

# OFFICE OF THE PROCUREMENT OMBUD

FOLLOW-UP REPORT TO THE 2021-2022  
PROCUREMENT PRACTICE REVIEW OF  
THE DEPARTMENT OF NATIONAL  
DEFENCE

APRIL 2026



Government  
of Canada

Office of the  
Procurement Ombud

Gouvernement  
du Canada

Bureau de l'ombud  
de l'approvisionnement

Canada The wordmark for Canada, with a small red maple leaf icon above the letter 'a'.

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## Introduction

1. In accordance with paragraph 22.1(3)(a) of the *Department of Public Works and Government Services Act*, the Procurement Ombud has the authority to review the procurement practices of departments to assess their fairness, openness and transparency and to make any appropriate recommendations to the relevant department for the improvement of those practices. Such reviews, which are performed by the Office of the Procurement Ombud (OPO), are referred to as Procurement Practice Reviews (PPRs).
2. In 2021-2022 OPO conducted a PPR entitled "Procurement Practice Review of the Department Of National Defence," which included 6 recommendations to address identified issues. A final report was issued in May 2022 and published on OPO's website.
3. As a standard practice, OPO follows up on recommendations resulting from PPRs. This is done in order to determine whether federal departments have implemented their management action plans in response to the Procurement Ombud's recommendations. This Follow-up Review includes a summary of results from the initial PPR and OPO's assessment of progress made by the Department of National Defence (DND) in response to the Procurement Ombud's 6 recommendations. This report also includes an organizational report card that facilitates comparisons across federal departments over time.

## Results from initial PPR

4. The objective of the initial PPR of the DND was to determine whether the Department's procurement practices pertaining to evaluation criteria and selection plans, solicitation, and evaluation of bids and contract award, supported the principles of fairness, openness and transparency.
5. For the PPR, OPO analyzed the Department's procurement practices under 3 Lines of Enquiry (LOE). Below are descriptions of the LOEs, a brief summary of observations, and the Procurement Ombud's 6 recommendations included in the initial PPR report.

### **LOE 1: Evaluation criteria and selection plans were established in accordance with applicable laws, regulations and policies.**

6. For LOE 1, OPO's initial review found that overall, mandatory criteria aligned with requirements and were not unnecessarily restrictive. There were, however, numerous issues regarding unclear evaluation criteria, where mandatory or rated criteria were poorly defined or the criteria did not match the requirement. There were also 5 files where the evaluation criteria appeared to favour a bidder.

7. The Procurement Ombud made one recommendation to the issues identified under LOE 1:

**Recommendation 1:** DND should update its procurement policies and training to ensure they direct that:

- Mandatory criteria are: properly defined; measurable; not based on future compliance or unnecessarily restrictive; and, bidders are informed of how the criteria can be met
- Rated criteria: include clear rating scales, align with the statement of work requirements and not be unnecessarily restrictive
- The Selection Methodology should be clearly explained and included in every solicitation.

**LOE 2: Solicitation documents and organizational practices during the bid solicitation period were consistent with applicable laws, regulations and policies.**

8. For LOE 2, OPO's review found that DND's competitive solicitations generally followed applicable rules, with most bids made available to the right number of suppliers for the appropriate duration and with clear instructions. However, several files showed administrative issues such as shortened bidding periods, missing bid dates, and incomplete contact details. More concerning were cases where DND failed to treat suppliers equally.
9. The Procurement Ombud made 1 recommendation to address the issues identified under LOE 2:

**Recommendation 2:** DND should update its procurement policies and training to ensure its bid solicitation processes:

- Do not result in some suppliers being given an advantage over competitors through the uneven sharing of information
- Invite the right number of suppliers and provide all bidders with contact information and the due date for the receipt of bids
- Include measures to ensure the requirement to send regret letters is consistently implemented.

**LOE 3: Evaluation of bids and contract award were conducted in accordance with the solicitation.**

10. For LOE 3, OPO's initial review found that many files were missing complete records about either the individual or consensus evaluations. In 10 of 40 files reviewed, DND either had no evaluation results on file or the evaluation did not explain how the bidder met the various evaluation criteria.
11. The Procurement Ombud made 2 recommendations to address the issues identified under LOE 3:

**Recommendation 3:** DND should update its procurement policies and training to require all evaluators, regardless of employment status, to assess and

confirm they are not in a conflict of interest position prior to obtaining bid documentation and/or participating in the evaluation process.

**Recommendation 4:** DND should update its procurement policies and training to emphasize:

- Technical evaluators must strictly follow the solicitation's evaluation plan and award contracts only to compliant bidders
- Any compliance failure regarding a mandatory criterion results in the immediate disqualification of the bid
- Evaluation results must be documented to fully explain how evaluators awarded points for rated evaluation criteria and determined compliance/non-compliance for mandatory evaluation criteria.

12. In its other observations, the Procurement Ombud made 2 additional recommendations in the initial PPR report related to changing contract requirements and documentation practices:

**Recommendation 5:** DND should update its procurement policies and training to ensure all solicitations include the entire requirement as known at the time of publication of the solicitation, and that unexpected amendments are minimized, taking into account DND's operational requirements.

**Recommendation 6:** DND should ensure the established electronic system accurately tracks, controls and reports on its contracting activities and ensures all contracts that are required to be proactively disclosed are.

## Methodology and management action plan assessment summary





13. When launching this Follow-up Review, OPO asked DND to self-assess its progress in implementing the 6 recommendations stemming from the initial review using a progress scale provided by OPO. This scale ranged from "no progress" (level 1) to "full implementation" (level 5), as outlined in Appendix 1. Furthermore, DND was asked to provide OPO with supplementary information and documentation to support their self-assessment. OPO reviewed DND's self-assessment and supporting documentation for its overall reasonableness and credibility.

14. DND self-assessed the level of implementation of their response at level 5, "full implementation" for each recommendation. The information and documentation provided showed that DND has made broad progress and important improvements across all recommendations. OPO's review confirmed that implementation is well-advanced; however, the documentation did not fully demonstrate that all procurement officers, particularly those whose procurement practices were examined in the initial review, had received or benefited from the updated training. For this reason, OPO assessed DND's progress in implementing the recommendations at levels 4 or 5, reflecting substantial or full implementation, based on the progress demonstrated.



15. The Follow-up Review showed that overall, DND has updated existing tools and implemented new and enhanced products that support fairness, openness, and transparency in the procurement process. The evidence provided by DND demonstrated a series of advancements designed to meet the intent of each recommendation through several initiatives, including:
- Updated procurement training content and courses to address the Procurement Ombud's recommendations. Some of the training includes topics concerning the development of evaluation criteria, the evaluation of bids, and documentation practices.
  - Updated policy documents and a revised Procurement Administration Manual (PAM).
  - Contracting data capture and reporting modernization.

## Report card

16. Follow-up Reviews include a report card with a rating that depicts the department's performance with regard to the 3 LOEs and "other observations". In determining these assessment ratings, OPO takes into consideration the results from the initial PPR review and the actions taken by the department to implement the recommendations under each category. The assessment ratings are as follows:

	Satisfactory Plus (four star)
	Satisfactory (three star)
	Partially Satisfactory (two star)
	Unsatisfactory (one star)

17. Note that a "Satisfactory Plus" assessment rating is only possible when the initial review resulted in no recommendations being issued under a particular category. As the initial review contained recommendations under all 3 LOEs and "other observations," a "Satisfactory Plus" rating was not possible in this Follow-up Review, and the highest possible score DND could obtain for each category was "Satisfactory." Assessment definitions and criteria are outlined in Appendix 2.
18. After reviewing progress made toward implementing the action plans for each recommendation and in consideration of the established assessment ratings, a rating of "Satisfactory" was determined for each LOE and the "other observations." DND's descriptions of actions taken and its supporting documentation for each of the LOEs demonstrate that reasonable and credible progress has been achieved in responding to the Procurement Ombud's recommendations.

Report card		
Line of Inquiry (LOE)	Rating	Assessment
1. Evaluation criteria and selection plans were established in accordance with applicable laws, regulations and policies.	Satisfactory 	<p>Recommendation 1 applied to this LOE.</p> <p>DND updated its PAM and existing training courses to include clear and detailed instructions on the development of mandatory and rated criteria as well as selection methodologies.</p> <p>The Department would further benefit from delivering procurement courses on a more frequent basis to help ensure all procurement officers, both existing and new, are receiving the latest information on topics related to the LOE.</p> <p>DND would also benefit from a more clear and consistent communication of the contracting compliance framework with procurement officers. This would promote better understanding of requirements related to the LOE that are outlined in the Framework.</p>
2. Solicitation documents and organizational practices during the bid solicitation period were consistent with applicable laws, regulations and policies.	Satisfactory 	<p>Recommendation 2 applied to this LOE.</p> <p>DND updated the PAM, a Statement of Work checklist, and existing training courses to include clear instructions concerning the sharing of procurement information during a solicitation, ensuring the solicitation is open and accessible to the correct number of prospective bidders, and that clear regret letters are sent to unsuccessful suppliers.</p> <p>Opportunities for improvement are similar to those noted in LOE1, with the Department standing to benefit from delivery of procurement courses on a more frequent and consistent basis to ensure all procurement officers, both existing and new, are receiving the latest information on topics related to the LOE.</p>

		<p>Clear communication of the contracting compliance framework with procurement officers, including results from any data analysis or trends would promote better understanding of requirements related to the LOE that are outlined in the Framework.</p>
<p>3. Evaluation of bids and contract award were conducted in accordance with the solicitation.</p>	<p>Satisfactory</p> <p>☆☆☆</p>	<p>Recommendations 3 and 4 applied to this LOE.</p> <p>Concerning recommendation 3 and 4, DND updated its PAM, a mandatory Conflict of Interest form, and existing training courses to ensure all evaluators, regardless of employment status, assess and confirm they are not in a conflict of interest.</p> <p>The latest version of the PAM and the training materials both articulates the importance of documenting the justification of the evaluation results and requires technical evaluators to strictly follow the solicitation's evaluation plan.</p> <p>As noted in previous LOEs, the Department would benefit from more consistent and timely training related to the requirements of the LOE and communication of relevant requirements from the contracting compliance framework to ensure all procurement officers, both existing and new, are receiving the latest information on topics related to the LOE.</p>

<p>4. Other observations</p>	<p>Satisfactory</p> <p>☆☆☆</p>	<p>Recommendations 5 and 6 applied to the other observations section of the report.</p> <p>In response to Recommendation 5, DND updated its PAM and training to ensure solicitations reflect the full known requirement at publication and minimize unexpected amendments, while considering operational needs.</p> <p>As noted in previous LOEs, the Department would benefit from the provision of timely and consistent training related to topics from the LOE and communication of relevant requirements as outlined in the contracting compliance framework to ensure all procurement officers, both existing and new, are receiving the latest information on topics related to the LOE.</p> <p>In response to Recommendation 6, DND updated its training to ensure contracts and amendments are properly recorded in its system and disclosed publicly.</p> <p>One remaining concern is that DND removed the 30-day grace period for entering contract data from its internal policies. While DND has made some progress on its contract data and reporting modernization activities, long-term assessment of the impact of this grace-period removal remains unavailable as the Department is still processing the transfer and advancement of its data capture practices.</p>
<p>OPO concludes that the overall report card rating is:</p> <p>Satisfactory</p> <p>☆☆☆</p>		

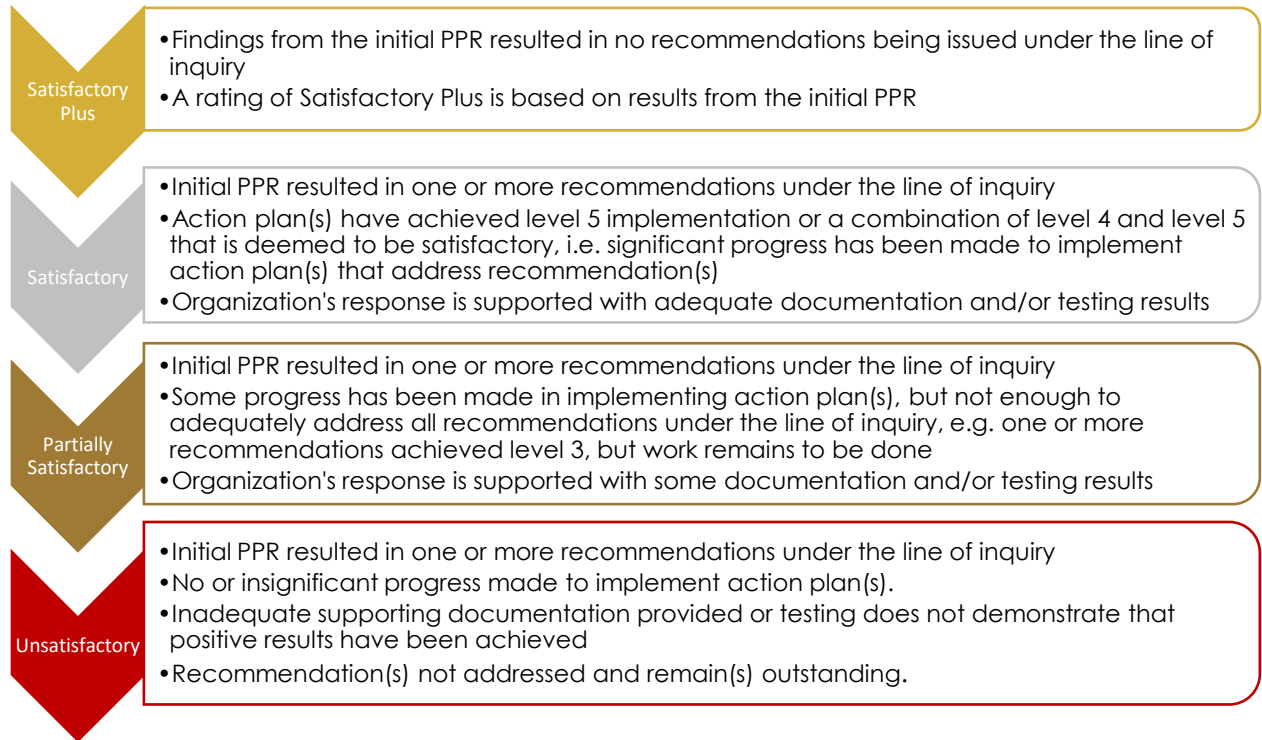
## Conclusion

19. DND has used a combination of updated and new products and practices to address the Procurement Ombud's recommendations and support fairness, openness, and transparency in the procurement process. The evidence provided showed that DND has taken most of the necessary measures designed to meet the intent of each of the 6 recommendations stemming from the initial review.
20. The Follow-up Review concluded that overall, DND's self-assessment, supported by substantiating documentation, demonstrated progress made in relation to the recommendations in the initial PPR report. However, some aspects of the self-assessment have been adjusted following OPO's review of the self assessment form, substantiating documentation, and additional clarifications provided by DND in response to the questions posed.
21. OPO found that while structures and processes are in place, there was not always clear evidence showing that the implemented structures and processes are being communicated with all procurement practitioners, and that updates to the training courses and the full compendium of training materials are mostly impacting new hires, not existing procurement officers. There were hundreds of changes made to the body of procurement courses offered by DND since the time of the initial PPR, but those who have already completed the course are not required to take it again; they receive bulletins or email guidance on the issues raised.
22. DND has made progress on modernizing its data capturing practices to ensure the proactive publication of contracting data. DND should continue its data transition and the building of its integrated solution to support transparent contract reporting.
23. The Procurement Ombud commends DND for their commitment to supporting fairness, openness, and transparency in the procurement process and the progress noted to date. DND's timely responses to OPO's requests and follow-up questions pertaining to this review were noted and appreciated.

## Appendix 1: Assessment of implementation level

<b>Assessment of Implementation Level</b>	
Level 1	<b>No progress or insignificant progress.</b> Actions such as establishing a new committee, conducting meetings, and generating informal plans have not advanced, or insignificant progress has been made.
Level 2	<b>Planning stage.</b> Formal plans for organizational changes have been created and approved.
Level 3	<b>Preparations for implementation.</b> Preparations for implementing a recommendation are in progress – e.g., hiring or training staff, developing necessary resources, etc.
Level 4	<b>Substantial implementation.</b> Structures and processes are in place and integrated within at least some parts of the organization, and some achieved results have been identified.
Level 5	<b>Full implementation.</b> Structures and processes are fully implemented and operating as intended and results have been identified.
Obsolete	Recommendation is no longer applicable due to new policies, procedures, etc.

## Appendix 2: Overall performance assessment scale



## Appendix 3: Assessment of recommendations

**Recommendation 1:** DND should update its procurement policies and training to ensure they direct that:

- Mandatory criteria are: properly defined; measurable; not based on future compliance or unnecessarily restrictive; and, bidders are informed of how the criteria can be met
- Rated criteria: include clear rating scales, align with the statement of work requirements and not be unnecessarily restrictive
- The Selection Methodology should be clearly explained and included in every solicitation.

### DND Action Plan

24. DND will review its policies, procedures, guidance and training to assess areas for improvement surrounding how evaluation criteria and selection methodologies are developed and reviewed. Updates and/or new policies, procedures, guidance and training will be developed and communicated where deficiencies are identified.
25. In addition DND will also review its contracting compliance framework to align it to updated policies and procedures resulting from this Management Action Plan (MAP). This MAP will be closed once the necessary policy, procedures, guidance have been promulgated and communicated, training changes identified and contracting compliance framework updated.

### OPO Assessment

26. OPO's review of the PAM showed that it provides detailed instructions on how evaluations are to be conducted.
27. The associated procurement and contracting courses delivered by the Department were also updated to reflect policy changes to DND's PAM.
28. Public Services and Procurement Canada (PSPC) provided DND their own bid evaluation and selection methodologies training package which allowed DND to train their procurement practitioners. Training continues to be rolled out to the buying community.
29. A review of DND's contracting compliance framework was completed and approved.
30. The Department would further benefit from delivering procurement courses that cover applicable laws, regulations and policies specific to evaluation criteria and selection plans to both new and existing procurement officers on a more frequent basis. This would help to ensure that all new procurement officers are

receiving the latest information when they come on strength, and all existing procurement officers are receiving the latest information in a timely manner.

31. DND should also clearly communicate the contracting compliance framework requirements with procurement officers. Sharing results of any data analysis or trends that were identified would likely increase understanding of the requirements as outlined in the Framework.

### **Implementation level: 4**

**Recommendation 2:** DND should update its procurement policies and training to ensure its bid solicitation processes:

- Do not result in some suppliers being given an advantage over competitors through the uneven sharing of information
- Invite the right number of suppliers and provide all bidders with contact information and the due date for the receipt of bids
- Include measures to ensure the requirement to send regret letters is consistently implemented.

### **DND Action Plan**

32. DND will review its policies, procedures, guidance and training to assess areas for improvement and ensure bid solicitation processes are conducted in manner that are open, fair, transparent and that regret letters where required are provided to suppliers in a consistent manner. Updates and/or new policies, procedures, guidance and training will be developed and communicated where deficiencies are identified. In addition, DND will also review its contracting compliance framework to align it to updated policies and procedures resulting from this MAP. This MAP will be closed once the necessary policy, procedures, guidance have been promulgated and communicated, training changes identified and contracting compliance framework updated.

### **OPO Assessment**

33. OPO's review of the PAM showed it contains the necessary information to address the sharing of procurement related information during the solicitation process, the invitation of suppliers, and the requirement to send regret letters to unsuccessful suppliers.
34. A Statement of Work Checklist was also added as an on-the-job tool for the procurement authority.
35. The associated procurement and contracting courses delivered by the Department were also updated to reflect the changes made to policy.
36. A review of DND's contracting compliance framework was completed and approved.

37. Opportunities for improvement are similar to those noted in LOE 1, with the Department standing to benefit from delivery of procurement courses related to solicitation documents and organizational practices during the bid solicitation period on a more frequent basis. This would help ensure that all new procurement officers are receiving the latest information when they come on strength and all existing procurement officers are receiving the latest information in a timely manner.
38. Clear communication of the contracting compliance framework with procurement officers, including results from any data analysis or trends are likely to increase understanding of the requirements in the Framework related to solicitation documents and organizational practices during the bid solicitation period.

#### **Implementation level: 4**

**Recommendation 3:** DND should update its procurement policies and training to require all evaluators, regardless of employment status, to assess and confirm they are not in a conflict of interest position prior to obtaining bid documentation and/or participating in the evaluation process.

#### **DND Action Plan**

39. DND will review its policies, procedures, guidance and training to assess areas for improvement and ensure that all evaluators regardless of employment status confirm they are not in a conflict of interest prior to obtaining bid documentation and/or participating in the evaluation process. Updates and/or new policies, procedures, guidance and training will be developed and communicated where deficiencies are identified.
40. In addition DND will also review its contracting compliance framework to align it to updated policies and procedures resulting from this MAP. This MAP will be closed once the necessary policy, procedures, guidance have been promulgated and communicated, training changes identified and contracting compliance framework updated.

#### **OPO Assessment**

41. OPO's review of the PAM showed changes were made to clarify the bid evaluation process information, as well as the roles and responsibilities of the evaluation team.
42. A Conflict of Interest and Confidentiality Declaration form was also developed in consultation with the Department's Procurement Advisory Committee (PAC) members and legal services, and integrated into the PAM.

43. The associated procurement and contracting courses delivered by the Department were also updated to reflect the changes made.
44. A review of DND's contracting compliance framework was completed and approved.
45. As noted in previous recommendations, the Department would benefit from timely training for evaluators, as well as communication of the contracting compliance framework, particularly as they both relate to matters related to conflict of interest and the evaluation of bids and contract award in accordance with the solicitation. This would help ensure that all new procurement officers are receiving the latest information when they come on strength and all existing procurement officers are receiving the latest information in a timely manner.

### **Implementation level: 4**

**Recommendation 4:** DND should update its procurement policies and training to emphasize:

- Technical evaluators must strictly follow the solicitation's evaluation plan and award contracts only to compliant bidders
- Any compliance failure regarding a mandatory criterion results in the immediate disqualification of the bid
- Evaluation results must be documented to fully explain how evaluators awarded points for rated evaluation criteria and determined compliance/non-compliance for mandatory evaluation criteria.

### **DND Action Plan**

46. DND will review its policies, procedures, guidance and training to assess areas for improvement associated with how bid evaluations are conducted and documented. Updates and/or new policies, procedures, guidance and training will be developed and communicated where deficiencies are identified. In addition, DND will also review its contracting compliance framework to align it to updated policies and procedures resulting from this MAP. This MAP will be closed once the necessary policy, procedures, guidance have been promulgated and communicated, training changes identified and contracting compliance framework updated.

### **OPO Assessment**

47. Review of the PAM showed it contains the necessary information to explain how evaluations are to be conducted. Other changes were made to clarify language used to describe the bid evaluation process, as well as the roles and responsibilities of the evaluation team. The latest version of the PAM also emphasizes the importance of documenting justification of all decisions during

the evaluation process to maintain fairness, transparency, impartiality and integrity.

48. The associated procurement and contracting courses delivered by the Department were updated to reflect policy adjustments.
49. PSPC provided to DND their own bid evaluation and selection methodologies training package which allowed DND to train its procurement practitioners.
50. A review of DND's contracting compliance framework was completed and approved.
51. As noted in previous recommendations, the Department would benefit from timely training and communication of the contracting compliance framework, particularly in relation to content covering the evaluation of bids and contract award in accordance with the solicitation. This would help to ensure that all new procurement officers are receiving the latest information when they come on strength and all existing procurement officers are receiving the latest information in a timely manner.

#### **Implementation level: 5**

**Recommendation 5:** DND should update its procurement policies and training to ensure all solicitations include the entire requirement as known at the time of publication of the solicitation, and that unexpected amendments are minimized, taking into account DND's operational requirements.

#### **DND Action Plan**

52. DND will review its policies, procedures, guidance and training to assess areas for improvement associated with mitigating to the extent possible the number of unexpected contract amendments. Updates and/or new policies, procedures, guidance and training will be developed and communicated where deficiencies are identified.
53. In addition, DND/ADM(Mat) will also review its contracting compliance framework to align it to updated policies and procedures resulting from this Management Action Plan (MAP). This MAP will be closed once the necessary policy, procedures, guidance have been promulgated and communicated, training changes identified and contracting compliance framework updated.

#### **OPO Assessment**

54. Review of the PAM showed minor changes were required to clarify the language. Those changes have since been made.

55. The associated procurement and contracting courses delivered by the Department were updated.
56. A review of DND's contracting compliance framework was completed and approved.
57. As noted in previous recommendations, the Department would benefit from timely training and communication of the contracting compliance framework, particularly in relation to content covering bid requirements at the time of publication of the solicitation. Due to the relatively minor changes required to the PAM, OPO determined that the training as delivered for this recommendation can be considered fully implemented.

### **Implementation level: 5**

**Recommendation 6:** DND should ensure the established electronic system accurately tracks, controls and reports on its contracting activities and ensures that all contracts that are required to be proactively disclosed are.

### **DND Action Plan**

58. DND will explore the ability to leverage DND's Enterprise Resource Planning, Defence Resource Management Information System (DRMIS), to validate CDMS (DND's contract data management system) data and enhance the ability to accurately report contracting activities in order to ensure that all contracts required to be proactively disclosed are reported.
59. This MAP will be closed once the analysis to leverage DRMIS is completed, and if achievable, implemented to validate and supplement the CDMS data with the objective of ensuring that all contracts that are accurately captured by the Department.

### **OPO Assessment**

60. One remaining concern is that DND removed the 30-day grace period to enter contracting data into the Contract Data Management System from internal policies and procedures effective March 13, 2023. Training material was updated accordingly, and communications sent out advising procurement practitioners and leadership across the Department that contracts are to be reported immediately. While DND has made some progress on its contract data and reporting modernization activities, long-term assessment of the impact of this grace-period removal is not available as the Department is still processing the transfer and advancement of its data capture practices.
61. DRMIS Materiel Management Module was carefully analyzed to determine if this system could be leveraged for future mandatory reporting purposes. Business requirements to add missing data fields to DRMIS Materiel Management were

developed and addressed with successful implementation in the July and November 2024 DRMIS major releases. All mandatory data elements are now available to allow the Department to use DRMIS Material Management to track, control and report on its contracting activities for proactive publication.

**Implementation level: 4**