,534.16**	**7,996.47**
Internal services subtotal	**2,469.33**	**2,474.62**	**2,700.4**	**2,610.71**	**2,801.63**	**2,810.43**
Total	**11,641.5**	**11,745.15**	**11,709.07**	**12,305.73**	**12,335.79**	**10,806.9**

Totals may not add up due to rounding.

*Linguistic management and services planned FTEs currently do not take into account recent announcements made by the Minister as part of her appearances before the House of Commons and Senate Standing Committees on Official Languages in February 2017. Further analysis must be conducted in this matter, and reviewed forecasts will therefore be issued as part of the 2018–19 Departmental Plan.

The variation in PSPC's actual FTEs is mainly due to:
- **increased numbers of FTEs** in the following programs:
  - 1.1 Acquisitions: due to staffing needs for various procurement modernization initiatives.
  - 1.5 Federal pay and pension administration: due to unplanned work as a result of the challenges with the implementation of the Phoenix pay system.
  - 1.7 Specialized programs and services: mainly due to postponed staffing to replace resources for integrated services.
- **offset by decreased numbers of FTEs** in the following programs:
  - 1.4 Integrity programs and services: due to delays in staffing and streamlining of services.
  - 1.9 Internal services: mainly due to operational delays with staffing, the transfer of employees to realign program functions and challenges with the Phoenix pay system.

4.3 Expenditures by vote

For information on PSPC's organizational voted and statutory expenditures, consult the Public Accounts of Canada 2017[xvi].

4.4 Financial statements and financial statements highlights

Financial statements

The Public Services and Procurement Canada unaudited Consolidated Financial Statements for the year ended March 31, 2017 are available on the PSPC website[xvii].

Financial statements highlights

Condensed statement of operations (unaudited) for the year ended March 31, 2017 (dollars)

Financial information	2016–17 planned results	2016–17 actual	2015–16 actual	Difference (2016–17 actual minus 2016–17 planned)	Difference (2016–17 actual minus 2015–16 actual)
Total expenses	5,572,707,332	5,745,698,841	5,312,102,427	172,989,509	433,596,414
Total revenues	(3,055,639,130)	(3,029,774,902)	(2,754,730,333)	25,864,228	(275,044,569)
Net cost of operations before government funding and transfers	**2,517,070,202**	**2,715,923,939**	**2,557,372,094**	**198,853,737**	**158,551,845**

Expenses

Actual over Planned

The **2016–17 expenses were $173 million higher than planned** (planned: $5,572.7 million; actual: $5,745.7 million). The increase is mainly attributable to the **Accommodation Management and Real Property Services** program and **Federal Pay and Pension Administration** due to:
- increase in repairs and maintenance of federal buildings to provide a safe, healthy and secure workplace
- increase associated with efforts to stabilize the Phoenix pay system, achieve steady state and meet service standards consistently

Actual Year over Year

The increase in expenses of $433.6 million (2016–17: $5,745.7 million; 2015–16: $5,312.1 million) is mainly attributable to the **Accommodation Management and Real Property Services** program and **Federal Pay and Pension Administration** due to:

- increased business volume related to construction and repair work performed as part of the Government's commitments to build and renew infrastructure across Canada for other government departments
- increase in repairs and maintenance of federal buildings to provide a safe, healthy and secure workplace
- increase associated with efforts to stabilize the Phoenix pay system, achieve steady state and meet service standards consistently

Revenues

Actual over Planned

The **2016–17 revenues were $25.8 million less than planned** (planned: $3,055.6 million; actual: $3,029.8 million), which does not represent a significant difference in any one program.

Actual Year over Year

The increase in revenues of $275.1 million (2016–17: $3,029.8 million; 2015–16: $2,754.7 million) is mainly attributable to the **Accommodation Management and Real Property Services** program and is particularly due to increased business volume related to construction and repair work as part of the Government's commitments to build and renew infrastructure across Canada for other government departments.

Condensed statement of financial position (unaudited) as of March 31, 2017 (dollars)

Financial Information	2016–17	2015–16	Difference (2016–17 minus 2015–16)
Total net liabilities	(3,773,661,700)	(3,880,949,681)	107,287,981
Total net financial assets	1,091,396,695	993,736,226	97,660,469
Departmental net debt	**(2,682,265,005)**	**(2,887,213,455)**	**204,948,450**
Total non-financial assets	6,675,956,804	6,463,983,031	211,973,773
Departmental net financial position	**3,993,691,799**	**3,576,769,576**	**416,922,223**

Net liabilities

The **decrease in total net liabilities of $107.3 million** is mainly due to:
- a decrease in **environmental liabilities** (contaminated sites management and remediation estimated costs) as a result of remediation completed during the year
- a decrease in **lease obligations** (future payments for leased tangible capital assets) as a result of payments made during the year

Offset by:
- an increase in **accounts payable** directly related to the increased business volume for construction and repair work as part of the Government's commitments to build and renew infrastructure across Canada for other government departments

Net financial assets

The **increase in total net financial assets of $97.7 million** is mainly due to:
- an increase in the **due from consolidated revenue fund** which is explained by a timing difference between when a transaction affects the authorities and when it is processed through the Consolidated Revenue Fund. In other words, the increase represents the amount of cash that the Department is entitled to, without seeking further authorities, in order to pay its liabilities

Non-financial assets

The **increase in total non-financial assets of $212 million** (assets with a physical substance that are used to deliver services and have a useful life extending beyond an accounting period), such as real property, equipment or machinery that have been purchased, built or leased. The increase is mainly attributable to:
- an increase in **assets under construction** (physical assets that are being constructed) mainly related to the following projects and initiatives:
  - Buildings: Rehabilitation of the West Block and the Government Conference Centre, as well as the construction of the Visitor Welcome Centre part of Parliamentary Precinct's Long Term Vision Plan Project
  - Works and infrastructure: Esquimalt Graving dock projects as part of the Government's commitments to build and renew infrastructure across Canada

Offset by:
- the depreciation of tangible capital assets (physical assets held under a continuing basis) ❧
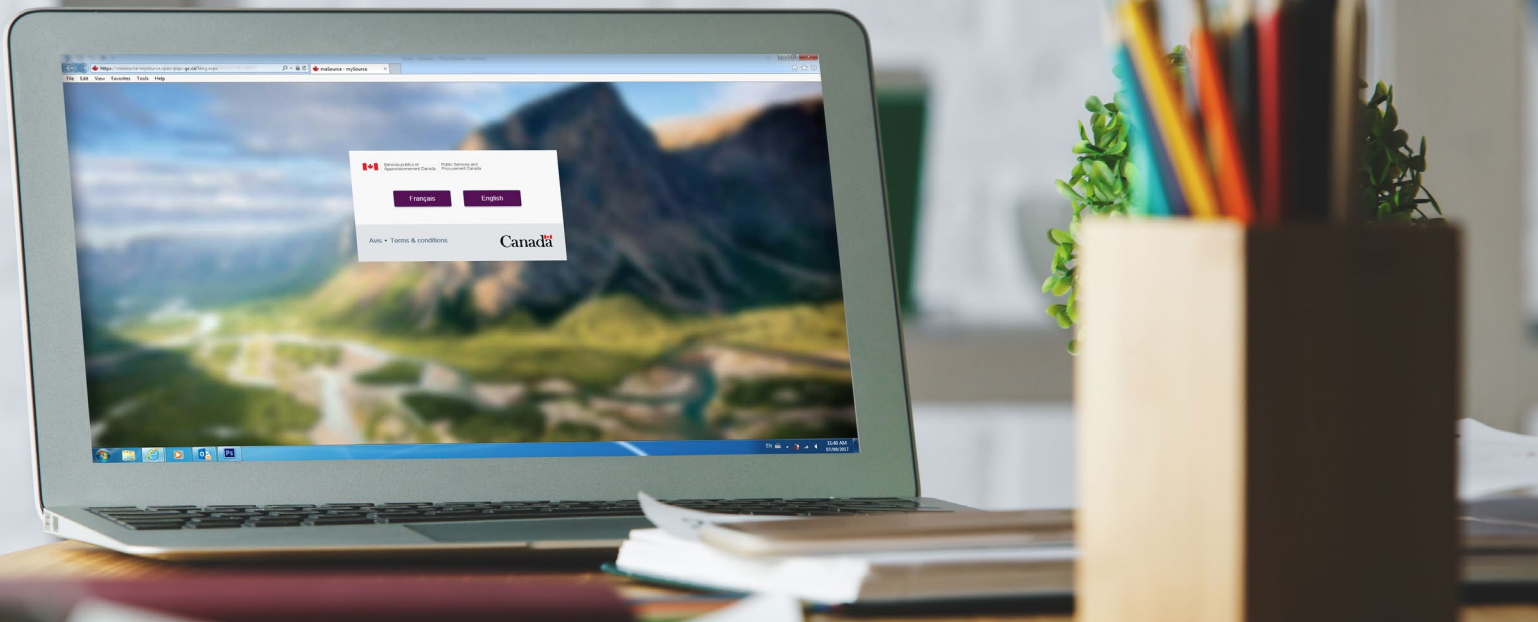
Section V—Supplementary information

5.1 Corporate information

Organizational Profile
Appropriate Minister: Carla Qualtrough

Institutional Head: Marie Lemay

Ministerial Portfolio: Public Services and Procurement Canada

Enabling Instrument(s): The Department of Public Works and Government Services Act[xviii] (DPWGS Act) establishes the Department of Public Services and Procurement Canada.

Year of Incorporation/Commencement: 1841

Other: The Minister of Public Services and Procurement (PSP) has responsibilities under 19 other Acts. The most important ones are:
- Shared Services Canada Act[xix]
- Expropriation Act[xx]
- Defence Production Act[xxi]
- Seized Property Management Act[xxii]
- Surplus Crown Assets Act[xxiii]
- Financial Administration Act[xxiv]

Reporting framework

PSPC's Program Alignment Architecture (PAA), as approved by the Treasury Board, supports our strategic outcome:

> To deliver high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

The following table lists the programs that comprised PSPC's PAA in 2016–17.

2016–17 PSPC Program Alignment Architecture

Program	Sub-Program

1.1 Acquisitions	1.1.1 Acquisition Stewardship
	    1.1.1.1 Acquisition policy and strategic management
	    1.1.1.2 Engagement with clients, suppliers, and small and medium enterprises
	    1.1.1.3 Defence procurement strategy governance
	1.1.2 Procurement services
	1.1.3 Build in Canada Innovation Program

1.2 Accommodation Management and Real Property Services	1.2.1 Federal accommodation 1.2.2 Federal holdings 1.2.3 Real property services 1.2.4 Payments in lieu of taxes 1.2.5 Parliamentary precinct 1.2.6 Cape Breton Operations
1.3 Receiver General for Canada	1.3.1 Stewardship of consolidated revenue fund and accounts of Canada 1.3.2 Receiver General services
1.4 Integrity Programs and Services	1.4.1 Contract security 1.4.2 Controlled goods 1.4.3 Forensic accounting services 1.4.4 Integrity framework 1.4.5 Fairness monitoring and business dispute management
1.5 Federal Pay and Pension Administration	1.5.1 Pay 1.5.2 Pension
1.6 Linguistic Management and Services	1.6.1 Terminology standardization program 1.6.2 Translation and other linguistic services 1.6.3 Translation and interpretation to Parliament 1.6.4 Conference interpretation
1.7 Specialized Programs and Services	1.7.1 Greening of government operations [now transferred to Treasury Board Secretariat (TBS)] 1.7.2 Client service strategy 1.7.3 Government information services 1.7.4 Document imaging services 1.7.5 Shared travel services 1.7.6 Central relocation services 1.7.7 Government of Canada administrative services 1.7.8 Asset disposal 1.7.9 Standards development and certification
1.8 Procurement Ombudsman[xxv]	1.8.1 Review of procurement practices 1.8.2 Supplier complaints
1.9 Internal Services	1.9.1 Management and oversight services 1.9.2 Communications services 1.9.3 Legal services 1.9.4 Human resources management services 1.9.5 Financial management services 1.9.6 Information management services 1.9.7 Information technology services 1.9.8 Real property services 1.9.9 Materiel services 1.9.10 Acquisition services

5.2 Supporting information on lower level programs

Supporting information on results, financial and human resources relating to PSPC' lower-level programs is available on supporting information on lower level programs[xxvi] and TBS InfoBase[xxvii].

5.3 Supplementary information tables

The supplementary information tables[xxviii] listed in the 2016–17 Departmental Results Report can be found on PSPC's website[xxix].
• Departmental sustainable development strategy;
• Details on transfer payment programs of $5 million or more;
• Internal audits and evaluations;
• Status report on transformational and major Crown projects; and
• User fees, regulatory charges and external fees.

5.4 Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the tax expenditures and evaluations[xxx] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

5.5 Organizational contact information

For more information on programs and services of Public Services and Procurement Canada, please communicate with:

Public Services and Procurement Canada
11 Laurier Street, PDP III
Gatineau, Quebec K1A 0S5
Canada

ATTN: General Enquiry Website: http://www.tpsgc-pwgsc.gc.ca/comm/index-eng.html

E-mail—General Inquiries: questions@tpsgc-pwgsc.gc.ca

Toll-free number for hearing-impaired person: 1-800-926-9105 🍁

Appendix—Definitions

Appropriation (crédit)
Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary Expenditures (dépenses budgétaires)
Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)
An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)
Provides information on the plans and expected performance of appropriated departments over a three year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)
A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)
A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework
(cadre ministériel des résultats)
Consists of the department's Core
Responsibilities, Departmental Results
and Departmental Result Indicators.

Departmental Results Report
(Rapport sur les résultats ministériels)
Provides information on the actual
accomplishments against the plans,
priorities and expected results set out in
the corresponding Departmental Plan.

Evaluation (évaluation)
In the Government of Canada, the
systematic and neutral collection and
analysis of evidence to judge merit, worth
or value. Evaluation informs decision
making, improvements, innovation and
accountability. Evaluations typically focus
on programs, policies and priorities and
examine questions related to relevance,
effectiveness and efficiency. Depending
on user needs, however, evaluations can
also examine other units, themes and
issues, including alternatives to existing
interventions. Evaluations generally
employ social science research methods.

Full-time Equivalent
(équivalent temps plein) A measure of the
extent to which an employee represents
a full person year charge against a depart-
mental budget. Full time equivalents are
calculated as a ratio of assigned hours
of work to scheduled hours of work.
Scheduled hours of work are set out in
collective agreements.

Government-wide Priorities
(priorités pangouvernementales)
For the purpose of the 2016–17 Depart-
mental Results Report, government-wide

priorities refers to those high-level themes
outlining the government's agenda in the
2015 Speech from the Throne, namely:
Growth for the Middle Class; Open and
Transparent government; A Clean
Environment and a Strong Economy;
Diversity is Canada's Strength; and
Security and Opportunity.

Horizontal Initiatives (initiative
horizontale)
An initiative where two or more federal
organizations, through an approved funding
agreement, work toward achieving clearly
defined shared outcomes, and which has
been designated (for example, by Cabinet
or a central agency) as a horizontal initia-
tive for managing and reporting purposes.

**Management, Resources and Results
Structure** (Structure de la gestion, des
ressources et des résultats)
A comprehensive framework that consists
of an organization's inventory of
programs, resources, results, performance
indicators and governance information.
Programs and results are depicted in their
hierarchical relationship to each other and
to the Strategic Outcome(s) to which they
contribute. The Management, Resources
and Results Structure is developed from
the Program Alignment Architecture.

Non-budgetary Expenditures
(dépenses non budgétaires)
Net outlays and receipts related to
loans, investments and advances, which
change the composition of the financial
assets of the Government of Canada.

Performance (rendement)
What an organization did with its
resources to achieve its results, how

well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance Indicator (indicateur de rendement)
A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance Reporting (production de rapports sur le rendement)
The process of communicating evidence based performance information. Performance reporting supports decision making, accountability and transparency.

Planned Spending (dépenses prévues)
For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

Plans (plans)
The articulation of strategic choices, which provides information on how an organization intends to achieve its

priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities (priorité)
Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

Program (programme)
A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)
A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Results (résultat)
An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Statutory Expenditures (dépenses législatives)
Expenditures that Parliament has approved through legislation other

than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)
A long term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset Program (programme temporisé)
A time limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made

whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

Target (cible)
A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Voted Expenditures (dépenses votées)
Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made. ✤

Endnotes

i   Government of Canada's Integrity Regime,
https://www.tpsgc-pwgsc.gc.ca/ci-if/ci-if-eng.html

ii   2017–18 Departmental Plan Section III: Key risks—Things that could affect
our ability to achieve our plans and results, http://www.tpsgc-pwgsc.gc.ca/
rapports-reports/pm-dp/2017-2018/pm-dp-03-eng.html

iii   Public Services and Procurement Canada website,
http://www.tpsgc-pwgsc.gc.ca/comm/index-eng.html

iv   Vimy Visitor Education Centre, http://www.veterans.gc.ca/eng/remembrance/
memorials/overseas/first-world-war/france/vimy/education-centre

v   smart buildings initiative,
http://www.tpsgc-pwgsc.gc.ca/biens-property/intelligents-smart/index-eng.html

vi   Opening Veterans Affairs Canada (VAC) offices,
http://www.veterans.gc.ca/eng/contact/office-openings

vii   Follow the rehabilitation of the Parliamentary buildings (LTVP project),
https://www.tpsgc-pwgsc.gc.ca/citeparlementaire-parliamentaryprecinct/
rehabilitation/index-eng.html

viii   Open Government Portal,
http://open.canada.ca/data/en/dataset?portal_type=dataset&keywords=Public+
Accounts&q=public+accounts&organization=pwgsc-tpsgc

ix   Ineligibility and Suspension Policy,
https://www.tpsgc-pwgsc.gc.ca/ci-if/politique-policy-eng.html

x   Service standard results, http://www.tpsgc-pwgsc.gc.ca/remuneration-
compensation/services-pension-services/pension/rns-ssr-eng.html

xi   Resources of the Language Portal of Canada,
http://www.noslangues-ourlanguages.gc.ca/index-eng.php

xii   TERMIUM Plus®,
http://www.btb.termiumplus.gc.ca/tpv2alpha/alpha-eng.html?lang=eng

xiii   Canada Post in the digital age: Discussion paper, https://www.tpsgc-pwgsc.
gc.ca/examendepostescanada-canadapostreview/rapport-report/consult-eng.html

xiv   The Way Forward For Canada Post,
http://www.ourcommons.ca/DocumentViewer/en/42-1/OGGO/report-4/

xv   Whole-of-Government Framework,
http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp

xvi   Public Accounts of Canada 2017,
http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

xvii   Public Services and Procurement Canada website (Public Accounts of
Canada 2016), http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

xviii   Department of Public Works and Government Services Act,
http://laws-lois.justice.gc.ca/eng/acts/P-38.2/

xix   Shared Services Canada Act, http://laws-lois.justice.gc.ca/eng/acts/S-8.9/

xx   Expropriation Act, http://laws-lois.justice.gc.ca/eng/acts/E-21/

xxi   Defence Production Act, http://laws-lois.justice.gc.ca/eng/acts/D-1/

xxii   Seized Property Management Act, http://laws-lois.justice.gc.ca/eng/acts/S-8.3/

xxiii   Surplus Crown Assets Act, http://laws-lois.justice.gc.ca/eng/acts/S-27/

xxiv   Financial Administration Act, http://laws-lois.justice.gc.ca/eng/acts/f-11/

xxv   Although it is a program of Public Services and Procurement Canada,
        the Office of the Procurement Ombudsman is required to operate in an
        impartial and independent manner. The details of its operations and
        performance results are provided in the Procurement Ombudsman's annual
        report, which is tabled in each House of Parliament by the Minister of
        Public Services and Procurement following the fiscal year in accordance
        with legislative requirements.

xxvi   Public Services and Procurement Canada website (Reports),
        http://www.tpsgc-pwgsc.gc.ca/rapports-reports/index-eng.html

xxvii   TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start

xxviii Supplementary information tables,
        http://www.tpsgc-pwgsc.gc.ca/rapports-reports/index-eng.html

xxix   Public Reports website,
        http://www.tpsgc-pwgsc.gc.ca/rapports-reports/index-eng.html

xxx   Tax Expenditures and Evaluations publication,
        http://www.fin.gc.ca/purl/taxexp-eng.asp ✺