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# 2017-18 DEPARTMENTAL RESULTS REPORT PUBLIC SERVICES AND PROCUREMENT CANADA

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

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## Minister's Message

Public Services and Procurement Canada (PSPC) continues to efficiently deliver high-quality services and programs to support the daily operations of government and provide value and sound stewardship on behalf of all Canadians. I am proud to present this Departmental Results Report for 2017–18 which highlights the Department's achievements in carrying out its complex mandate.

Ensuring that employees of the public service are correctly paid is a priority for PSPC. There is no greater issue than Phoenix facing the public service, and the Government has no higher priority. In November 2017, PSPC introduced a number of measures to stabilize pay in four broad areas: accountable and informed decision-making, partnerships and engagement,

improved processes and technology, and increased capacity and service. The concrete actions under these areas have helped resolve pay issues burdening Canada's hard working public servants. For instance, the number of outstanding pay transactions in the backlog have been steadily declining since January 2018, and a pilot project to change how pay transactions are handled is showing promise. However, there is more work to be done. PSPC continues to improve pay operations and service delivery by working with unions, other departments and stakeholders. As the Government addresses the ongoing challenges of the Phoenix pay system, it has also signalled its intention to eventually move away from Phoenix and begin development of the next generation of the federal government's pay system, one that is better aligned with the complexity of the federal government pay structure. The Government deeply appreciates its employees, and we continue to take action so that they are paid properly and on time.

In December 2017, the Government of Canada delivered on its promise to launch an open and transparent competition to replace Canada's fighter fleet and continues to make progress on the purchase of 88 advanced jets. Additionally we have been working closely with the Australian Government on an agreement to procure eighteen F/A-18 fighter aircraft, plus associated spare parts and equipment to supplement the current CF-18 Fleet. We expect to receive the first two fighter aircraft from Australia in spring 2019.

Canada's National Shipbuilding Strategy continues to be an important priority at PSPC. Three Offshore Fisheries Science Vessels are being built, as are the first three Arctic and Offshore Patrol Ships. In addition, construction has begun on the Joint Support Ships. By focusing on three pillars—large ship construction, small vessel construction, and vessel repair, refit and maintenance—the Strategy is generating substantial economic benefits across the country and keeping our marine industry strong.

As the central purchaser for government, PSPC has developed a comprehensive agenda to ensure that its procurement processes provide the best outcomes for Canadians. This includes implementing an electronic procurement system, improving relations with suppliers through a new vendor performance approach, simplifying contracts and increasing opportunities for small and diverse suppliers

To support fair and open procurement and contracting, PSPC has continued its work on the government-wide Integrity Regime which helps ensure that the government does business with ethical suppliers. The results of the work over the past year will update the policy to hold companies accountable for their misconduct while protecting federal expenditures.

Canada's Parliament Buildings are national icons. The revitalization and renovations of these important buildings continue to be a priority for PSPC. The restoration and modernization of the

Government Conference Centre and the West Block are huge and complex projects. They involve careful long-term planning with our parliamentary partners to meet their requirements, and to ensure that Parliament continues to function and the Hill remains accessible to visitors and tourists while the work is underway.

We will continue to work hand-in-hand with our Parliamentary partners towards a seamless transition of the operations of Parliament, from the Centre Block to the Government Conference Centre and the West Block, while ensuring our Parliament is modernized and remains a symbol of Canada's tradition of democracy.

Finally, PSPC exceeded its GHG Emission Reduction Target of 40 percent, having reduced its annual GHG emissions from its owned real property portfolio and fleet by 54 percent relative to the 2005 baseline.

These are just a few highlights from the past year. I encourage you to read this report in its entirety to learn more about PSPC's work on behalf of Canadians. The department's success over the past year is owed to the hard work, dedication and innovative spirit of its talented employees. I appreciate and applaud their efforts. As we look ahead, we will continue to work together to provide great service to Canadians.

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



On June 21, 2017, the Prime Minister announced that the former United States embassy located at 100 Wellington will become a National Indigenous Space.

## Results at a glance

### **What funds were used?**

Public Services and Procurement Canada (PSPC)'s actual spending (authorities used) for 2017–18: **\$3,660,908,325**

### **Who was involved?**

PSPC's actual full-time equivalents (FTE) number for 2017–18: **13,581.68**

## Key Achievements

### Program 1.1: Acquisitions

Key Priorities	Achievements
<b>Open and Transparent Competition to Replace the CF-18 Fighter Aircraft</b>	On December 12, 2017, the Government launched an open and transparent competition to replace Canada's fighter aircraft. The Government also announced its decision to pursue the acquisition of eighteen F/A-18 fighter aircraft from Australia, and associated spare parts and equipment, to supplement the current fleet until the permanent replacement fleet is in place and fully operational.
<b>Procurement Modernization</b>	PSPC took important steps to modernize procurement to ensure that government purchasing provides best value for Canadians and supports socio-economic priorities. This includes a number of initiatives to make it easier and faster for suppliers to sell to the Government such as the development of an electronic procurement solution (EPS), the simplification of contracts and experimenting with new methods of procurement.
<b>Prioritization of the National Shipbuilding Strategy</b>	<p>The construction of the first three Arctic and Offshore Patrol Ships and all three Offshore Fisheries Science Vessels is underway. The interim auxiliary oiler replenishment vessel, the M/V <i>Asterix</i>, entered into service in January 2018 and the first new Search and Rescue lifeboats were delivered in November and December 2017. The competitive Request for Proposals for the design of the Canadian Surface Combatant fleet closed in November 2017, and the bid evaluation process is well underway.</p> <p>The NSS continues to generate substantial economic benefits across the country. Almost \$1.3B in new NSS contracts were awarded throughout the country in 2017.</p>

### Program 1.2: Accommodation Management and Real Property Services

Key Priorities	Achievements
<b>Affordable Housing</b>	<p>In support of the Homelessness Partnering Strategy, PSPC contributed two surplus properties to homelessness organizations in fiscal year 2017–18.</p> <p>PSPC also served as an integral member of the working group led by Canada Mortgage and Housing Corporation (CMHC) to develop the tools and processes for the Federal Lands Initiative. As a custodian, PSPC has begun using the Pre Screen Assessment Tool with its current inventory of surplus properties, and will continue to demonstrate leadership and a strong commitment to the success of the initiative.</p>
<b>Innovative, Modern Workplaces</b>	<p>In fiscal year 2017–18, PSPC installed smart-building technology in 61 Crown-owned buildings to improve the way building owners monitor and control mechanical, heating, cooling and lighting systems to increase efficiency. The initiative achieved an 11% energy savings (\$2 million) to date.</p> <p>PSPC also initiated and/or delivered over 175 space-based projects across all regions to promote flexible ways of working and greater support for employee health. Approximately 70% of employees reported that their new workspace is preferable to their previous space.</p>



**Program 1.2: Accommodation Management and Real Property Services (continued)**

Key Priorities	Achievements
<b>Payment in Lieu of Taxes (PILT)</b>	PSPC issued payments of approximately \$576 million to 1,143 Canadian local governments under the PILT program.
<b>Long Term Vision and Plan</b>	<ul style="list-style-type: none"> <li>• Major construction activities on the West Block, Government Conference Centre and Visitor Welcome Centre Phase 1 were significantly advanced. These projects are on track to ensure a seamless transition of parliamentary operations from the Centre Block into newly rehabilitated buildings in January 2019.</li> <li>• The complex Centre Block Rehabilitation project has progressed over the past year. The Investigation Program was launched in summer 2017 to examine building conditions and help refine costs, scope and schedule. The department also launched various enabling projects to address the work required prior to initiating the rehabilitation of the Centre Block.</li> <li>• On June 21, 2017, the Prime Minister announced that the former United States embassy located at 100 Wellington will become a National Indigenous Space. Since then, PSPC has supported Crown Indigenous Relations and Northern Affairs (CIRNA) in launching a working group to design and develop this historic project. This working group includes the Assembly of First Nations, Inuit Tapiriit Kanatami and the Metis National Council, as well as representation for PSPC and CIRNA.</li> </ul>

**Program 1.3: Receiver General for Canada**

Key Priorities	Achievements
<b>Receiver General Modernization</b>	PSPC advanced the Receiver General's multi-year modernization initiative by completing its preliminary assessment of options and by developing a roadmap for the renewal of its treasury systems including: faster direct deposit payments; replacement of outdated electronic authorization and authentication processes, and support for remote deposit capture to allow departments to deposit funds.

**Program 1.4: Integrity Program and Services**

Key Priorities	Achievements
<b>Government-Wide Integrity Regime</b>	<p>Effectively addressing corporate wrongdoing protects the integrity of markets, addresses barriers to economic growth and promotes fair competition to ensure job growth for Canadians. Based on feedback received during a public consultation in fall 2017 and as set out in Budget 2018, the Government of Canada announced it will be enhancing the <a href="#">government-wide Integrity Regime</a><sup>i</sup> through a revised <i>Ineligibility and Suspension Policy</i>, which, following consultations, will come into effect on January 1, 2019. Changes to the Policy are expected to strengthen the Integrity Regime by making it more robust, while at the same time introducing greater flexibility and consideration of proportionality in debarment decisions.</p> <p>A Federal Contracting Tip Line was launched in April 2017 in partnership with the Competition Bureau and the RCMP to help further protect the integrity of federal contracts and real property agreements.</p>

### Program 1.5: Federal Pay and Pension Administration

Key Priorities	Achievements
<p><b>Pay and Pension Administration</b></p>	<ul style="list-style-type: none"> <li>• The Government of Canada is committed to stabilizing the pay system and supporting employees experiencing pay issues. In November 2017, PSPC introduced an integrated series of measures in four broad areas: accountable and informed decision-making, partnerships and engagement, improved processes and technology, and increased capacity and service. The goal of the plan is to eliminate the backlog of late transactions and to implement system and process enhancements so that new transactions can be processed as quickly as possible to minimize employee wait times.</li> <li>• Much work remains, but progress has been made on several measures, which has allowed us to strengthen governance, provide better data for decision-making, increase our collaboration with departments and agencies, and improve support to employees.</li> <li>• In particular, the Pay Centre launched a pilot project that organized compensation staff into pods that specialize in specific departments and agencies. The goal was to create greater efficiencies and allow compensation staff to provide more tailored support to employees, and it has been quite successful. Since December 2017, when the pilot began, the overall backlog for the three pilot departments was reduced by 24%, the number of employees with pay issues decreased by 11% and service standards for new incoming transactions were met 88% of the time using this new approach.</li> <li>• The Canadian Forces Pension Centre successfully processed the backlog of Service Buyback Cases inherited from the Department of National Defence (DND) two months ahead of the parliamentary commitment set out for DND.</li> </ul>

### Program 1.6: Linguistic Management and Services

Key Priorities	Achievements
<p><b>Linguistic Services Quality and Succession Planning</b></p>	<ul style="list-style-type: none"> <li>• The Bureau continued its focus on quality by appointing a new Chief Quality Officer who is responsible for the evaluation and oversight of the linguistic quality at the Translation Bureau.</li> <li>• In addition, the Bureau hired 20 client advisors, 12 translators, and 7 employees who work in the new after-hours service. It also hired 152 students, of which 50 were part of the restored cooperative education program.</li> <li>• PSPC worked with the Senate Advisory Working Group on Interpretation and Translation to address quality concerns, conducted an internal evaluation and developed an action plan to improve quality as well as collaboration with the Senate.</li> </ul>

### Program 1.7: Specialized Programs and Services

Key Priorities	Achievements
<p><b>Service Strategy, Single Online Window, Performance Standards and Assessment</b></p>	<p>PSPC met its service standard by reviewing all advertising Statements of Work within the required time-frame which enabled institutions to proceed with their advertising activities without delay.</p>

**Program 1.8: Procurement Ombudsman**

Key Priorities	Achievements
<b>Promotion of fairness, openness and transparency in federal procurement</b>	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 2017–2018, OPO received and processed 26 written complaints related to the award or administration of contracts.

**Program 1.9: Internal Services**

Key Priorities	Achievements
<b>Canada Post Corporation Review</b>	In 2017–2018, PSPC completed the review of Canada Post Corporation and the Minister announced: <ul style="list-style-type: none"> <li>• the Government’s service-focused vision for renewal at Canada Post;</li> <li>• concrete measures including the end of the program to convert from door-to-door to community mailboxes, an enhanced accessible delivery program, better promotion of remittance services, the reclassification of Canada Post under the <i>Financial Administration Act</i>; and</li> <li>• the renewal of leadership at Canada Post.</li> </ul>

For more information on the PSPC’s plans, priorities and results achieved, see [Section III—What We Achieved](#) of this report. 🍁





Place du Portage, 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.

### 1.2 Mandate and role

The Department, founded in 1841, was instrumental in the building of 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, Federal Treasury Operations, and Government-wide Accounting and Reporting;
- Linguistic services;
- Industrial security services; and
- Specialized programs, including government-wide applications.

PSPC is part of the portfolio of the Minister of Public Services and Procurement and Accessibility, which, for fiscal year 2017–18, included Shared Services Canada, 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.

For more general information about the department, see [Section V—Supplementary information](#) of this report. For more information on the department’s organizational mandate letter commitments, see the [Minister’s mandate letter](#)<sup>ii</sup>. 🍁



Peace Tower

## Section II—Operating Context and key risks

### 2.1 Operating Context

As a central service provider, Public Services and Procurement Canada plays a critical role in enabling federal departments to deliver services and programs. To effectively meet this responsibility, PSPC must constantly measure and evaluate its performance, and use the resulting information to increase its operational effectiveness. Through continuous improvement of its services, PSPC can remain responsive in an evolving and dynamic context.

In support of service excellence to its clients, PSPC embraces best practices and lessons learned. For example, enterprise-wide initiatives are now guided by experiences from Phoenix to ensure they are well supported by effective governance, policies, training and clear roles and responsibilities.

Environmental considerations are increasingly shaping decisions and operations in organizations of all sizes. Efforts to reduce the federal government’s environmental footprint are central to many PSPC activities, in particular our management of federal buildings. PSPC is developing efficient and modern workplaces by supporting the implementation of smart technology and the creation of innovative environments to make better use of office space. These efforts will help Canadian public servants reduce their ecological footprint and assist the Government of Canada in meeting emissions reduction targets.

PSPC administers fair, open and transparent procurement processes, but we recognize that government purchasing can work better. It can be easier for suppliers and produce greater

value for citizens. The department is streamlining procurement processes and working towards the implementation of a modern system for all procurement needs. In addition to these efforts, PSPC is identifying innovative and modern procurement approaches to generate social and economic benefit for Canadians. Large scale projects, such as shipbuilding and construction are also being used to create growth and opportunities across the country.

In order to deliver on its core responsibilities, as outlined in the Departmental Results Framework, and government priorities, PSPC recognizes that a healthy, agile and responsive organization is critical. As such, PSPC has developed three corporate priorities: Changing the Way We Deliver Services; Greening the Way We Work; and Changing the Way We Work. A range of activities under these priorities will position the department for success as an employer and service provider of choice.

## 2.2 Key Risks

PSPC integrates risk into business planning, decision-making and organizational processes to minimize negative impacts and maximize opportunities across the diverse range of its services and operations. Risk management is conducted throughout PSPC in accordance with the Treasury Board Framework for the Management of Risk, PSPC Policy on Integrated Risk Management, the International Organization for Standardization's ISO 31000 Standard, and the Canadian

Standards Association Implementation Guide to CAN/CSA-ISO 31000, Risk Management—Principles and Guidelines.

As outlined in its Departmental Plan for fiscal year 2017–18, PSPC's top 5 key risks were as follows:

- Solution delivery;
- Concurrent complex changes;
- Health, safety and security;
- Critical system emergencies; and
- Fraud.

PSPC's risk management strategies are outlined in the Risk Table below.

PSPC's key risks will be reviewed and updated as part of the departmental planning process for fiscal year 2019–20.



## Key Risks

Risks	Mitigating strategy and effectiveness	Link to the department's programs	Link to mandate letter commitments or to government-wide and departmental priorities
<p><b>Solution delivery:</b> There are inherent risks in PSPC undertaking and delivering complex, transformational and interdepartmental major projects and procurement on time, within approved budgets and according to scope which could ultimately have an impact on the Department's service strategy.</p>	<ul style="list-style-type: none"> <li>• Several change management initiatives were undertaken such as: developing long term strategies with clients, and increasing communication with employees.</li> <li>• Technology was better leveraged to communicate with, and make documents more accessible to, employees. Training was provided to employees in key subject areas, such as the pay system and security.</li> <li>• Governance models were reviewed, some of which led to some organizational restructuring. Workplace Renewal projects took a horizontal approach to project management, using change management expertise and PSPC information technology representatives.</li> </ul>	All programs	<ul style="list-style-type: none"> <li>• An open and transparent government: better government for Canadians by focusing on outcomes.</li> <li>• Growth for the middle class: building a more innovative country by supporting business growth and innovation.</li> </ul>
<p><b>Concurrent complex changes:</b> The simultaneous implementation of complex transformational initiatives within PSPC and throughout the Government of Canada could expose the department to capacity risks. This could lead to: inability for PSPC to remain relevant (reputation).</p>	<ul style="list-style-type: none"> <li>• As part of PSPC's commitment to innovate and transform operations, and to ensure operational consistency and alignment across the department, the Office of the Chief Transformation Officer was established.</li> <li>• To build capacity, recent outreach activities targeted universities and colleges, as well as other countries, for employee exchange programs and internships. A dedicated recruitment group was formed.</li> <li>• Providing detailed contract management and oversight training strengthened expertise across the organization.</li> <li>• An integrated human resources planning process allowed branches and regions to better forecast and manage their staff resourcing needs, in conjunction with program needs, resulting in a greater ability to manage capacity risks that result from complex, transformational initiatives.</li> <li>• The Office of the Ombudsman for Mental Health's First Report to the Deputy Minister was published on September 21, 2017. A National Working Group on Psychological Health and Safety was established with representatives from branches, regions, unions, and employee networks. PSPC developed a mental health framework integrating the Federal Strategy and expected outcomes, and launched a new peer support program. Branches and regions provided over 300 activities to promote mental health.</li> </ul>	All programs	An open and transparent government: better government for Canadians by focusing on outcomes.

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### Key Risks (continued)

Risks	Mitigating strategy and effectiveness	Link to the department's programs	Link to mandate letter commitments or to government-wide and departmental priorities
<p><b>Health, safety and security:</b> There is a risk that issues related to the integrity of infrastructure could affect the operating condition, business continuity as well as the performance of the Government of Canada real property assets, leading to: non-compliance with acts, regulations or codes and the disruption to services provided to clients. This could negatively affect the health, well-being, security and safety of employees and the public.</p>	<ul style="list-style-type: none"> <li>• Several tools are in place to assess the condition of the Real Property Services (RPS) fixed asset portfolio. For example, building performance reviews, building condition reports, studies, asset management plans.</li> <li>• A budget allocation process is in place to ensure adequate funds are distributed efficiently and effectively to maintain fixed assets.</li> <li>• National training was provided to increase in-house contract and oversight management expertise.</li> <li>• A climate change adaptation risk assessment was completed. The assessment identifies vulnerabilities to climate change impacts and supports the identification of adaptation measures for PSPC to implement.</li> <li>• A proof of concept was developed for an operational tool to enhance analysis and communication by departmental security officers during security breaches.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Services</li> <li>• Accommodation Management and Real Property Services</li> </ul>	<ul style="list-style-type: none"> <li>• Growth for the middle class: investing in infrastructure to create jobs and prosperity for the middle class by revitalizing federal public infrastructure across Canada.</li> <li>• An inclusive and fair Canada: enhancing public safety through strengthening the security of Government of Canada networks and cyber systems.</li> </ul>
<p><b>Critical system emergencies:</b> There is a risk of a failure of critical systems and infrastructure (e.g., electrical power supply, water and sewage system, etc.) due to natural and other hazards. These could reduce or halt systems, putting at risk various basic operations within the department, such as: access to information on critical systems, electronic security systems, ventilation and heating systems and employees and public physical safety.</p>	<ul style="list-style-type: none"> <li>• PSPC is implementing more robust processes and exercises for business continuity planning and emergency management. For example, it is redefining its critical services to align more closely with the Treasury Board Secretariat's definition of a critical service. This project is leading to the completion of a department-wide business continuity plan, which PSPC will test through regular exercises.</li> <li>• PSPC has also developed a concept of operations for departmental emergency management. PSPC is following through on this initiative by planning a new integrated departmental operations control centre, which will provide an integrated response to emergencies that affect its clients or its internal functions.</li> <li>• In addition, PSPC's business continuity plans and emergency response procedures are tested and periodically reviewed under the department-wide annual review process, as part of the planning and reporting calendar. Security controls are also in place, such as the PSPC crisis management plan.</li> <li>• A climate change adaptation risk assessment was completed. The assessment identifies vulnerabilities to climate change impacts and supports the identification of adaptation measures for PSPC to implement.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Services</li> <li>• Accommodation Management and Real Property Services</li> <li>• All programs</li> </ul>	<ul style="list-style-type: none"> <li>• Growth for the middle class: investing in infrastructure to create jobs and prosperity for the middle class by revitalizing federal public infrastructure across Canada.</li> <li>• An inclusive and fair Canada: enhancing public safety through strengthening the security of Government of Canada networks and cyber systems.</li> </ul>

**Key Risks (continued)**

Risks	Mitigating strategy and effectiveness	Link to the department's programs	Link to mandate letter commitments or to government-wide and departmental priorities
<p><b>Fraud:</b> Given PSPC's role as the primary provider of procurement and real property services for the Government of Canada as well as its dependence on computer systems and networks, fraud and other misconduct such as corruption, collusion among contractors, bid rigging or cyber-attack could compromise not only PSPC's operations but also the Government of Canada by undermining fair competition, threatening the integrity of the markets, acting as a barrier to economic growth, increasing the cost and risk of doing business and undermining public confidence in government institutions.</p>	<ul style="list-style-type: none"> <li>• PSPC initiated a multi-year fraud risk assessment across departmental business lines. Fairness monitors and independent third parties are in place to observe business activity. PSPC is working with partners to devise strategies and tools to better detect fraud. A public consultation on addressing corporate wrongdoing took place in the fall of 2017. An internal controls team was created.</li> <li>• The federal government announced enhancements to the Integrity Regime that will take effect in 2018–19.</li> <li>• PSPC, in partnership with the RCMP and the Competition Bureau, established the Federal Contracting Fraud Tip Line, which provides Canadians with a mechanism to report suspected cases of fraud, collusion and wrongdoing in federal contracts and real property transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• Integrity Programs and Services</li> <li>• Internal Services</li> <li>• Accommodation Management and Real Property Services</li> </ul>	<ul style="list-style-type: none"> <li>• Growth for the middle class: investing in infrastructure to create jobs and prosperity for the middle class by revitalizing federal public infrastructure across Canada.</li> <li>• An inclusive and fair Canada: enhancing public safety through strengthening the security of Government of Canada networks and cyber systems.</li> </ul>

**Solution Delivery**

PSPC undertakes complex and important projects and procurements. There is risk associated with delivering these services on time, within the approved budget and according to scope. This risk can have a significant impact on PSPC's service strategy. To continue delivering service excellence to Canadians, the public service requires timely and appropriate implementation of business processes coupled with technological and innovative enablers such as web-based solutions and collaborative workspaces. These change initiatives require introduction at an optimal pace. If implementation happens too fast, employee adoption may not be as deep as originally envisioned, while potentially causing personnel disengagement. If implementation happens too slowly, PSPC's planned changes face obsolescence, as well as a higher risk of disruption

during the migration of legacy systems. By innovating effectively and in a coordinated way, PSPC will make sure it stays well-positioned and relevant to its multiple stakeholders.

**Risk responses**

Based on PSPC's semi-annual risk response monitoring and reporting, the department's risk responses have mitigated the solution delivery risk for the 2017–18 fiscal year.

Key examples of PSPC's solution delivery risk responses included:

- **Leveraging—technology—** Technology was better utilized to communicate with, and make documents more accessible to, employees. Online training was provided to employees in key subject areas, such as the pay system and security.

- **Change management**—PSPC has embarked on a process to enhance its service strategy, with a deeper focus on internal services to better anticipate and meet client needs. PSPC is working to develop long-term strategies with clients that support existing and future client needs and expectations, mitigate dependencies, and maximize cost-recovery. The department is also ensuring efficient communication by setting clearer expectations with branches, regions, and employees, and working to monitor and maintain client and employee engagement.

To further mitigate the risks related to solution delivery, PSPC established the Office of the Chief Transformation Officer in November 2017 to support process improvements and advance PSPC’s employee and client satisfaction culture.

- **Organizational restructuring**—PSPC created a new Integrated Team to deal with pay administration issues through an end-to-end and government-wide approach (July 2017). A Pay Solutions Branch was also created to play a central role in information management and technology processes in support of pay system stabilization (March 2018). This branch also leads MyGCHR, an online platform that modernizes human resources services for public servants.

## **Concurrent complex changes**

Concurrent complex changes can occur within PSPC’s diverse, functional program areas. Several major projects may take place at the same time, or there may be large numbers of new priorities in the context of ongoing operations. The simultaneous implementation of complex, transformational initiatives within PSPC and throughout the Government of Canada, coupled with budget and time restrictions, can expose the department to risks associated with increased workload and resource constraints, and lead to employee disengagement, and stress. If PSPC projects do not fully achieve their desired outcomes, they can become more costly and negatively impact the department’s reputation with its staff, clients, and the public.

### **Risk responses**

Based on PSPC’s semi-annual risk response monitoring and reporting, the department’s risk responses have mitigated the concurrent complex changes risk for 2017–18.

Key examples of PSPC’s concurrent complex changes risk responses included:

- **Workforce planning**—An integrated human resources planning process allowed branches and regions to better forecast and manage their staff resourcing needs in conjunction with program needs. This resulted in a greater ability to manage capacity risks that result from complex, transformational initiatives.

- **Recruitment strategies**—Recent outreach activities targeted universities and colleges, as well as other countries, for employee exchange programs and internships. A dedicated recruitment group was formed to ensure that appropriate resources were available to address the workload
- **Improving the way we work**—As part of PSPC’s commitment to innovate and transform operations, and to ensure operational consistency and alignment across the department, the Office of the Chief Transformation Officer was established in November 2017.
- **Supporting workplace mental health**—The Office of the Ombudsman for Mental Health’s First Report to the Deputy Minister was published September 2017. The PSPC Psychological Health and Safety Working Group was subsequently established, with representatives from the department’s branches, regions, unions, and employee networks. PSPC developed a mental health framework integrating the federal strategy and expected outcomes, and launched a new peer support program. Additionally, branches and regions provided over 300 activities to promote mental health.
- **Ensuring all employees have the necessary training**—The department provided detailed contract management and oversight training to key employees in order to strengthen expertise across the organization.

## Health, safety and security

PSPC manages one of the largest and most diverse real estate portfolios in the country, including government office facilities and specialized infrastructure such as bridges and dams. PSPC is also responsible for the renovation of the buildings in the Parliamentary Precinct.

The integrity of the Government’s property assets can become diminished for many reasons, including missing or delayed repairs or a lack of maintenance and renewal. Often, such challenges would happen as a result of budget limitations, or more recently, climate change events. However, Government infrastructure and buildings can also be purposefully targeted and compromised.

If government infrastructure becomes diminished, then the physical safety of assets and occupants, as well as the continuity of government operations and services, may be threatened. Additionally, facilities may fail to comply with certain acts, codes, or regulations. Lastly, the economy or functionality of nearby communities may also be negatively impacted.

### Risk responses

Based on PSPC’s semi-annual risk response monitoring and reporting, the department’s risk responses have mitigated the health, safety and security risk for 2017–18.

Key examples of PSPC’s health, safety and security risk responses include:

- **Conducting assessments to mitigate base building threats and risks to assets**—Several tools have been put in place to assess the condition of the real property services fixed asset portfolio. These include building performance reviews, building condition reports, studies, and asset management plans.
- **Assessing climate change impacts**—PSPC took action in response to recommendations of the Commissioner of the Environment Climate Change Adaptation Audit, and has completed a climate change adaptation risk assessment. The assessment helped identify vulnerabilities in current departmental climate change adaptations, and has allowed the department to begin focused planning around impacts to departmental objectives. In addition, the department participates in a newly created intra-departmental Climate Change Adaptation Working Group.
- **Creating sustainable financing arrangements**—A budget allocation process is in place to ensure adequate funds are distributed efficiently and effectively to maintain fixed assets.
- **Improving analysis and communication processes for security incidents and other emergencies**—An operational tool was developed to enhance analysis and communication by departmental security officers during security breaches.

- **National training**—PSPC held national training sessions to strengthen the department’s in-house contract and oversight management expertise.

### **Critical system emergencies**

In today’s world, a range of natural and health hazards, as well as man-made threats, are increasing in their frequency, complexity, and interconnectedness as a result of globalization, and natural and political forces. Climate change can increase the likelihood of the aforementioned threats being realized.

Although a variety of emergency response systems are in place, the aforementioned challenges can still increase the potential for system disruptions or collapses. Consequences can include large-scale interruption of important services and programs, as well as reduced productivity, efficiency, and effectiveness.

### **Risk responses**

Based on PSPC’s semi-annual risk response monitoring and reporting, the department determined that more attention should be given to critical system emergencies risk responses.

Key examples of PSPC’s critical system emergencies risk responses include:

- **Business continuity planning and emergency management processes**—PSPC’s business continuity plans and emergency response procedures are tested

and periodically reviewed under the department-wide annual review process, as part of the planning and reporting calendar. Security controls are also in place, such as the PSPC crisis management plan.

Nevertheless, PSPC is implementing more robust processes and exercises for business continuity planning and emergency management. For example, PSPC has recently completed a building contingency plan for the Parliamentary Precinct, which includes tools and procedures specifically designated for emergency situations. PSPC is also redefining its critical services to align more closely with the Treasury Board Secretariat’s definition of a critical service in order to develop a comprehensive, department-wide Business Continuity Plan that will ensure that critical services continue to be provided through periods of disruption.

Finally, PSPC has developed a concept of operations for departmental emergency management. PSPC is following through on this initiative by planning a new integrated departmental operations control centre, which will provide an integrated response to emergencies that affect its clients or its internal functions.

- **Assessing climate change impacts**—PSPC took action in

response to recommendations of the Commissioner of the Environment Climate Change Adaptation Audit, and has completed a climate change adaptation risk assessment. The assessment helped identify vulnerabilities in current departmental climate change adaptations, and has allowed the department to begin focused planning around impacts to departmental objectives. In addition, the department participates in a newly created intra-departmental Climate Change Adaptation Working Group.

### **Fraud**

Fraud is a deliberate attempt to deceive for a calculated gain. Government initiatives are not immune to the risk of fraud as demonstrated by previous instances of bid rigging, collusion and corruption.

Existing systems must continue to evolve in order to best respond to a rapidly changing technological environment (e.g., cyber-attack) that affords new means by which criminal actors (internal and external) could compromise internal controls. Fraudulent activities could result in the undermining of public trust in government institutions, and financial loss.

### **Risk responses**

Based on PSPC’s semi-annual risk response monitoring and reporting, the department’s risk responses have mitigated the fraud risk for 2017–18.

Key examples of PSPC’s fraud risk responses include:

- **Fraud risk assessment**—In response to recommendations of the Office of the Auditor General in its Audit on Managing the Risk of Fraud, PSPC launched a three-year departmental fraud risk assessment in 2017–18. The three phases of the assessment will deliver a variety of fraud mitigation strategies.
- **Use of fairness monitors**—The Fairness Monitoring Program supports PSPC’s commitment to integrity and excellence by providing a formal oversight mechanism for obtaining independent assurance that departmental procurement activities are conducted in a fair, open, and transparent manner.
- **Applying the Government of Canada’s Integrity Regime**—The federal government announced enhancements to the Integrity Regime that will take effect in 2018–19. These are aimed at mitigating fraud risks associated with conducting business with unethical suppliers.
- **Establishing and promoting the Fraud Tip Line**—PSPC, in partnership with the RCMP and the Competition Bureau, established the Federal Contracting Fraud Tip Line, which provides Canadians with a mechanism to report suspected cases of fraud, collusion and wrongdoing in federal contracts and real property transactions. 🍁





Sir. John A. Macdonald building

## Section III—What We Achieved

### Strategic Outcome

Public Service and Procurement Canada’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 financial and human resources, expected results, and performance indicators and targets for each program. Additional information is available on the [PSPC website](#)<sup>iii</sup>.

## 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

Under this program, PSPC managed the procurement of goods and services valued at approximately \$13.4 Billion on behalf of our client departments and agencies in 2017–18. Over the course of the year, PSPC continued to provide effective, efficient and fair procurement services that support Canada’s institutions in delivering their programs while contributing to the country’s socio-economic goals.

Throughout fiscal year 2017–18, in line with the Minister’s mandate commitments, PSPC implemented new procurement tools and technologies to streamline and simplify processes, including electronic bid submission, electronic requisitions, electronic signatures for invoices, and the paperless allocation of contracting files. As well, a pilot initiative was launched within PSPC to pay invoices for contracts valued at less than \$100,000 within 15 days instead of the current 30 days. This means that small and medium-sized enterprises will require less working capital (cash flow) to do business with the Government; this initiative will also remove barriers to accessing government contracts.

PSPC has enhanced the procurement platform to make it easier for suppliers to know about bidding opportunities and for government buyers to access streamlined procurement tools. The Department has also implemented a feature on [Buyandsell.gc.ca](http://Buyandsell.gc.ca)<sup>iv</sup> allowing suppliers to partner with other suppliers on opportunities, thus further reducing barriers to accessing government contracts. In addition, PSPC contributed to making government information more readily accessible by continuing the identification and provision of additional open data sets on BuyandSell.gc.ca, which will also encourage more and better bids in support of the Minister’s commitment to encourage greater competition.

The Department continues to work towards the implementation of a single portal for all procurement needs. Funding was proposed through Budget 2018 to establish a new e-Procurement Solution (EPS) platform for the Government of Canada. Leveraging lessons learned from other government-wide transformation projects, the web-based e-Procurement Solution will first be implemented within PSPC using an

agile approach to ensure that both the technology and business processes are stable before being deployed more broadly.

By implementing EPS, PSPC will make it easier for suppliers to sell, increase opportunities for small and medium enterprises, and improve data quality. This solution will help simplify procurement and reduce the administrative burden for suppliers, in alignment with the Minister’s mandate letter.

In further support of the Government of Canada’s objective and commitment to modernizing procurement practices and to contribute to more flexible procurement approaches, the department established the Phased Bid Compliance Process. Implemented in July 2017, this process provides greater flexibility to bidders in their efforts to demonstrate compliance with certain mandatory requirements during a procurement activity. This will encourage greater competition and ensure the department obtains best value for Canada.

Over the course of the last fiscal year, PSPC has conducted extensive research and analysis on a number of vendor performance management (VPM) practices in order to help inform the development of a framework for the government of Canada. Multiple internal and external stakeholders have been engaged to inform the development of the VPM framework, which is expected to be finalized in 2018–19. In line with the Minister’s mandate, developing better vendor management tools will allow the Government of

Canada to incentivize vendors to provide better value to Canada while holding them accountable for poor performance or unacceptable behaviour, particularly in large scale procurements.

Also, PSPC continued the advancement of federal-provincial-territorial approaches to procurement and partnered on the development of a draft 3-year Canadian Collaborative Procurement Plan. The Department signed 3 new collaborative agreements with provinces and territories; the new agreements brought the total of provinces and territories with

**Gender-Based Analysis Plus (GBA+)**



In 2017–18, the Department completed a Gender-Based Analysis Plus (GBA+) for the Electronic Procurement Solution (EPS) initiative to align with the broader government agenda of promoting inclusivity. The GBA+ identified that the adoption of the EPS and its associated business processes has the potential to represent a marked improvement in accessibility needs, where enhanced technologies will make procurement simpler, clearer and less burdensome. All impacts identified in the GBA+ at the pre-implementation stage of EPS will continue to be carefully monitored following the implementation of the technology.

agreements in place with PSPC to 10, along with 20 entities from the MASH Sector—municipalities, municipal organizations, academic institutions, schools and health and social services organizations.

During 2017–18, PSPC’s Office of Small and Medium Enterprises (OSME) surveyed approximately 3,000 suppliers to identify specific barriers that are preventing suppliers from participating in federal procurement. The survey results will be used to set priorities and design service improvements to promote the participation of diverse groups of suppliers, including women-owned businesses, in federal procurement.

**PSPC’s Office of Small and Medium Enterprises (OSME)**



In addition to a supplier survey, PSPC’s Office of Small and Medium Enterprises (OSME) engaged with more than 51,000 individuals at approximately 1,900 events across Canada to increase awareness of OSME services and to help suppliers do business with PSPC. These events were attended by a diverse audience of current and prospective suppliers including women, youth, green, Indigenous and multicultural participants.

To advance Canada’s socio-economic policy goals, PSPC developed policy strategies to support social procurement and as well as leading industry engagement to get feedback on best approaches to increase bidder diversity. Furthermore, PSPC piloted social procurement approaches in small projects to gauge industry response and to provide lessons learned before these methodologies are rolled out to larger procurements.

The department also supported the development of procurement innovation by strengthening the Build in Canada Innovation Program (BCIP). In response to stakeholder feedback, the program launched a new Challenge-based Call for Proposals (CFP) initiative, whereby the scientific, technical and innovation communities are invited to submit innovative science and technology proposals in response to Government of Canada challenges. This year, the BCIP doubled the amount of applications in comparison with the previous year, and awarded more than \$35 million in contracts to Canadian innovators.

A modern fighter jet fleet is essential for defending Canada and Canadian sovereignty. On December 12, 2017, the Government launched an open and transparent competition to replace Canada’s fighter aircraft. To address immediate needs, the Government of Canada announced its intention to pursue acquiring eighteen F/A-18 fighter aircraft from Australia to supplement the current fleet until the permanent replacement is in place and fully operational. Canada is actively

working with Australia to implement this decision.

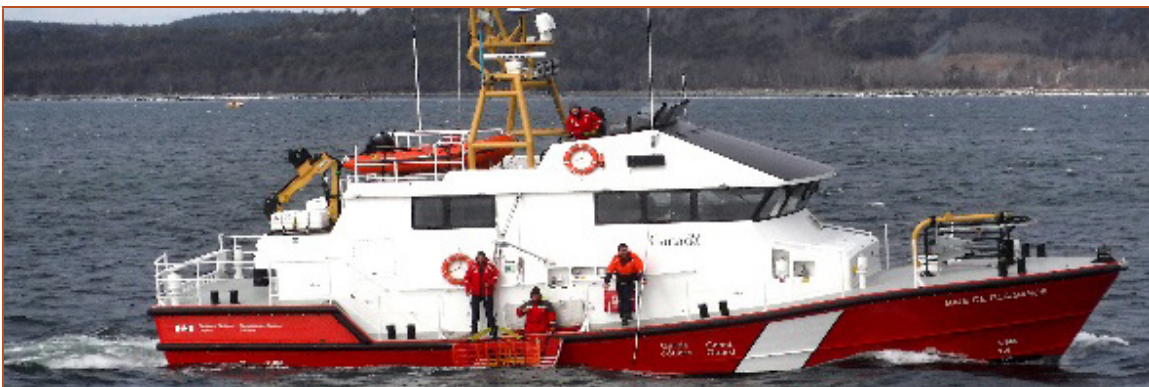
As part of PSPC’s commitment towards consultative approaches in procurement, the department held an Industry Day in January 2018 to provide details about the planned future fighter aircraft procurement, as well as the approach to maintenance and repair, and leveraging economic benefits. In February 2018, the department published a list of eligible suppliers that will be invited to submit proposals under the competition to replace Canada’s fighter fleet. Formal engagements with eligible suppliers began in March 2018 to share and collect detailed information to support the finalization of the procurement strategy.

Through the National Shipbuilding Strategy (NSS), the Government is renewing Canada’s federal fleet so that needed vessels are delivered to the Royal Canadian Navy and the Coast Guard. The NSS includes the construction of large and small vessels, as well as vessel repair, refit and maintenance.

The interim auxiliary oiler replenishment vessel, the M/V *Asterix*, entered into service in January 2018. The Government of Canada has also invested in 20 new Search and Rescue (SAR) lifeboats; the first two SAR lifeboats, CCGS *Baie de Plaisance* and CCGS *Pennant Bay*, were delivered in November and December 2017.



M/V *Asterix* (interim auxiliary oiler replenishment vessel)



CCGS *Baie de Plaisance* (SAR lifeboat)

The NSS continues to generate substantial economic benefits across the country, contributing to the development and sustainment of a viable Canadian marine industry. Approximately \$1.3 billion of NSS contracts were awarded in 2017. NSS contracts awarded between 2012 and 2017 are estimated to contribute close to \$8.9 billion of gross domestic product and create or maintain approximately 8,800 jobs annually during the period of 2012 to 2022 in the Canadian economy.

PSPC, in partnership with the Department of National Defense and Innovation, Science and Economic Development Canada (ISED), is also implementing tailored contracting approaches for the maintenance and repair of military equipment and services through the Sustainment Initiative. This will help ensure that the specific needs of each sustainment project are met, using an interdepartmental approach that is guided by four principles: performance, value for money, flexibility, and economic benefits. This initiative became mandatory in January 2018.

The department continued to provide oversight and execute the Defence Procurement Strategy (DPS), working collaboratively with DND, ISED, 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:

- holding four Defence Industry Advisory Group engagements, which help to inform the government's approach to defence procurement;
- early and regular engagements with industry;
- 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;
- work to advance Phase 2 of the increase in contracting authority to DND from \$400,000 to \$1,000,000, with implementation starting April 1, 2018; and
- the introduction of 16 Key Industrial Capabilities.

## Results achieved

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 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%	March 31, 2018	84%	82%	85%
	Percentage of PSPC contracted value awarded through competitive processes.	70%	March 31, 2018	80%	80.5%	86%
	Cost of procurement services per \$100 of contracts awarded by PSPC annually.	\$0.80	March 31, 2018	\$0.58	\$0.47	\$2.00*

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

PSPC met its timeliness service standard for level 1 risk and complexity procurement processes; however, it did not meet its standard for level 2<sup>1</sup> risk and complexity procurement processes. The standard was not met due to a scarcity of resources to manage an increasingly voluminous and complex workload. Results information for these areas are available on [GC infobase](#).

## Budgetary Financial Resources (dollars)

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
153,731,765	153,731,765	174,252,474	176,079,526	22,347,761

The variance between actual spending and planned spending is mainly related to increased salary expense due to the implementation of newly signed collective agreements, the continuation of the Cost and Profit Assurance Program and the delayed collection of revenue under the vaccine program. In addition, actual spending is greater than total authorities due to the delayed collection of revenues to the next fiscal year, which would have reduced the actual spending for the vaccine program in 2017–18.

## Human Resources (Full-Time Equivalents [FTEs])

2017–18 Planned	2017–18 Actual	2017–18 Difference
1,551.00	1,679.64	128.64

The difference between planned and actual full-time equivalents (FTE) is mainly due to the staffing of vacant positions and increased procurement and engagement activities across Canada.

1. Complexity Level 2 (Standard) Procurement includes one or more criteria, and involves tools that are not pre-established or modified. For information on results in this area, please refer to [GCInfobase](#).

## 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

As part of the Government of Canada (GC) commitment to develop a “clients first” service strategy, PSPC conducted its second annual Real Property Services Client Feedback Survey to gauge client satisfaction with real property services and service delivery. The survey polled 87 clients and yielded an 83% response rate. The average rating given by all clients who submitted responses was 3.74/5. This takes into account three areas: service delivery, process aspects and engagement experience. This survey is being used to benchmark the performance of real property services and will inform continual improvements as the program becomes a truly enterprise-wide service management organization that plans and implements national programs of work in collaboration with our clients.

One goal of PSPC is to create a modern environment where employees want to come to work. In order to modernize the GC workplace, PSPC introduced the next generation workplace design, built upon a user-centered design approach and universal accessibility concepts. An innovative office fit-up pilot project is being undertaken, providing incentives

for departments to innovate and integrate workplace technologies like Wi-Fi. Out of 19 selected projects, three were completed in 2017–2018: the PSPC Place Bonaventure, Montreal, Quebec; the Canada Revenue Agency at Place de Ville Ottawa, Ontario; and the Shared Services Canada (SSC) at Skyline West hub, Ottawa, Ontario. According to early post-occupancy employee feedback (3 months after move in) through the Workplace Performance Survey, 60% say their new workplace is more effective, and 70% say they prefer their new workplace to their previous one. The department, in strong partnership with SSC, was able to provide clients with modern, consistent and integrated delivery of service across all regions through the GCworkplace fit-up program.

Additionally, the department initiated and/or delivered \$230 million of fit-up space-based projects across all regions that promote flexible ways of working, lend greater support for employee health and wellness (i.e., work-life balance), provide tools and technologies for a more connected and productive workforce, and contribute to a greener environment.



To support the goals identified in the *Pan Canadian Framework on Clean Growth and Climate Change*<sup>v</sup>, PSPC is assessing existing Climate Change Adaptation Models and integrating Climate Change Adaptation in the Departmental Risk Profile. The department is collaborating with Environment and Climate Change Canada, as a technical expert, to identify extreme weather events for the Ottawa-Gatineau area. This data will be used to assess the vulnerability of each PSPC asset to a changing climate and develop adaptation strategies. In further support of these goals, PSPC has developed the first Departmental National Carbon Neutral Portfolio Plan which outlines how the department will achieve a carbon neutral real property portfolio by 2030. Taking its leadership role further, the department has provided real property expertise and project management services enabling the Departments of National Defence, Natural Resources, Environment and Climate Change, Transport and Agriculture and Agri-Food to complete their own Plans.

Furthermore the department has reduced its annual GHG emissions from its owned real property portfolio and fleet by 50% when compared to the 2005 baseline. By doing so, PSPC has demonstrated leadership by exceeding the current federal government GHG emissions reduction target of 40% by 2030. PSPC has also installed 47 charging stations for electrical vehicles at 15 different locations in the National Capital Area, which represents another contribution to GC's GHG emissions reduction efforts.

#### Gender-Based Analysis Plus (GBA+)



PSPC's Real Property program provides work environments for 250,000 Full Time Equivalents (FTEs) from 99 departments and agencies across Canada in 1,586 locations.

The *Canadian Human Rights Act* prohibits discrimination in the provision of goods, services, facilities and accommodation. Real property related work is done according to legislation, regulations and policies, most importantly according to building codes, which include gender provisions in office facilities. It is government policy to ensure barrier-free access to, and use of, real property it owns or leases (refer the Government of Canada's [Accessibility Standards for Real Property](#)).

The Real Property program has introduced a number of protocols to ensure that factors including gender, race, ethnicity, religion, age, accessibility and inclusion are taken into account in the development of our policies and programs.

The Smart Building initiative leverages big data analytics in real time to improve the energy performance of buildings. Using modern and innovative environmental technologies, this initiative has achieved 11% energy savings (\$2 million) on the first 13 pilot buildings. As of March 31, 2018,

**Key Facts**



**A home for urban bees:**

Strengthening partnerships with universities and colleges has remained a key priority for PSPC. These partnerships create unique opportunities for students to enhance their skills and acquire the experience that they need to succeed. The Parliamentary Precinct Branch (PPB) partnered with the Senate of Canada, Carleton University and the Fairmont Château Laurier to launch Ottawa’s first installation of urban beehives on the roof of the Government Conference Centre. Bees play a critical role in ecology as they are the world’s most important pollinator of food crops. The importance of a healthy bee population is an increasing concern as dwindling bee populations could have an adverse impact on the environment, food, seed, and honey production in Canada. As part of its efforts to green government, Parliamentary Precinct Branch and its partners worked to contribute to the ecology and environmental sustainability by helping the bee population thrive. This new approach to apiculture provides a much-needed urban habitat for solitary bees.

Smart Building Services was installed in 61 of the department’s Crown-owned buildings. The Smart Building initiative is estimated to contribute an annual reduction of 6% of PSPC’s GHG emissions by 2025.

The department also remains committed to maintaining its public [national inventory](#)<sup>vi</sup> of all buildings in its portfolio containing asbestos and completed its third update in December 2017. The inventory supports the GC’s commitment to openness and transparency. Additionally, PSPC has taken a leadership role in this area and provided support to other federal custodians, including technical support, tools development, and overall government coordination and reporting on progress. With this support and services from the department, other federal real property custodians successfully posted their respective inventories in September 2017.

In November 2017, PSPC received a [Real Property Institute of Canada recognition award](#) recognizing its best practices for its **National Asbestos Inventory and Asbestos Management Standard and Directive**. The new documents reflect the current practices concerning asbestos management, and ensure the safe and efficient operation of buildings and engineering assets where asbestos is deemed to be present. They also ensure the health and safety of employees.

As part of the Surplus Federal Real Property for Homelessness Initiative, in partnership with Employment and Social Development Canada, and in support of the Homelessness Partnering Strategy, PSPC completed transactions, contributing two surplus properties to homelessness organizations, representing a value of \$4.8 million.

In regards to the infrastructure portfolio, by March 2018 PSPC completed

### Key Facts



**A new glass roof for the House of Commons Chamber:** In the summer of 2017, the glass roof over the courtyard of the West Block was completed, creating an impressive ceiling for the interim House of Commons Chamber. The roof is supported by twenty steel columns that rise up like giant trees surrounding the room. The top surface is built of glass and aluminum and includes operable louvres to control the level of light. Natural light is evenly dispersed via a lay light installed at the base of the glass roof, helping reduce lighting requirements for the Chamber. White steel forming the diamond patterns in the glass roof also creates an airspace in which air is naturally heated and then recirculated to heat other areas of the building, making the building more energy efficient.

replacement projects of the Big Chaudière Dam, the Latchford Dam, and the Timiskaming Dam in Ontario. Investments in the Esquimalt Graving Dock highlight the Government's commitment to the marine sector, to Canada's West Coast, and to the environment. The results of projects totaling over \$150 million include: the completion of the South Jetty Waterlot remediation project, which saw the removal of almost 100 years of contamination; the replacement of high- and low-voltage cabling at the south substation; and the replacement of the electrical supply on the north landing wharf. It should also be noted that three of the contracts associated

with the South Jetty Waterlot remediation project were tendered to and completed successfully under the Procurement Strategy for Aboriginal Businesses.

The National industry associations (the Canadian Construction Association (CCA) and the National Trade Contractors Coalition of Canada (NTCCC)) expressed the desire that PSPC lead an industry engagement exercise to contribute to the development of effective legislation addressing prompt payment issues in the construction industry. As a result, the Prompt Payment Industry-Government Working Group developed a 14-Point Action

**Key Facts**



**Governor General Last Stone**

**Event:** On September 28, 2017, His Excellency the Right Honourable David Johnston, former Governor General of Canada, laid an engraved cornerstone at the entrance of the new Visitor Welcome Centre, marking the construction of the first new building on Parliament Hill in over a century, while commemorating his service as Governor General of Canada from 2010 to 2017.

Plan which consists of a series of administrative and contractual measures to improve the timeliness of payment in the construction industry. Six actions have been completed in 2017–2018, including:

- Disclosure of payments issued by PSPC and Defense Construction Canada to contractors on a newly created website. This timely information is updated on a weekly basis and enables subcontractors and trades to inquire about the status of their payment with their own contractor;

- Posting of PSPC’s principles advocating for prompt payment; and
- The inclusion of PSPC prompt payment principles within tender documents.

Going forward, two independent experts will lead a national engagement process with the construction industry to identify the elements required to develop a robust federal prompt payment regime. PSPC will review the subsequent recommendations report, which will be used to inform the development of options for further action.

In keeping with its stewardship role, PSPC advanced implementation of the Long Term Vision and Plan (LTVP) to address the deteriorated state of Canada’s parliamentary buildings, and restore and renew the iconic heritage buildings of the Parliamentary Precinct to ensure the needs of a 21<sup>st</sup> century parliamentary democracy are met. When carrying out LTVP projects, PSPC continued to address environmental sustainability and heritage conservation issues, while improving the accessibility and safety of the Parliamentary Precinct and promoting innovation and opportunities for youth, women and Indigenous peoples.

In 2017–2018, PSPC has significantly advanced the work on the West Block and the Government Conference Centre (GCC) rehabilitation projects, as well as the construction of the Visitor Welcome Centre Phase 1. To ensure all stakeholders were working in a coordinated manner and to facilitate

the transition of parliamentary operations from Centre Block to the West Block and the GCC, a Deputy Minister-level steering committee was created. PSPC also implemented a phased handover of priority areas such as the Chambers, committee rooms and offices in full concert with Parliament. This approach ensured that these areas were transferred to the building occupants to provide as much time as possible for the final integration of IT, multi-media and security devices to be completed. PSPC is working in close collaboration with Parliament, leveraging dedicated operations teams,

to ensure the buildings are operationally ready, with a target for occupancy in January 2019. The move strategy is focused on personalized service and minimizing disruption.

To advance the Centre Block's rehabilitation, PSPC launched the enabling project program and the comprehensive investigation program in 2017–18 to inform the substantive constructions. This work will help to refine the cost, scope and schedule for the Centre Block Rehabilitation Program. PSPC also started analyzing the functional requirements and building design options.



Construction of Phase 1 of the Visitor's Welcome Centre

#### Gender-Based Analysis Plus (GBA+)



The Parliamentary Precinct Branch commissioned a third-party in 2017 to conduct a GBA+ for the Long Term Vision and Plan. The report identified potential impacts and outcomes of the program on men and women, and sub-groups (e.g., age, family, disability and visible minority status), and how to monitor the impacts. It concluded that the Long Term Vision and Plan will significantly benefit diverse user groups by improving accessibility and increasing the availability of space to meet their needs, which include single-use/wheelchair accessible washrooms, prayer spaces, and infant nursing rooms, and that such changes are in line with changing Canadian demographics. The report notes that the greatest challenge will be in the short term while buildings are being rehabilitated, but that PSPC is well positioned to adapt and lead during this time, by putting in place, for example, accessibility routes, washrooms, signage, security screening, and other measures aimed at ensuring a positive visitor experience. The report also concluded that PSPC is leveraging novel procurement strategies that target increasing the participation of youth, indigenous people and women in its work in the Precinct.

In addition, the Department initiated the first phase of the East Block Rehabilitation Project to address urgent exterior repairs to four areas of greatest concern within the 1867 Wing: the southwest tower, the southeast tower, the south entrance and the Governor General's entrance. Continued research and evaluation work was finalised to determine scope, cost and schedule for the second phase of the rehabilitation project, which will address areas such as the 1910 Wing, complete seismic upgrades to the entire building, link the building with the Visitor Welcome Centre, as well as upgrade the building to comply with modern building codes and to meet the needs of the Senate of Canada.

On June 21, 2017, following several public consultations with Canadians regarding the future public use of the heritage building located at 100 Wellington Street, the Prime Minister announced this building will become a space for Canada's Indigenous Peoples. This project brings together PSPC in partnership with Crown Indigenous Relations and Northern Affairs (CIRNA) for the planning, designing and construction of this building. Since this announcement, CIRNA and PSPC have identified representatives from National Indigenous Organizations and launched an interim working group and continue to work together to achieve a space that marks

the importance of Indigenous Peoples to this country’s past, present and future.

In 2017–18, PSPC also proceeded with the planning for Crown-owned buildings on the north side of Sparks Street through a campus approach, shifting the focus of new developmental opportunities for permanent accommodations to lands south of Wellington. PSPC also pursued the implementation of the Recapitalization Program which preserves buildings, as well as the Building Components and Connectivity programs which address the modernization of communications and information technology infrastructures.

In 2017–2018, PSPC maintained its high-level service to parliamentarians, their guests and staff by successfully achieving less than 2 hours per annum of disruptions during which essential property management services were temporarily unavailable, well below the established threshold of 48 hours per annum.

As 2017 marked Canada’s 150<sup>th</sup> anniversary of Confederation, the Department played a significant

**The Carleton Immersive Media Studio (CIMS) Experimentation Initiative**



In partnering with the Carleton Immersive Media Studio, a research unit at Carleton University’s Azrieli School of Architecture and Urbanism, the Department continued to work on researching new and emerging digital technologies for the conservation and rehabilitation of heritage buildings. One of the new technologies used over the past year is Building Information Modeling (BIM), which produces detailed information that can be used for the repair and the restoration of the buildings.

leadership role with many partners and led or supported over 30 successful events, including the addition of Nunavut’s shield to the Centennial Flame, the World Remembers, Red Bull Crashed Ice, La Machine, and a virtual reality/multimedia showcase on the Parliament Buildings and LTVP that had over 30,000 visitors.

**Update to the Long Term Vision and Plan Ongoing Projects**

LTVP Project	Target Completion Date
West Block Building Rehabilitation Construction	On track for 2018 Year-end target—93% Achieved—93%
Visitor Welcome Centre—Phase 1 Construction	On track for 2018 Year-end target—93% Achieved—93%
Government Conference Centre Construction	On track for 2018 Year-end target—85% Achieved—90%

**Results achieved**

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 actual results
Federal organizations have affordable accommodation and facilities that foster productive and collaborative work.	Efficient use of office space as measured by m <sup>2</sup> allocation per person. <sup>2</sup>	18.4 m <sup>2</sup> /person	March 31, 2018	18.4 m <sup>2</sup> /person	17.4 m <sup>2</sup> /person	17.4 m <sup>2</sup> /person
	Affordability of office space as measured by cost (\$) per m <sup>2</sup> .	\$330/m <sup>2</sup>	March 31, 2018	\$341.32/m <sup>2</sup>	\$341.64/m <sup>2</sup>	\$341.07/m <sup>2</sup>
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. <sup>3</sup>	90%	March 31, 2018	89.21%	88%	90%
	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%	March 31, 2018	96%	96%	96%
A real property portfolio that maximizes economic benefit and minimizes short and long-term liability.	Percentage of recapitalization budget spent. <sup>4</sup>	82%	March 31, 2018	93.5%	95.5%	91.8%
	Deferred maintenance and recapitalization costs as a percentage of portfolio replacement cost (Facilities Condition Index [FCI]). <sup>5</sup>	<10%	March 31, 2019	12.30%	11.5%	9.23%

2. In previous years, there were different methodologies used to calculate results. For the Fiscal year ending March 2018, this data is extracted directly from the departmental financial system (SIGMA) with no data manipulation. Only contracts for generic office space and the associated FTE allocation (FTE and non FTE) are included. Special Purpose Space and its associated FTE employees are not included.
3. Previous years' results for the performance indicator "Satisfaction rating for service calls reported through the National Service Call Centre" can be found on the Canada.ca website in the "Our services, standards and results" publication.
4. Total regular capital (B141) actuals in 2017–18/Total regular budget/(B141) in 2017–18 Here is the % = 93.5% = \$441.9M/\$473.4M.
5. In 2017–18, deferred maintenance increased by approximately 13%, while replacement value increased by approximately 6%. The relatively higher increase in deferred maintenance triggered the increase in the FCI. As the average age of the portfolio is greater than 50 years old, more maintenance requirements are coming due, and funding has not been able to address all of these requirements, leading to moderate increases in the FCI. Projects have been initiated to address the issue of aging assets.



**Budgetary Financial Resources (dollars)**

2017-18 Main Estimates	2017-18 Planned Spending	2017-18 Total Authorities available for use	2017-18 Actual Spending (authorities used)	2017-18 Difference (actual minus planned)
2,994,281,729	2,994,281,729	3,076,878,309	2,745,566,127	(248,715,602)

The variance between actual spending and planned spending is mainly related to revised schedules of rehabilitation of engineering assets, adjustments to recalibrate funding to align with planned work for the Parliamentary Precinct rehabilitation, as well as additional revenues received for accommodation services.

**Human Resources (Full-Time Equivalents [FTEs])**

2017-18 Planned	2017-18 Actual	2017-18 Difference
3,509.28	3,748.58*	239.30

\*There are 376.2 FTEs that directly support the Parliamentary Precinct Branch.

The variance between actual FTEs and planned FTEs is related to the business volume growth due mostly to revised schedules of rehabilitation of engineering assets and adjustments to recalibrate funding to align with planned work for the Parliamentary Precinct rehabilitation.

### 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 \$2.4 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. For transparency and immediate accessibility to all Canadians, the Public Accounts were successfully posted online within 24 hours of tabling in the House of Commons. For the 19<sup>th</sup> consecutive year, the Consolidated Financial Statements of the Government of Canada received a clean audit opinion from the Auditor General.

The Department also contributed to the open government initiative by publishing seventeen data sets, available on the [Open Government Portal](#)<sup>vii</sup> in 2017–18 including the consolidated statement of revenues and expenses from the Public Accounts, and the

summary of remittance deposits collected on behalf of participating federal departments. This is a significant contribution to our commitment to be a more responsive, accessible and transparent for Canadians.

Additionally, PSPC completed an options assessment and developed a roadmap for the multi-year Receiver General modernization initiative. PSPC also began the development of several key treasury initiatives, including: faster direct deposit payments that will be deposited within 2 hours to

#### Key Facts



PSPC issued close to 321 million payments in 2017-2018 which includes:

- Nearly 141 million for Old Age Security and Canada Pension Plan
- 40 million for Child Benefit related payments
- 22 million for Employment Insurance
- 20 million for Federal Pay and Pension

a beneficiary's bank account; replacement of the outdated electronic authorization and authentication processes to ensure the security of payment requisitioning by departments; and support for remote deposit capture to allow departments to deposit funds.

In addition, PSPC collaborated with CRA and Employment and Social Development Canada (ESDC) to promote direct deposit to various sections of the Canadian population via enrolment campaigns and participation in various outreach activities.

### Results achieved

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 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%	March 31, 2018	89.74%	88.89%	85.9%
	Public Accounts of Canada posted on the web within 24 hours of tabling in the House of Commons.*	100%	March 31, 2018	100%	100%	100%
	Average cost per payment.	\$0.33	March 31, 2018	\$0.22	\$0.22	\$0.27
	Percentage of deposits to the Consolidated Revenue Fund reconciled within 2 business days.	95%	March 31, 2018	99.6%	100%	95%

\*The metric demonstrates the culmination of all activities and the rigor required to produce the Accounts of Canada on time, as per legislation.

### Budgetary Financial Resources (dollars)

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
128,471,892	128,471,892	128,611,957	104,426,411	(24,045,481)

The variance between actual spending and planned spending is mainly related to the shift to direct deposit, the termination of the Universal Child Care Benefits program and less fees from electronic transactions than expected.

### Human Resources (Full-Time Equivalents [FTEs])

2017–18 Planned	2017–18 Actual	2017–18 Difference
307.00	304.90	(2.10)

There is no significant variance between actual and planned FTEs.

## 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

Corporate wrongdoing imposes significant economic and social costs on Canadians. The Government of Canada has in place a number of tools to detect, prevent and address this type of misconduct, protecting Canadians and the Canadian economy.

For instance, PSPC administers the Integrity Regime—a [policy-based debarment scheme](#)—and ensures its application to all relevant Government of Canada contracts and real property transactions. 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. Over the course of the year, the department completed over 26,322 checks to assist government in verifying supplier compliance, exceeding the target of answering 80% of requests within 4 hours.

In order to improve its ability to detect and deter fraud and corruption in its contracts and real property agreements, on April 20, 2017, the Government of Canada launched the Federal Contracting Fraud Tip Line, a joint initiative of the Competition Bureau, the Royal Canadian Mounted Police (RCMP) and PSPC. The tip line provides Canadians with a central point of contact to report anonymously if they witness or suspect

unethical and/or illegal business practices in federal contracting and real property transactions. This information helps the Government to better protect the integrity of federal expenditures.

Additionally, in the fall of 2017, a public consultation was conducted to determine if the Integrity Regime continues to achieve its objectives. During the consultation, over 70 submissions were received and more than 370 Canadians, industry associations, businesses, non-governmental organizations and others participated. On February 22, 2018, the Government released the results of the consultation.

Following what was heard during the consultation, within the context of ongoing efforts to modernize procurement processes as outlined in the mandate letter for the Minister of Public Services and Procurement and asset out in Budget 2018 on March 27, 2018, the Government announced it will be enhancing the Integrity Regime. This will be done through a revised *Ineligibility and Suspension Policy*, to be released in Fall 2018, which will come into effect on January 1, 2019.

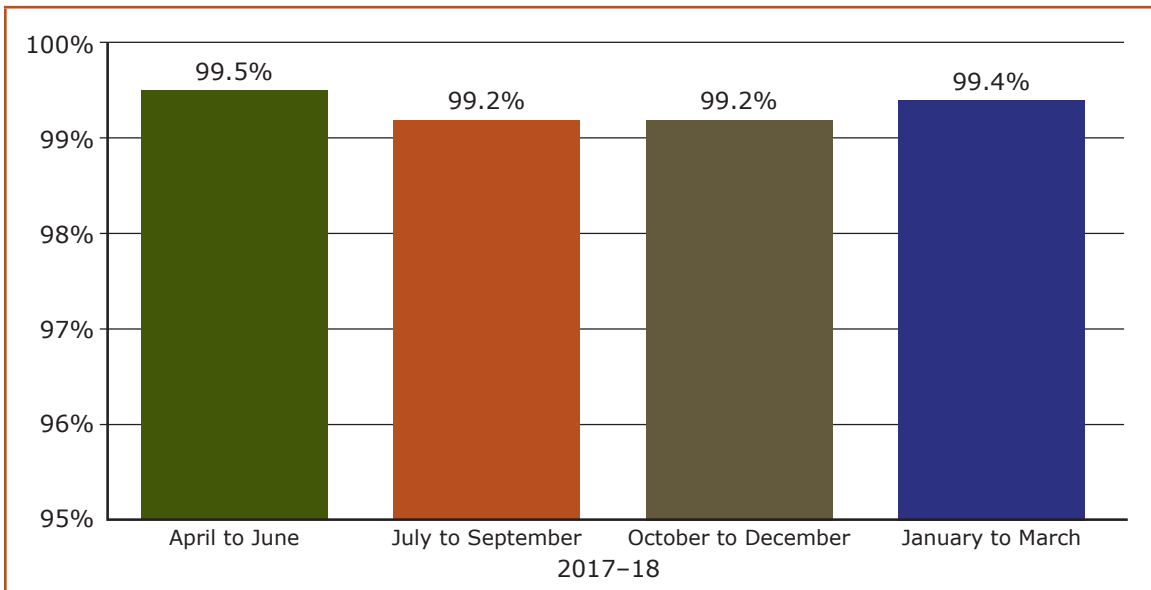
Changes to the Policy are expected to strengthen the Integrity Regime by making it more robust, while at the same time introducing greater flexibility

and consideration of proportionality in debarment decisions. Changes will also help to ensure that suppliers that do business with the Government of Canada better understand their obligations in protecting the integrity of federal procurement, while at the same time promote behavioral changes within the marketplace with an increased emphasis on corporate compliance and corporate responsibility.

The Fairness Monitoring (FM) Program supports PSPC’s commitment to integrity and excellence by providing a formal oversight mechanism for obtaining independent assurance that departmental procurement activities are conducted in a fair, open and transparent manner. In 2017–2018, the FM Program managed 81 multi-year FM engagements. Of these engagements, 29 were new ones. High profile procurements observed by fairness

monitors in 2017–2018 include: Future Fighter Capability Project, Canadian Surface Combatant; Contracted Airborne Training Services Project; E-Procurement Solution; Parliament Hill—Centre Block and Energy Services Acquisitions Program. Thirty fairness monitor reports were posted on the PSPC’s website in 2017–2018.

PSPC, through the Forensic Accounting Management group, provides professional forensic accounting services to law enforcement and other government clients (OGDs) including consultation and expert testimony. In 2017/2018, PSPC provided forensic accounting services, ensuring that all forensic accounting reports (over 165) met the Investigative and Forensic Accounting (IFA) standards and were delivered according to the established requirements. PSPC helps protect sensitive government information and assets through.



**Figure 1.** Percentage of integrity verifications done within four hours for each quarter of fiscal year 2017–18.

security screening and controlled goods services. The Contract Security Program actively contributes to Canada’s economic and national security agenda by clearing private sector organizations and individuals seeking to work on sensitive Government of Canada or foreign government contracts. To that end, PSPC implemented operational changes required to align with the Treasury Board Standard on Security Screening.

Achievements include: implementation of the requirement for mandatory credit checks, a new process to perform out of country verifications, rigorous aftercare activities, and new procedures for site access clearances. In addition, PSPC implemented electronic signatures which reduced paper correspondence and permitted faster processing of requests. Through process re-engineering, PSPC made further improvements to

exceed its performance target of 85% for simple reliability requests within 7 business days, and achieved a 96% performance rate for FY17/18 (see graph below). PSPC addressed concerns expressed by industry clients regarding the administrative burden of contract security compliance and found ways to reduce it via improved communications, outreach activities and training. PSPC conducted Public Opinion Research to identify areas of concern to industry and participated in international security fora to identify industrial security best practices.

Through the Controlled Goods Program, which ensures compliance of more than 4,000 registrants (including companies, organizations and individuals) who examine, possess or transfer controlled goods in Canada, PSPC has expanded its outreach and stakeholder

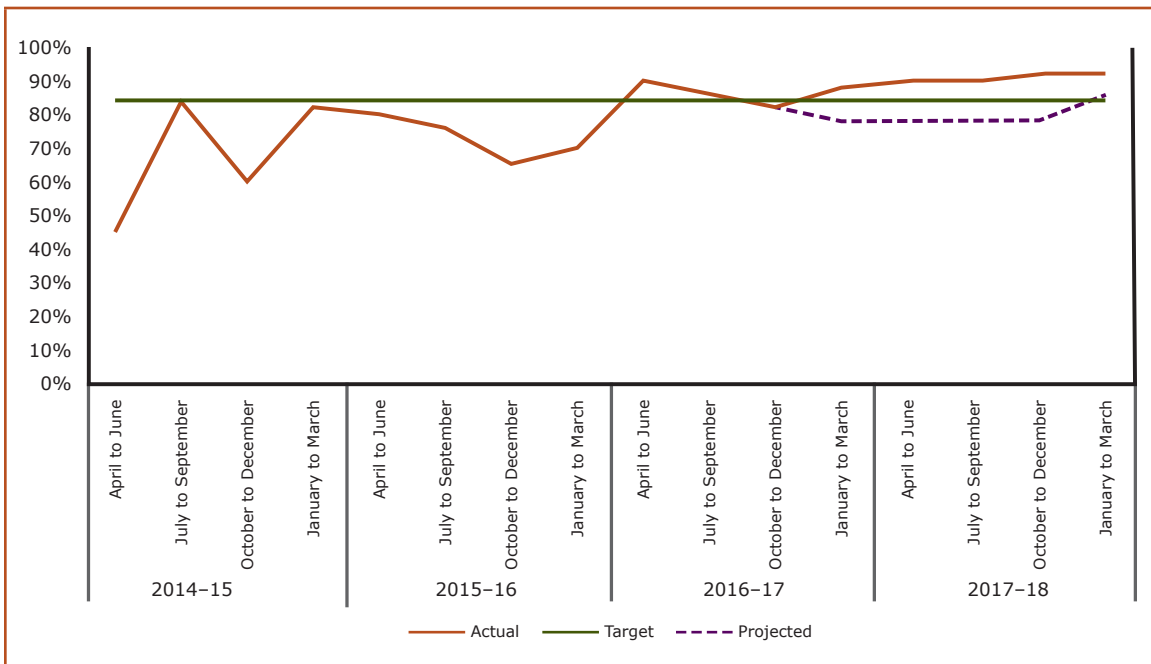


Figure 2. Reliability Status Standard.

engagement activities to ensure private sector’s awareness of requirements of the Controlled Goods Regulations. To help companies achieve and maintain compliance with the Controlled Goods Regulations, PSPC has developed

training for designated officials of registered companies, and is finalizing a self-learning certification program for designated officials in order to educate and assist them with their regulatory duties.

### Results achieved

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 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**	March 31, 2018	80	80***	N/A
	Percentage of simple reliability screenings processed within 7 business days	85%	March 31, 2018	96%	89%	71%

\* 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.

### Budgetary Financial Resources (dollars)

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
18,651,926	18,651,926	31,907,678	22,946,434	4,294,508

The variance between actual spending and planned spending is mainly related to increased business volume due to the continued strengthening of the Integrity Regime, Controlled Goods staffing challenges as well as an accounting change that resulted in a reduction of internal revenues and expenditures.

### Human Resources (Full-Time Equivalents [FTEs])

2017–18 Planned	2017–18 Actual	2017–18 Difference
398.00	387.00	(11.00)

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

## 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

**Federal Pay**—PSPC’s top priority in 2017–18 was to work towards stabilizing the pay system so that public servants are paid accurately and promptly. Working in collaboration with the President of the Treasury Board, the Working Group of Ministers (MWG), the Privy Council Office, departments and agencies, and our public service union partners, PSPC made progress on this priority, though there is still much work to do.

A new governance structure was put in place to stabilize pay operations and improve overall employee service and support. An Integrated Team of PSPC and Treasury Board Secretariat officials coordinate efforts. In 2017–2018 PSPC continued to optimize the Phoenix pay system and improved HR-to-Pay business processes using a whole-of-government approach, working in partnership with departments and agencies, with the aim of ensuring employees receive timely and accurate pay.

PSPC hired and trained additional resources at the Pay Centre, Client Contact Centre, and Client Services Bureau to speed up the processing of pay transactions and better support Government of Canada employees. Since the new approach was put in

place in October 2017, over 35,000 feedback surveys have been completed by clients indicating that the additional capacity and whole of government approach introduced at the Client Contact Center are contributing to improvements. This additional capacity helped us work more effectively and efficiently through the queue of transactions, which began to decline following a push in January 2018.

A new pay processing model was piloted with three client departments in December 2017. Applying an integrated and holistic client-focused approach, the pilot resulted in increased productivity, collaboration, client satisfaction and employee engagement, in addition to reducing the queue and achieving better service standards success rates for the intake. The results to date have been very positive with the overall backlog for the pilot departments reduced by 31.1%, the number of employees with pay issues in pilot departments decreased by 17.9% and by March 31, 2018, service standards for incoming transactions were met 88% of the time using the new approach.

In 2017–18, PSPC improved reporting for employees through increased information and monthly dashboards and Pay Bulletin updates, accessible online.



The service standards established by PSPC in the provision of pay and the percentage of transactions meeting the standard on March 31, 2018, at the Public Service Pay Center, are as follows:

Government of Canada Pay Centre Service Standards	Service Standard (business days)	Percentage of transactions meeting service standards
Promotions	30 days	28%
New Hire—Benefit Enrollment	20 days	32%
Termination	20 days	36%
Disability	20 days	87%
Parental Leave	20 days	81%
Return from Leave	20 days	33%
Acting	30 days	62%
Employee Transfer	45 days	39%
Other (e.g., assignment at level, exchange of information between third parties)	20 days	47%

The percentage of public service pay transactions processed by the Pay Centre within the established time-frames is well below the 95% target.

This is due to a variety of factors:

- Efforts were focussed on specific files such as Disability and Parental Leave and transactions with high financial impacts;
- The timeliness and accuracy of the HR data entries were low, resulting in a significant increase in the case and their complexity;
- The complexity of a large number of collective agreements being implemented, including retroactive payments, resulted in significant manual processing; and
- A significant backlog of transactions remained unprocessed, although progress to reduce it began in January.

**Federal Pay Administration**—The Government of Canada Pension Centre is committed to providing its members with the highest quality services so that members have the information they need to make important life decisions at the right time. All service levels for service delivery to plan members were met during the year. Pension payments are subject to a verification and quality assurance process that ensures they are made accurately. [Service standard results](#)<sup>viii</sup> are published monthly online. Additionally, PSPC ensured the integrity of the pension plan funds via regular financial audits. Since the implementation of Phoenix, there has been an increase in the number of pay data issues. However, pension payments and services have not been compromised because even stronger mitigation measures have been put in

## 2017–18 Departmental Results Report

place to ensure the integrity of the pension program.

The Federal Pension Administration delivered approximately 5 million pension payments with \$12.46 billion

dollars in value; serving over 880,000 active and retired clients. The service standards established by PSPC in the provision of pension and the percentage of transactions meeting the standard on March 31, 2018, are as follows:

Government of Canada Pay Centre service standards	Service standard (business days)	2017–18 Actual Results	Targets
Initial payments to retired members	30/45 days	96%	96%
Initial payments to survivors	30 days	96%	96%
Pension benefit division payments	120 or 45 days	99%	90%
Transfer value payments	45 days	97%	96%
Pension transfer out payments	90 days	100%	90%
Return of contribution payments	30 days	99%	96%
Pension benefit division estimates	5 days	100%	90%
Pension transfer out estimates	90 or 30 days	97%	90%
Pension estimates to retired members (in writing)	5 days	95%	90%
Pension estimates to retired members (over the phone)	Immediately	98%	96%
Pension benefit options statements	5 days	95%	90%
Pension transfer in estimates	60 days	99%	90%
Service buyback estimates—in writing	5 days	92%	90%
Service buyback estimates—over the phone	Immediately	98%	96%

### Results achieved

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 actual results
Employees are paid accurately and on time through reliable and efficient central systems and processes.	Percentage of pay transactions processed within service standards.*	95%	March 31, 2018	46%	36%	92.25%
	Timely production of bi-weekly and monthly pay.	100%	March 31, 2018	100%	100%	100%
	Cost per account (PSPC) to administer pay systems and associated processes for all GC employees (back office).	\$105	March 31, 2018	\$285	\$206	\$108.44
	Cost per account (PSPC) to deliver Pay Centre Services (front office).	\$314 <sup>6</sup>	March 31, 2018	\$788**	\$545	N/A***

6. Target to be reviewed based on the scope and backlog.

## Results achieved (continued)

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 actual results
Retirees are paid accurately and on time through reliable and efficient central systems and processes.	Percentage of pension transactions processed within established timeframes.	95%	March 31, 2018	96.9%	97.6%	97.8%
	Timely production of pension payments as per schedule	100%	March 31, 2018	100%	100%	100%
	Cost per account (GC-wide) to administer the Public Service Pension Plan (PSSA).	\$178	March 31, 2018	\$151.11 ****	\$149.90	\$165.50
	Cost per account (GC-wide) to administer the Royal Canadian Mounted Police Pension Plan (RCMPSA).	\$156	March 31, 2018	\$127.41 *****	\$132.24	\$135.78

\* As per published information available online at: <http://www.tpsgc-pwgsc.gc.ca/remuneration-compensation/paye-centre-pay/mise-a-jour-phoenix-phoenix-updates-eng.html><sup>ix</sup>.

\*\* Variance is a result of challenges incurred with the implementation of Phoenix and increase in capacity required to work towards the stabilization of pay operations.

\*\*\* We did not have this performance indicator in previous years. Therefore, no data are available.

\*\*\*\* For PSSA, the target cost per account is based on the TB submission approved expenditure. The “actual” cost per account is based on the actual expenditures, which were lower than the approved budget.

\*\*\*\*\* For RCMPSA, the target cost per account is based on an approved amount in an MOU with RCMP. The “actual” cost per account is based on the actual expenditures, which were lower than the approved budget.

## Budgetary Financial Resources (dollars)

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
80,895,164	80,895,164	208,554,869	199,106,710	118,211,546

The variance between actual spending and planned spending is related to additional funding received to help stabilize Phoenix pay system and increase pay service delivery capacity; actual spending is within the additional authorities received.

## 2017–18 Departmental Results Report

### Human Resources (Full-Time Equivalents [FTEs])

2017–18 Planned	2017–18 Actual	2017–18 Difference
2,022.00	2,904.68	882.68

The difference between planned and actual FTEs is mainly due to additional resources dedicated to stabilize the pay system, improve HR-to-Pay business process, and Pension Administration.

## 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

In 2017–18, PSPC's Translation Bureau developed its new vision to be recognized as a Centre of excellence in linguistic services so Canadians can benefit from timely communications by the Government of Canada of equal quality in both official languages. To that end, PSPC implemented a number of initiatives, outlined below, to enhance the quality and capacity of services and to promote the economic vitality of Canada's translation and interpretation community.

PSPC appointed a new Chief Quality Officer who is responsible for the evaluation and oversight of the linguistic quality at the Translation Bureau. In order to address shortages in the language industry, PSPC's Translation Bureau also restored its co-operative education program. Of the 152 students hired by the Translation Bureau in 2017-18, close to 50 students were hired under the cooperative program. Over 80 students were hired in the regions.

The Bureau's workforce renewal plan also led to the hiring of 20 client advisors, 12 translators, and 7 employees who work in the new

After-hours Service. This service will improve the distribution of work, the Bureau's ability to respond to urgent translation needs and the delivery of quality products.

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 translated approximately 305 million words for departments and agencies and successfully managed deliverables in support of such events as the National Inquiry into Missing and Murdered Indigenous Women and Girls. PSPC also delivered approximately 6,700 conference interpreter-days for various events including G7 Ministerial Meetings. In addition, it translated more than 49 million words and provided over 3,600 days of interpretation for Parliament.

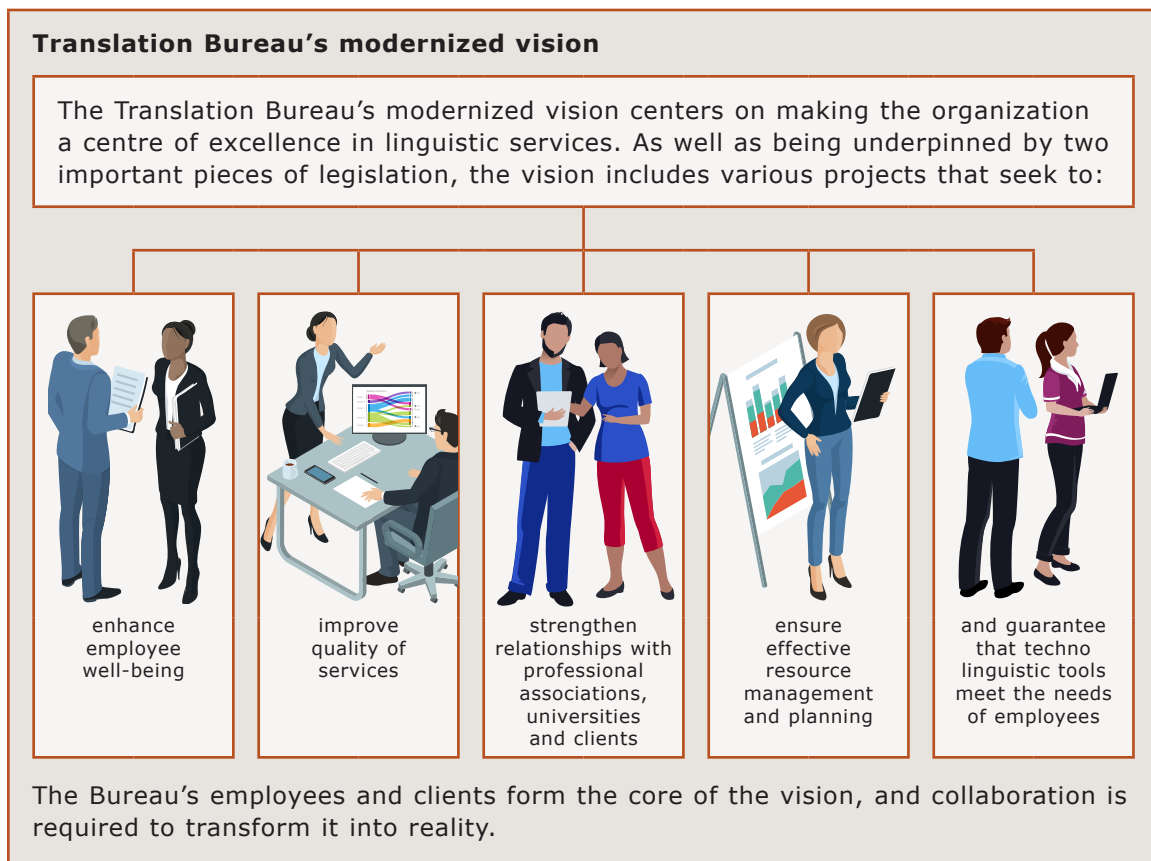
PSPC's Translation Bureau also worked to improve its capacity in services in Indigenous languages, both for Parliament and for departments and agencies, by reaching out to Indigenous languages community stakeholders and exploring opportunities to develop stronger ties and improve access to Indigenous language services.

Following quality concerns raised in the Senate, PSPC worked with the [Senate Advisory Working Group on Interpretation and Translation](#)<sup>x</sup> of the Standing Committee on Internal Economy, Budgets and Administration to address said concerns, conducted an internal evaluation and developed an action plan to improve quality as well as collaboration with the Senate.

Regarding its relationship with the language industry, PSPC held its annual Industry day on August 24, 2017, in order to collaborate towards delivery of quality professional language services to the Government of Canada. Moreover, in the summer of 2017, the Translation Bureau created an advisory panel of conference interpreters to discuss,

among other things, a new contractual tool for conference interpretation. The intent of the new procurement method is to emphasize quality in support of value for money.

The Bureau has also developed a new Request for Supply Arrangement for translation services that will include quality requirements. Under the new Arrangement, contracts will no longer be awarded solely on the basis of price. As well, PSPC worked on establishing a number of new partnerships including an agreement signed with the *Ordre des traducteurs, terminologues et interprètes agréés du Québec*. These advancements will help ensure that we deliver high-quality linguistic services to Canadians. To support Canadians in their efforts



to communicate better in both official languages, PSPC finished the rebranding of the [Language Portal of Canada website](#)<sup>xi</sup>, social media accounts and promotional material. The Portal, a one-stop window for free language resources which provides Canadians with a wide range of writing tools, quizzes and links to help them improve their English and French, continued to provide high-quality interactive resources. In particular, the [Our Languages blog](#)<sup>xii</sup>, launched in September 2017, allows Canadians to discuss language-related stories: its articles have been consulted more than 218,000 times. In addition, the Language Portal continued the revamp of its [Collection of Canadian language resources](#)<sup>xiii</sup> section, to be completed by September 2018.

Furthermore, PSPC continued ensuring the maintenance, updating and enhancement of [TERMIUM Plus](#)<sup>xiv</sup> a terminology and linguistic databank

in English, French, Spanish and Portuguese. Users were invited to provide feedback on the content of the data bank through a suggestion button. Efforts were focussed this year on terminology related to government priorities and, as such, to issues relevant to the Canadian population (i.e., [Gender and sexual diversity glossary](#)<sup>xv</sup>).

In order to support persons with disabilities, the department continued to offer real-time bilingual closed captioning and other services to Parliament for Canadians, as well as high quality visual interpretation services. PSPC thus provided more than 14 hours of visual interpretation and 4,724 hours of closed captioning to both chambers of Parliament and to their committees. It also delivered over 7,200 hours of visual interpretation to support deaf and hard of hearing public servants.

## Results achieved

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 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%	March 31, 2018	95.8%	95%	96.7%
	Percentage of clients satisfied with services provided by the Translation Bureau.	85%	March 31, 2018	89.9%	89%	87.4%
	Charge per word for linguistic services.*	\$0.37	March 31, 2018	\$0.36**	\$0.36**	\$0.39

\* On a going forward basis, this performance indicator will be revised to focus on quality and this will be a key responsibility of the Chief Quality Officer. Other key indicators may also be considered, including accreditation of interpreters and continued regional presence.

\*\*Starting in 2016–17, the scope of this indicator was redefined to include only translation services in official languages.

**Budgetary Financial Resources (dollars)**

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
64,762,500	64,762,500	73,907,082	70,736,668	5,974,168

The variance between actual spending and planned spending is mainly related to an increased demand from Parliament for translation services while maintaining the highest quality of services offered by the Translation Bureau.

**Human Resources (Full-Time Equivalents [FTEs])**

2017–18 Planned	2017–18 Actual	2017–18 Difference
1,114.85	1,153.70	38.85

The difference between planned and actual FTEs is mainly due to hiring by the Translation Bureau—as part of the implementation of its modernized vision and ongoing incremental funding received from Budget 2017—to invest in its human resources in order to improve the quality of official language and to ensure that the Bureau can maintain the highest quality of services offered to Parliament, while continuing to meet statutory service demands of the government.



## 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

In 2017–18, PSPC continued to focus on providing modern, innovative solutions for its clients across government and supporting them in delivering their programs and services.

The Department designed its new Service Management Strategy to support alignment with a single online window for government services. This strategy aims to outline our commitment to changing the way we deliver our services, which include acquisition services; payment and compensation services; real property services; translation services; security services; enterprise-wide corporate services; and information and advisory services, over the next three years.

PSPC continued to plan the next generation of the Government of Canada's end-to-end travel solution to better meet the needs of public servants. The Next Generation Travel Program Directorate was established in December 2017 to look at the future of federal government travel and has begun project planning and research activities. TBS partnerships were established. Engagement, outreach and consultation activities were held and market benchmark and user personas analysis were completed.

PSPC continued to support TBS and other government departments to facilitate and support the government's administrative optimization. For example, for GCdocs,

the Department expanded its reach in the context of onboarding additional client departments and services.

As part of PSPC's commitment to innovate and transform its operations, the department created the Office of the Chief Transformation Officer (CTO) in November 2017 to ensure that the department is well positioned to continue delivering on priorities. The transformation agenda is comprised of four key initiatives:

- The development of a strategic direction framework to ensure employees have a clear understanding of how their work contributes to the Department's success;
- The strengthening of PSPC's employee and client satisfaction culture;
- A review of applications to support investment of resources in the right tools and in innovation; and
- An alleviation of employee workload through process improvements.

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

- Continued to promote e-services offered by the Canada Gazette, such as the option to receive new and relevant information by an e-mail notification system.

- Undertook the following related to Government of Canada advertising:
  - Implemented a non-partisan review process of Government of Canada advertising to ensure that it is objective, factual and explanatory, and free from political bias;
  - Given the increased reliance on digital advertising, research is being undertaken (with other levels of government and with private-sector entities) to determine best practices for ensuring that Government of Canada advertising is undertaken in an efficient, transparent and independently verifiable manner.

In 2017–18, PSPC added 64,544 Government of Canada publications to the [publications.gc.ca](http://publications.gc.ca)<sup>xvi</sup> website. The collection includes records for more than 437,000 publications, of which 316,000 are downloadable for

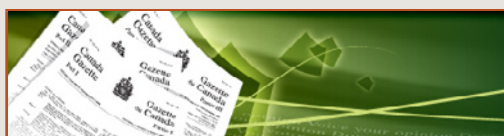
free. In 2017–18, there were over 1.5 million downloads of publications from the site (compared to 1.2 million the previous year). PSPC also began including links to HTML versions of departmental publications in order to increase access to alternate formats.

The Department undertook independent research on media consumption patterns of minority language communities to learn about the level of satisfaction with current approaches used by the government to communicate its programs and services. The results were shared with media representing Official Language minority communities and departments to ensure effective communication with Canadians in the official language of their choice, regardless of where they reside.

In addition, PSPC delivered services related to asset disposal as well as standards development and conformity assessment. For instance, in 2017–18, the Department:

- Set a new record selling over \$63.5 million of surplus goods;
- Generated \$11 million in net proceeds through the disposal of criminally forfeited assets;
- As the Government of Canada center of expertise mandated to develop and maintain national standards and certification of personnel, products and organizations in accordance with internationally recognized certification requirements, the Canadian General Standards Board (CGSB) developed national standards in

### Happy 90<sup>th</sup> Anniversary to the Depository Services Program!



The Depository Services Program was created in 1927 and tasked with distributing print copies of Federal Government publications to Parliamentarians and depositories (e.g., libraries). Canadian Government publishing has since evolved from print to electronic. The [publications.gc.ca](http://publications.gc.ca) website is now the central access point for Government of Canada publications.

support of Government of Canada initiatives including personal protective equipment for dismantling clandestine drug laboratories for Defence Research and Development Canada, radon mitigation for existing low-rise residential buildings for Health Canada and organic agriculture for Agriculture and Agri-Food Canada.

In support of the Government’s commitment to innovation that better reflects the changing nature of the economy, the Canadian General Standards Board has placed its active collection of standards online and has removed fees previously charged for access to standards.

PSPC also provided quality and efficient document imaging and data capture services a cost-recovery service to federal organizations, leveraging internal and private-sector solutions. The

**Key Facts**



In a 2017 survey conducted by the independent polling firm [Léger Marketing](#), 100% of the Canada Gazette’s clients said they received exceptional service.

Department provided image processing, indexing and secure archiving of electronic records in support of the Government’s modernization and process automation initiative. In 2017–18 the service imaged 31 million pages.

**Results achieved**

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 actual results
Federal organizations have access to quality services to improve the management, delivery and safeguard of selected government operations and/or assets while minimizing their impact on the environment.	Percentage of clients satisfied with the quality of services.	85%	March 31, 2018	90%	90%	82.5%
	Percentage of sub-programs and services that meet their expected results including service levels or published standards.	100%	March 31, 2018	82%	90.4%	71.4%

**Budgetary Financial Resources (dollars)**

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
27,562,369	27,562,369	43,271,237	42,646,061	15,083,692

The variance between actual spending and planned spending is mainly related to a decrease in the business volume for document imaging activities combined with a decrease in contributions from other governmental organizations for My Human Resources Management System (MyGCHR).

**Human Resources (Full-Time Equivalents [FTEs])**

2017–18 Planned	2017–18 Actual	2017–18 Difference
609.00	692.63	84.44

The planned FTE’s did not include term employees (111.4). The renewal of term employees was dependent on client volumes that had not been secured at the time of Departmental Plan publishing.

## Program 1.8: Procurement Ombudsman

This program, operating at arm’s-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 2017–2018 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 a neutral and impartial avenue to address supplier complaints regarding the award or administration of federal contracts. OPO received 26 written complaints during the 2017–2018 fiscal year.

In addition to 6 reviews of complaints which were carried over from 2016–2017, OPO launched 4 reviews of written complaints by Canadian suppliers in 2017–18 as these complaints met the requirements of the *Procurement Ombudsman Regulations*. Two of these reviews were completed in 2017–2018. Since the remaining 2 written complaints were submitted towards the end of the fiscal year, they will be completed and reported on in 2018–2019.

OPO offered dispute resolution services to suppliers and federal organizations by providing a timely, neutral and cost-effective alternative to potentially lengthy and expensive litigation. In

2017–2018, OPO received 9 written requests for its alternative dispute resolution (ADR) service. Of the 9 ADR requests received in 2017–2018, 4 requests were resolved informally through OPO’s assistance before the formal ADR process was initiated. Two requests for ADR services were received late in the fiscal year and will be reported on in 2018–19. The remaining 3 requests were either withdrawn or declined by one of the parties. OPO has also successfully helped resolve issues between Canadian suppliers and federal organizations by facilitating communication and playing a “go-between” role. This involved obtaining an understanding of the supplier’s issues and contacting the federal organization to discuss them.

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. The Office also shares information on good practices identified in federal organizations and in other jurisdictions as a way to promote improvement in the field of procurement. In 2017–2018, the Office launched two procurement practice reviews that will be completed

and reported on in 2018 to 2019, in accordance with the timeframes set forth in the *Procurement Ombudsman Regulations*. These reviews are entitled Review of Bid Solicitation Processes and Review of the Procurement Management Control Framework of a Federal Organization.

In addition, OPO conduct follow-up reviews two years after the initial release of a procurement practice review in order to determine OPO’s impact on federal procurement practices. In 2017–2018, three follow-up reviews were completed:

- Follow-up report on the 2014–2015 Review of Government-wide Procurement Practices Regarding Standing Offers and Supply Arrangements
- Follow-up report on the 2014–2015 Review of the Procurement Management Framework of Natural Resources Canada

- Follow-up report on the 2014–2015 Employment and Social Development Canada Information Technology Services

The 3 follow-up reviews outlined the actions undertaken by the federal organizations in response to the Procurement Ombudsman’s recommendations, and the extent to which each action had been completed and monitored. OPO noted each of the organizations took appropriate action to the Procurement Ombudsman’s recommendations to strengthen its procurement practices.

All OPO reviews were completed and reported within the legislated timelines, and the reports or summaries are available on the [OPO website](#)<sup>xvii</sup> and in the Procurement Ombudsman’s 2017–2018 annual report.

### Results achieved

Expected results	Performance indicators	Targets	Date to achieve target	2017–18 actual results	2016–17 actual results	2015–16 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%	March 31, 2018	100%	100%	100%

\*On a going forward basis, OPO will incorporate performance indicators that reflect the Office’s strategic objective of dealing with procurement-related issues through an approach based on education, facilitation and investigation.

**Budgetary Financial Resources (dollars)**

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
4,080,925	4,080,925	4,158,062	3,776,030	(304,895)

The variance between actual spending and planned spending is mainly related to the move of the Office of the Procurement Ombudsman being postponed to 2018–19.

**Human Resources (Full-Time Equivalents [FTEs])**

2017–18 Planned	2017–18 Actual	2017–18 Difference
23.03	24.69	1.66

There is no significant variance between actual and planned FTEs. Information on the PSPC's lower-level programs is available in the [GC InfoBase](#)<sup>xviii</sup>.

## 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

In 2017–2018, PSPC completed the review of Canada Post Corporation, established a new direction for the Corporation and announced the plan for the future of postal service, specifically:

- the Government’s service-focused vision for renewal at Canada Post including concrete measures such as the termination of the program to convert from door-to-door to community mailboxes, an enhanced accessible delivery program for seniors and Canadians with mobility challenges, better promotion of remittance services, the reclassification of Canada Post under the *Financial Administration Act* with the strengthened expectation that it will reinvest all of its profits in service and innovation; and
- the renewal of leadership at Canada Post including a new Chair appointed in December, 2017, as well as an ongoing process to fill board postings and the position of President and CEO on a permanent basis.

An extensive gender analysis was undertaken during the review of Canada Post Corporation, including the hiring of a third-party consulting firm to provide an independent GBA+ assessment.

PSPC continued to prepare decision documents (including Memoranda to Cabinet and Treasury) in support of the Minister’s mandate commitments as well as government-wide priorities. When required, decision documents included consideration and analysis of the impacts of strategic environmental assessments, gender-based analysis and official languages.

PSPC takes very seriously the protection of all personal information that it holds, and recognizes that there is a risk relating to privacy and safeguarding personal information with the programs it administers. In support of its commitment to safeguarding personal information and reducing any privacy risks, PSPC’s Access to Information and Privacy Directorate elaborated a comprehensive Privacy Breach Protocol, which has been shared



with employees. The protocol outlines a rigorous process to manage, contain, investigate and mitigate breaches to avoid recurrence. The protocol is reinforced through training, which is available online to all PSPC employees.

Following the approval of the new Departmental Results Framework and program inventory under the Treasury Board Policy on Results, PSPC prepared and submitted its first Departmental Plan (2018–19) adopting this new structure based on Departmental Results and Departmental Result Indicators. PSPC also implemented a departmental approach to planning, monitoring and reporting on progress towards achieving results on the Minister’s mandate commitments.

PSPC continued to provide services and advice to the Minister regarding portfolio affairs, international affairs, and federal-provincial-territorial affairs and continues to administer the policy on naming Government of Canada structures. PSPC also 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.

The Security and Emergency Management Sector completed its primary series of consultations and revisions to PSPC Departmental Security Policy as well as drafted a variety of security-related operating procedures, directives

and guidelines. It developed an awareness campaign, training plan as well as an Armed Intruder Table Top Exercise for all employees; it designed the security for Activity Based Workplace showcases and developed associated security playbooks to assist departments in assessing and maturing their security posture with best practices. Also, it coordinated PSPC’s response and provided surge-capacity support to multi-jurisdictional emergency events addressed under the Federal Emergency Response Plan.

The Special Investigations and Internal Disclosure (SIID) office of PSPC continued to undertake investigations as required. During the past year, SIID was also instrumental in the development and delivery of an on-line training course on fraud awareness, which is now available to all employees of the department.

Through the Office of Audit and Evaluation (OAE), PSPC contributed to the integrity and effectiveness of departmental operations by delivering 9 independent and credible internal audits, 2 reviews and 1 management letter that provided reasonable assurance on the effectiveness and adequacy of risk management, controls and governance processes. Furthermore, the OAE conducted neutral evaluations on the relevance, effectiveness and efficiency of departmental programs, policies and priorities and continued to play an important role in support of the Deputy Minister’s responsibilities as accounting officer.

The OAE experienced an increase in workload relative to previous years as a result of liaison activities related to a number of external oversight engagements implicating PSPC. Specifically, two Office of the Auditor General (OAG) audit reports implicating PSPC were tabled in Parliament during the year (Managing the Risk of Fraud; Phoenix Pay Problems). An additional OAG audit (Building and Implementing the Phoenix Pay System) was conducted during 2017–18 year and tabled the following year. The audits related to Phoenix created significant demands on departmental staff due to the high volume of documentation requested and the due diligence required prior to the release of the documentation.

### **IS 2. Communications Services**

Extensive communications capacity was dedicated to providing employees with information about Phoenix related pay issues and available support, including multiple technical briefings and ministerial events. Efforts to demonstrate the results PSPC delivers to Canadians were strengthened with the production of stories on the National Shipbuilding Strategy, Pension Modernization, the reconstructed Armoury in Quebec City, the Build in Canada Innovation Program, Vimy 100, Centre Block, Esquimalt Graving Dock and the Energy Savings Acquisition Program.

PSPC's official social media channels published multiple posts per day to support open and transparent communications with Canadians.

[Multiple platforms](#)<sup>xix</sup> were used to provide information on the department's priorities. This included information on Phoenix, the new vision for Canada Post, the National Shipbuilding Strategy, Defense Procurement and ongoing rehabilitation work on Parliament Hill.

### **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**

In support to the Department's role as the pay administrator for the Government of Canada, PSPC's corporate organizations provided dedicated end-to-end Human Resources (HR) services to help capacity building within the Pay Centre and its Satellite Offices. Although these required activities had not been included in the 2017–2018 Departmental Plan, given the importance of the HR services in the pay process, extensive work has been done to review and modernize processes and electronic systems leading to a pay transaction. Furthermore, to achieve stability with the Phoenix pay system, a dedicated departmental service was implemented to provide guidance and support to PSPC employees and managers with pay-related questions and issues.

To address the Department's need to adopt new and innovative ways of renewing and rejuvenating the work-

force, a youth strategy and veteran strategy were implemented. Also, with a goal to enhance the departmental talent management approach, an organization-wide framework for employees at all levels has been developed and endorsed by senior management.

To support employee development, a new employee learning management system, which provides a course catalogue containing over 400 courses was launched successfully in April 2017. As of March 31, 2018, PSPC attained a 90% completion rate for the mandatory HR-to-Pay<sup>7</sup> training, representing a total of 11,895 employees including managers.

With the objective of enhancing the Department's ability to develop business insights and workforce planning, a new team has been created to provide managers with integrated department-wide HR planning processes and tools, data and analysis to support HR planning and predictive analytics, which will ultimately lead to more informed decision making.

In 2017–2018, PSPC continued to support and foster organizational well-being by strengthening and expanding its Workplace Well-Being programs and services, appointing regional Mental Health and Well-Being Champions, forming Mental Health and Wellness Committees, delivering workshops, participating at kiosks and encouraging

awareness. With the launch of the Mental Health Strategy, a concentrated effort was also placed on implementing the National Standard on Psychological Health and Safety in the Workplace.

PSPC's Ombudsman for Mental Health celebrated their its first anniversary in February 2018 and has conducted several communication, promotional and awareness activities during 2017–2018.

For the second year in a row, PSPC was selected as one of Canada's Best Diversity Employers by having a diverse workforce and inclusive workplace. PSPC launched the document [Support for Trans Employees: A Guide for Employees and Managers](#) one of the first in the federal public service, that supports Trans Employees, promotes and encourages the values, ethics and behaviours championed and expected at PSPC. The Department demonstrated that it welcomes differences and offers a workplace where all can thrive and reach their full potential.

## **IS 5. Financial Management Services**

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

Over the last fiscal year, PSPC completed a broad based consultation and developed

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7. HR-to-Pay is defined as actions undertaken by HR that have an impact on employees pay. The HR-to-pay training provides information on dates when actions need to be taken and the importance of accurate and timely data entry for staffing actions and leave or overtime requests, so public servant get payed on time.

a user friendly, efficient, and robust Departmental Cost Accounting tool capable of capturing full project costs to the Government of Canada. Once implemented in the next fiscal year, the tool will serve a variety of audiences.

PSPC also delivered, in support of robust and optimized financial management:

- A 3-year financial plan which aligned available resources to departmental priorities;
- A timely and agile budget allocation process which provided to PSPC programs the necessary resources for the delivery of initiatives;
- Enhanced Financial Reporting which enabled close monitoring and adjustment of the departmental financial strategies.

By leveraging and optimizing its existing technologies, PSPC continued to improve efficiency of operations and the timeliness of financial information for decision-making. The department also began laying the foundation for adopting new technologies for its Enterprise Resourcing Planning system. This included a renewed departmental decision-making model for the prioritization of its business priorities and established a clear approach for the standardization and alignment of its common financial business processes, in the context of the Government of Canada Financial Management Transformation agenda.

PSPC continued to focus on 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, excellence in financial reporting and business advice.

### **IS 6. Information Management Services**

PSPC has established the necessary governance to support the implementation of the “open by default” principles and oversee the delivery of the departmental Open Government program. We also continued to develop a Data Strategy for PSPC which further enhanced data management and analytic capabilities in PSPC.

PSPC implemented Phase 1 of improvements to the Access to Information regime in fiscal year 2017–2018 with the proactive disclosure of briefing note titles and the disclosure of summaries of completed requests made under the Access to Information Act.

In addition, the Access to Information and Privacy Directorate of PSPC is preparing an action plan to implement the proposed changes to the acts and will develop awareness material in line with proposed amendments to the Act.

### **IS 7. Information Technology Services**

PSPC managed its portfolio of IT applications, ensuring that mission critical applications were adequately sustained, aging IT issues were identified and remediation plans were put in place to address the health of its

portfolio of applications. PSPC reported a 95% availability on its mission critical applications in the 2017–18 Management Accountability Framework exercise. PSPC worked with partners to lead and deliver its GC common applications suite to support the GC IT modernization agenda. The department continued its development of MyGCHR (personnel management), GC Shared Management System (case management and client relationship management) and GCDOCS (document and records management) with the focus being on stabilizing ongoing operations for the Phoenix pay system.

### **IS 8. Real Property Services**

The GCworkplace vision is oriented towards the development of spaces that are flexible, digital, efficient, green, inclusive, collaborative, and healthy. As a part of the Workplace Renewal, workspaces designs that put employee experience and quality of service at the core and integrated new technologies, have been completed in Atlantic region (Corner Brook, NL), Quebec region (Montreal), Western region (Regina) and in the National Capital Area (pilot sites at Place du Portage Phase 2 and Les Terraces de la Chaudière). Based on the lessons learned, design solutions are continuously improved for every new project. GCworkplace intends to provide greater flexibility in where and how employees work so that they can be productive as possible in delivering programs and services to Canadians by retooling work environments to encourage collaboration, use technology in smarter ways and foster a culture of health and well-being. Preliminary planning is

underway for the renewal of the Place du Portage Phase 3 campus in Gatineau.

### **IS 9. Materiel Services**

PSPC continued to provide 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. For example, in 2017–2018, for each request to acquire a vehicle made by branches and regions, Finance and Administration Branch acquired the most fuel efficient vehicles in their class to achieve our departmental fleet right-sizing goal while meeting operational requirements. Furthermore, PSPC has achieved its goals by disposing of assets in an environmentally sound and secure manner by utilizing various programs that are ecologically certified such as, the computer for school program, the battery recycle program and e-waste to dispose of electronics. As such, the department continued its contributions toward socioenvironmental and economic objectives.

The Department has initiated the process to review its assets policy and directives. As indicated within, the Department also reviewed and updated as required the departmental policy on the Management and Reporting of Capital Assets, to ensure that reporting and monitoring of capital assets are aligned with Treasury Board accounting standards. Additionally, the Department has revised its Asset Management Control Framework action plan. The revised standardized framework will clarify how the Department manages its assets and enables effective and efficient

monitoring practices. The Department continued to apply the service standards for assets, fleet, and warehousing set by TBS.

**IS 10. Acquisition Services**

PSPC has initiated, in a phased approach, its service renewal initiative to refine and streamline its procurement planning strategies and processes. The Procurement Transformation Initiative will enhance the procurement service delivery model by placing greater emphasis on pro-active planning for procurement under \$2 million. The first phase, to be undertaken with the Human Resources Branch and the Chief Information Officer Branch, will introduce strategic efficient procurement processes for professional service requirements that eliminate duplication and realign resources to enhance the service delivery. In addition, it will increase the acquisition card usage by 1.5%. All these activities provide value for money and enhance program support.

PSPC has reported on its procurement obligations in a timely and accurate manner, indicating a well-managed and transparent procurement practices. The oversight and monitoring of procurement has been strengthened through a more robust quality assurance function that provides advice and support to clients. In addition, the Department implemented an intake and workload management system (Galileo); this permits it to track performance on the basis of set indicators.

The Department has also put in place a learning plan for its procurement functional specialists that supports training and certification. The plan ensured that all personnel completed the mandatory training thus enhancing the personnel capacity to deliver acquisition services as well as integrate and promote TBS’ specific competencies in talent management.

**Financial and FTE Variances for the Program “Internal Services”**

**Budgetary Financial Resources (dollars)**

2017–18 Main Estimates	2017–18 Planned Spending	2017–18 Total Authorities available for use	2017–18 Actual Spending (authorities used)	2017–18 Difference (actual minus planned)
221,643,915	221,643,915	324,421,700	295,624,358	73,980,443

The variance between actual spending and planned spending is mainly related to the enhanced measures to help stabilize the Phoenix pay system, additional resources for information management initiatives, as well as an accounting change that resulted in a reduction of internal revenues and expenditures.

**Human Resources (Full-Time Equivalents [FTEs])**

2017-18 Planned	2017-18 Actual	2017-18 Difference
2,801.63	2,685.86	(115.77)

The difference between planned and actual FTEs is mainly due to the following reasons:

- Information Technology: there were challenges for recruiting.
- Materiel Services: there were a realignment between Material Management and Acquisition sub-program activities. 🍁







## Section IV—Analysis of trends in spending and human resources

### 4.1 Actual expenditures

The departmental spending trend graph presents trends in the department’s planned and actual spending over time. The data represents actual spending (2015–16 to 2017–18) and planned spending (2018–19 to 2020–21) broken down between Statutory and Voted Expenditures.

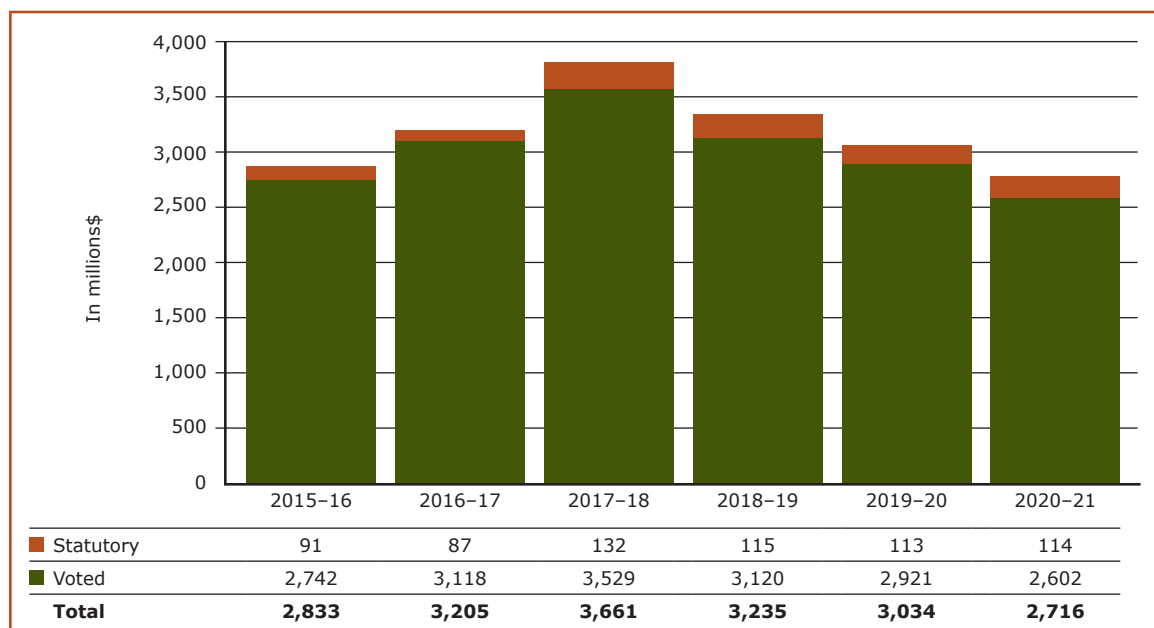


Figure 3. Departmental spending trend.

**Budgetary Performance Summary for Programs and Internal Services (dollars)**

Programs and internal services	2017–18 Main Estimates	Planned Spending			2017–18 Total authorities to Date	Actual Spending (authorities used)		
		2017–18	2018–19	2019–20		2017–18	2016–17	2015–16
Acquisitions	153,731,765	153,731,765	117,494,195	115,063,705	174,252,474	176,079,526	137,999,617	151,557,532
Accommodation and Real Property Services	2,994,281,729	2,994,281,729	2,567,574,445	2,379,574,752	3,076,878,309	2,745,566,127	2,458,990,334	2,112,305,111
Receiver General for Canada	128,471,892	128,471,892	107,078,565	107,066,542	128,611,957	104,426,411	104,491,576	109,908,581
Integrity Programs and Services	18,651,926	18,651,926	17,182,496	17,171,989	31,907,678	22,946,434	18,315,360	20,273,364
Federal Pay and Pension Administration	80,895,164	80,895,164	81,677,624	77,941,288	208,554,869	199,106,710	135,402,231	128,954,893
Linguistic Management and Services	64,762,500	64,762,500	76,015,435	75,340,401	73,907,082	70,736,668	52,946,867	51,299,267
Specialized Programs and Services	27,562,369	27,562,369	28,861,883	28,926,759	43,271,237	42,646,061	31,466,314	24,537,710
Procurement Ombudsman	4,080,925	4,080,925	4,109,731	4,109,109	4,158,062	3,776,030	3,257,831	3,830,009
<b>Subtotal</b>	<b>3,472,438,270</b>	<b>3,472,438,270</b>	<b>2,999,994,374</b>	<b>2,805,194,545</b>	<b>3,741,541,668</b>	<b>3,365,283,967</b>	<b>2,942,870,130</b>	<b>2,602,666,467</b>
<b>Internal services</b>	<b>221,643,915</b>	<b>221,643,915</b>	<b>235,396,731</b>	<b>228,627,717</b>	<b>324,421,700</b>	<b>295,624,358</b>	<b>262,556,577</b>	<b>230,649,243</b>
<b>Total</b>	<b>3,694,082,185</b>	<b>3,694,082,185</b>	<b>3,235,391,105</b>	<b>3,033,822,262</b>	<b>4,065,963,368</b>	<b>3,660,908,325</b>	<b>3,205,426,707</b>	<b>2,833,315,710</b>

Totals may not add up due to rounding.

**Narrative**

As part of the present Departmental Results Report, PSPC is informing parliamentarians and Canadians of the budgetary performance achieved for 2017–18. This performance is measured against the planned spending defined in PSPC's 2017–18 Departmental Plan.

The budgetary performance summary table above provides the following:

- Main Estimates and Planned spending for 2017–18, as reported in the 2017–18 Departmental Plan;
- Planned spending for 2018–19 and 2019–20, as reported in the 2018–19 Departmental Plan;
- Total Authorities to date in 2017–18 which reflects the authorities received to date, including Carry-forwards and Supplementary Estimates;

- Actual spending for 2015–16, 2016–17 and 2017–18 as reported in the Public Accounts.

After the planned spending was submitted as part of the 2017–18 Main Estimates, PSPC received additional funding during the fiscal year, mainly to help stabilize the Phoenix pay system, increase pay service delivery capacity, and to provide accommodation and other services for the 2018 G7 Summit.

The variance of \$33 million between actual spending and planned spending in 2017–18 is mainly related to the following factors:

- The revised schedules for engineering assets and adjustments to recalibrate funding to align with planned work for the Parliamentary Precinct rehabilitation; offset by:

- The enhanced measures to help stabilize the Phoenix pay system and increase pay service delivery capacity; and,
  - The increased salary rates and payments due to the implementation of newly signed collective agreements.
- The rehabilitation of major public infrastructures, to continue the implementation of the Parliamentary Precinct rehabilitation; as well as,
  - The substantial effort to help stabilize the Phoenix pay system and increase pay service delivery capacity.

The increase of \$828 million in actual spending from 2015–16 to 2017–18 is primarily the result of:

- Additional investments made for repairs and maintenance of federal buildings;

Finally, while PSPC transitioned to the Departmental Results Framework beginning in 2018–19, the planned spending for 2018–19 and 2019–20 were restated according to the Program Alignment Architecture, to comply with the presentation of this DRR.

## 4.2 Actual Human Resources (full-time equivalents)

Programs and internal services	Actual FTEs 2015–16	Actual FTEs 2016–17	Planned FTEs 2017–18	Actual FTEs 2017–18	Planned FTEs 2018–19	Planned FTEs 2019–20
Acquisitions	1,712.34	1,617.47	1,551.00	1,679.64	1,542.00	1,542.00
Accommodation Management and Real Property Services	3,410.40	3,507.19	3,509.28	3,748.58	3,100.44	3,040.44
Receiver General for Canada	319.00	308.00	307.00	304.90	307.00	307.00
Integrity Programs and Services	354.00	358.14	398.00	387.00	382.00	382.00
Federal Pay and Pension Administration	1,773.00	2,088.71	2,022.00	2,904.68	2,022.00	2,022.00
Linguistic Management and Services	1,197.00	1,149.51	1,114.85	1,153.70	1,184.00*	1,177.00*
Specialized Programs and Services	479.65	642.63	609.00	692.63	620.00	622.00
Procurement Ombudsman	25.14	23.37	23.03	24.69	23.03	23.03
<b>Subtotal</b>	<b>9,270.53</b>	<b>9,695.02</b>	<b>9,534.16</b>	<b>10,895.82</b>	<b>9,180.47</b>	<b>9,115.47</b>
<b>Internal services subtotal</b>	<b>2,474.62</b>	<b>2,610.71</b>	<b>2,801.63</b>	<b>2,685.86</b>	<b>2,810.43</b>	<b>2,811.83</b>
<b>Total</b>	<b>11,745.15</b>	<b>12,305.73</b>	<b>12,335.79</b>	<b>13,581.68</b>	<b>11,990.90</b>	<b>11,927.30</b>

\*Please note that the Linguistic Management and Services planned FTEs were extracted from the 2018–19 Departmental Plan since they were not identified in the 2017–18 Departmental Plan.

The variation in PSPC's actual FTEs is mainly due to:

**Increased numbers of FTEs** in the following programs:

- 1.5 Federal Pay and Pension Administration:
  - Federal Pay: due to additional resources dedicated to fix the pay system and improve HR-to-Pay business process;
  - Pension Administration: due to an increase of 60 FTEs required for the Phoenix data correction project, an influx of 30 FTEs from the Compensation Sector Insurance Services, an increase of 17 FTEs for DND pension services, and 21 FTEs not accounted for in planning.
- 1.2 Accommodation Management and Real Property Services: mainly due to staffing needs given the business volume growth.
- 1.1 Acquisitions: mainly due to the staffing of vacant positions and increased procurement and engagement activities across Canada.
- 1.7 Specialized Programs and Services: The planned FTE's did not include term employees (111.4), because the renewal of term employees depend on client volumes and that had not been secured at the time of Departmental Plan publishing.
- 1.6 Linguistic Management and Services mainly due to additional hiring by the Translation Bureau to meet statutory service demands of the government.

**Offset by decreased numbers of FTEs** in the following programs:

- 1.9 Internal Services: mainly due to recruiting challenges.
- 1.4 Integrity Programs and Services: mainly due to employee turnover and delays in staffing.

### 4.3 Expenditures by Vote

For information on PSPC's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2017–2018<sup>xx</sup>](#).

### 4.4 Government of Canada spending and activities

Information on the alignment of the PSPC's spending with the Government of Canada's spending and activities is available in the [GC Infobase<sup>xxi</sup>](#).

## 4.5 Financial Statements and Financial Statements Highlights

### Financial Statements

The Public Services and Procurement Canada's Consolidated Financial Statements (unaudited) for the year ended March 31, 2018, are available on the [departmental website](#).

### Financial Statements Highlights

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

Financial information	2017–18 Planned results	2017–18 Actual results	2016–17 Actual results	Difference (2017–18 Actual minus 2017–18 Planned)	Difference (2017–18 Actual minus 2016–17 Actual)
Total expenses	6,667,425,130	6,295,707,170	5,745,698,841	(371,717,960)	550,008,329
Total revenues	3,163,492,698	3,027,807,677	3,029,774,902	(135,685,021)	(1,967,225)
<b>Net cost of operations before government funding and transfers</b>	<b>3,503,932,432</b>	<b>3,267,899,493</b>	<b>2,715,923,939</b>	<b>(236,032,939)</b>	<b>551,975,554</b>

### Expenses

#### Actual over Planned

The 2017-18 expenses were \$372 million lower than planned (planned: \$6,667.4 million; actual: \$6,295.7 million). The decrease is mainly attributable to the **Accommodation and Real Property Services** program due to:

- business volume lower than anticipated as a result of the scope of other government departments' projects being reduced, postponed to next fiscal year, or cancelled; and
- revised schedules of rehabilitation of engineering assets, and adjustments to recalibrate funding to align with planned work for the Parliamentary Precinct rehabilitation.

#### Actual Year over Year

The increase in expenses of \$550 million (2017–18: \$6,295.7 million; 2016–17: \$5,745.7 million) is mainly attributed to the **Accommodation 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 commitment to build and renew infrastructure across Canada for other government departments;
- an increase in repair and maintenance of federal buildings to provide a safe, healthy and secure workplace; and
- an increase related to additional funding received to help stabilize the Phoenix Pay system and increase pay service delivery capacity.

## Revenues

### Actual over Planned

The 2017–18 revenues were \$136 million less than planned (planned: \$3,163.5 million; actual: \$3,027.8 million), and this is due to business volume being lower than anticipated as a result of the scope of other government departments' projects being reduced or postponed to next fiscal year, or cancelled.

### Actual Year over Year

The 2017–18 revenues were comparable with the prior year (2017–18: \$3,027.8 million; 2016–17: \$3,029.8 million).

### Condensed Statement of Financial Position (unaudited) as of March 31, 2018 (dollars)

Financial Information	2017–18	2016–17	Difference (2017–18 minus 2016–17)
Total net liabilities	3,843,086,143	3,773,661,700	69,424,443
Total net financial assets	1,264,807,911	1,091,396,695	173,411,216
Departmental net debt	2,578,278,232	2,682,265,005	(103,986,773)
Total non financial assets	6,981,232,269	6,675,956,804	305,275,465
Departmental net financial position	4,402,954,037	3,993,691,799	409,262,238

## Net liabilities

The increase in total net liabilities of \$69 million is mainly attributable to:

- an increase in **Accounts payable** as a result of increased business volume for construction and repair work as part of the government's commitment to build and renew infrastructure across Canada for other government departments;

Offset by:

- a decrease in **Lease obligations** (future payments for leased tangible capital assets) as a result of payments made during the year.

## Net financial assets

The increase in total net financial assets of \$173 million is mainly due to:

- an increase in **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, for the purpose of paying its liabilities.

## Non-Financial Assets

The increase in total non-financial assets of \$305 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:
  - i) Buildings: Rehabilitation of the West Block, Government Conference Centre and Centre Block, as well as the Construction of the Visitor Welcome Centre as part of Parliamentary Precinct's Long Term Vision Plan Project;
  - ii) Works and infrastructure: Alaska Highway as part of the government's commitment to build and renew infrastructure across Canada.

Offset by:

- the amortization of **Tangible Capital Assets** (physical assets held on 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*<sup>xxii</sup> (DPWGS Act) establishes the Department of Public Services and Procurement Canada.

**Year of Incorporation/Commencement:** 1841

**Other:** The Minister of Public Services and Procurement and Accessibility has responsibilities under 19 other Acts. The most important ones are:

- *Shared Services Canada Act*<sup>xxiii</sup>
- *Expropriation Act*<sup>xxiv</sup>
- *Defence Production Act*<sup>xxv</sup>
- *Seized Property Management Act*<sup>xxvi</sup>
- *Surplus Crown Assets Act*<sup>xxvii</sup>
- *Financial Administration Act*<sup>xxviii</sup>

### **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 2017–18.

### 2017–18 PSPC Program Alignment Architecture (PAA)

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 <sup>xxix</sup>	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

The sub-programs and sub-sub-programs which comprise the programs listed in the 2017–18 Departmental Results Report are available on [GC InfoBase](#).

## 5.3 Supplementary information tables

The [supplementary information tables](#)<sup>xxx</sup> listed in the 2017–18 Departmental Results Report can be found on [PSPC's website](#)<sup>xxxi</sup>.

- Departmental Sustainable Development Strategy
- Details on transfer payment programs of \$5 million or more
- Evaluations
- User fees, regulatory charges and external fees
- Internal audits
- Response to parliamentary committees and external audits
- Status report on transformational and major Crown projects

## 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](#)<sup>xxxii</sup> 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](mailto: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.

**Departmental Plan** (plan ministériel)

A report on the plans and expected performance of an appropriated department over a three year period. Departmental Plans are tabled in Parliament each spring.

**Departmental Results Report** (rapport sur les résultats ministériels)

A report on an appropriated department's 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.

**experimentation** (expérimentation)

Activities that seek to explore, test and compare the effects and impacts

of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

**full time equivalent** (équivalent temps plein)

A measure of the extent to which an employee represents a full person year charge against a departmental 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.

**gender-based analysis plus** (GBA+) (analyse comparative entre les sexes plus [ACS+])

An analytical approach used to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives. The “plus” in GBA+ acknowledges that the gender-based analysis goes beyond biological (sex) and socio-cultural (gender) differences. We all have multiple identity factors that intersect to make us who we are; GBA+ considers many other identity factors, such as race, ethnicity, religion, age, and mental or physical disability. Examples of GBA+ processes include using data disaggregated by sex, gender and other intersecting identity factors in performance analysis, and identifying any impacts of the program on diverse groups of people, with a view to adjusting these initiatives to make them more inclusive.

**government-wide priorities** (priorités pangouvernementales)

For the purpose of the 2017–18 Departmental Results Report, 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 initiative** (initiative horizontale)

An initiative where two or more departments are given funding to pursue a shared outcome, often linked to a government priority.

**Management, Resources and Results Structure** (structure de 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.

**plan** (plan)

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.

**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.

**priority** (priorité)

A plan or project 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) or Departmental Results.

**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.

**result** (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. 🍁





# http://

## Endnotes

- i Government-wide Integrity Regime, <https://www.tpsgc-pwgsc.gc.ca/ci-if/ci-if-eng.html>
- ii The Minister's mandate letter, <https://pm.gc.ca/eng/mandate-letters>
- iii Public Services and Procurement Canada, <http://www.tpsgc-pwgsc.gc.ca/comm/index-eng.html>
- iv Buyandsell.gc.ca, <https://buyandsell.gc.ca/>
- v *Pan Canadian Framework on Clean Growth and Climate Change*, <https://www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework/climate-change-plan.html>
- vi National inventory, <https://www.tpsgc-pwgsc.gc.ca/biens-property/ami-asb/invamiant-asbestosinv-eng.html?wbdisable=false>
- vii Open Government Portal, [https://open.canada.ca/data/en/dataset?portal\\_type=dataset&keywords=Public+Accounts&q=public+accounts&organization=pwgsc-tpsgc](https://open.canada.ca/data/en/dataset?portal_type=dataset&keywords=Public+Accounts&q=public+accounts&organization=pwgsc-tpsgc)
- viii Service standard results, <http://www.tpsgc-pwgsc.gc.ca/remuneration-compensation/services-pension-services/pension/rns-ssr-eng.html>

## 2017–18 Departmental Results Report

- ix Phoenix pay system issues, <http://www.tpsgc-pwgsc.gc.ca/remuneration-compensation/pay-centre-pay/mise-a-jour-phenix-phoenix-updates-eng.html>
- x Senate Advisory Working Group on Interpretation and Translation, [https://sencanada.ca/content/sen/committee/421/CIBA/Reports/CIBA\\_RPT27\\_TRANAWG\\_APX1\\_e.pdf](https://sencanada.ca/content/sen/committee/421/CIBA/Reports/CIBA_RPT27_TRANAWG_APX1_e.pdf)
- xi Language Portal of Canada website, <https://www.noslangues-ourlanguages.gc.ca/en>
- xii Our Languages blog, <https://www.noslangues-ourlanguages.gc.ca/en/blogue-blog-index>
- xiii Collection of Canadian language resources, <https://www.noslangues-ourlanguages.gc.ca/en/ressources-resources/index-eng>
- xiv TERMIUM Plus®, <https://www.btb.termiumplus.gc.ca/tpv2alpha/alpha-eng.html?lang=eng&index=alt>
- xv Gender and sexual diversity glossary, <http://www.btb.termiumplus.gc.ca/publications/diversite-diversity-eng.html>
- xvi Publications.gc.ca, <http://www.publications.gc.ca/site/eng/home.html>
- xvii OPO website, <http://opo-boa.gc.ca/index-eng.html>
- xviii GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xix Multiple platforms, <https://www.tpsgc-pwgsc.gc.ca/comm/ms-sm/index-eng.html>
- xx Public Accounts of Canada 2017–2018, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- xxi GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxii *Department of Public Works and Government Services Act*, <http://laws-lois.justice.gc.ca/eng/acts/P-38.2/>
- xxiii *Shared Services Canada Act*, <http://laws-lois.justice.gc.ca/eng/acts/S-8.9/>
- xxiv *Expropriation Act*, <http://laws-lois.justice.gc.ca/eng/acts/E-21/>

- xxv *Defence Production Act*, <http://laws-lois.justice.gc.ca/eng/acts/D-1/>
- xxvi *Seized Property Management Act*, <http://laws-lois.justice.gc.ca/eng/acts/S-8.3/>
- xxvii *Surplus Crown Assets Act*, <http://laws-lois.justice.gc.ca/eng/acts/S-27/>
- xxviii *Financial Administration Act*, <http://laws-lois.justice.gc.ca/eng/acts/f-11/>
- xxix 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 and Accessibility following the fiscal year in accordance with legislative requirements.
- xxx Supplementary information tables,  
<http://www.tpsgc-pwgsc.gc.ca/rapports-reports/index-eng.html>
- xxxi Public Services and Procurement Canada Reports website,  
<http://www.tpsgc-pwgsc.gc.ca/rapports-reports/index-eng.html>
- xxxii *Tax Expenditures and Evaluations* publication,  
<http://www.fin.gc.ca/purl/taxexp-eng.asp> 