PROMOTING FAIRNESS, OPENNESS & TRANSPARENCY IN FEDERAL PROCUREMENT

OFFICE OF THE PROCUREMENT OMBUD

FOLLOW-UP REPORT TO THE 2022-2023 PROCUREMENT PRACTICE REVIEW OF HEALTH CANADA AND THE PUBLIC HEALTH AGENCY OF CANADA

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Government of Canada
Office of the Procurement Ombud

Gouvernement du Canada
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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 2022 – 2023, OPO conducted a PPR entitled "Procurement practice review of Health Canada and the Public Health Agency of Canada" (HC/PHAC). The two organizations were reviewed together as procurement and contracting for both organizations is conducted by Health Canada's Procurement and Investment Management Directorate (PIMD) under a Shared Partnership Agreement. A final report for the PPR, which included 5 recommendations to address identified issues, was issued in June 2023 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 report includes a summary of results from the initial PPR where OPO reviewed 40 HC/PHAC competitive procurement files, and provides OPO's assessment regarding progress made by HC/PHAC in implementing their action plan for the 5 recommendations. This report also includes a report card that facilitates comparisons across departments over time.

Results from initial Procurement Practice Review

4. The objective of the PPR was to determine whether HC/PHAC'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 HC/PHAC's procurement practices under 3 Lines of Enquiry (LOE). Below are descriptions of the LOEs, a brief summary of observations for each LOE, and the Procurement Ombud's 5 recommendations included in the initial PPR report.

Line of Enquiry 1: Evaluation criteria and selection plans were established in accordance with applicable laws, regulations and policies

6. Regarding LOE 1, OPO concluded that evaluation criteria and selection plans were generally established in accordance with applicable requirements. Mandatory criteria were typically clear, not overly restrictive, and in alignment with the requirements of the solicitation. Point-rated criteria were also found to be not overly restrictive, though some files contained inconsistencies with the scoring grids. In several files, the

selection methodology was not clearly communicated in the solicitation. There were also multiple cases where the solicitation documents were missing from the file, which limited OPO's ability to complete the assessment for this line of enquiry.

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

   Recommendation 1:

   HC/PHAC should review its policies, processes, guidelines, training materials and template library and update where appropriate to strengthen guidance to support the development and use of:

   - clear and measurable mandatory criteria;
   - clear and measurable rated criteria;
   - scoring grids that align with the Request for Proposal (RFP) requirements; and
   - a clear basis of selection in solicitation documents.

Line of Enquiry 2: Solicitation documents and organizational practices during the bid solicitation period were consistent with applicable laws, regulations and policies

8. Regarding LOE 2, OPO found that solicitations were generally open to an appropriate number of suppliers and for an appropriate period of time. Solicitation documents typically provided clear descriptions of requirements and included instructions for posing questions and submitting bids. Communications with suppliers during the solicitation period generally appeared appropriate and supportive of the preparation of responsive bids; however, documentation of these communications was incomplete in several files. OPO also noted instances where unsuccessful bidders, or the general population-at-large, were not advised of the results, which reduced transparency of the procurement process.

9. The Procurement Ombud made two recommendations to address the issues identified under LOE 2:

   Recommendation 2:

   HC/PHAC should review its procurement policies, processes, guidelines, training and template library and update where appropriate to describe and delineate the roles and responsibilities of the contracting and technical authorities to ensure solicitation processes are conducted in accordance with the relevant governing policies.

   Recommendation 3:

To support open and transparent procurement practices, HC/PHAC should review its policies, processes, guidelines, training, and template library and update where appropriate to assist in ensuring that:

- all relevant information is shared simultaneously with suppliers;
- supplier communications are documented to provide a complete audit trail;
- regret letters are sent to all unsuccessful bidders; and
- award notices/Proactive Disclosure submissions are published as per applicable requirements.

Line of Enquiry 3: Evaluation of bids and contract award were conducted in accordance with the solicitation

10. Regarding LOE 3, OPO found that HC/PHAC's bid evaluation processes did not consistently ensure that contracts were awarded in accordance with the solicitation. In a number of files, evaluation documentation was incomplete or missing, including evaluation instructions, conflict of interest declarations, and signed consensus scoring results. In some instances, formal evaluation results were not retained on file. OPO also identified cases where technical and financial evaluations were not conducted in accordance with the solicitation requirements, which limited assurance that evaluations were performed as intended.
11. The Procurement Ombud made two recommendations to the issues identified under LOE 3:

Recommendation 4:

HC/PHAC should review its procurement policies, processes, guidelines, training and template library and update where appropriate to require contracting authorities to:

- provide all evaluators with evaluation instructions for solicitations prior to their obtaining bid documentation or participating in the evaluation process; and
- obtain signed conflict of interest and confidentiality declarations from all evaluators.

Recommendation 5:

To support fair and transparent evaluation processes and file documentation practices, HC/PHAC should review its procurement policies, processes, guidelines, training, and template library and update where appropriate to:

- update its procurement guidance and training to ensure that a complete record and audit trail are kept on every procurement file, including the requirement that all evaluators be identified and provide signed evaluations demonstrating results; and
- ensure monitoring processes are in place to identify and remediate documentation deficiencies.

Methodology and management action plan assessment summary

12. When launching this Follow-up Review, OPO asked HC/PHAC to self-assess their progress in implementing their action plan for the 5 recommendations stemming from the initial 2023 PPR 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, HC/PHAC was requested to provide OPO with supplementary information and documentation to support their self-assessment. OPO reviewed HC/PHAC’s self-assessment and supporting documentation for its overall reasonableness and credibility.

13. HC/PHAC self-assessed the level of implementation of their actions at level 5, “Full implementation” for all 5 Recommendations. OPO agrees with HC/PHAC’s self assessment.

14. The evidence provided by HC/PHAC shows a strong and complete response to the recommendations, demonstrated through a range of improvements, including:

    - updated procurement guidance, frameworks, and supporting tools;
    - mandatory training for business owners and contracting authorities;
    - strengthened oversight through peer review and quality assurance processes;
    - new and revised templates, checklists, and operating procedures;
    - clearer instructions for approvals, evaluations, and task authorizations;
    - enhanced guidance on conflicts of interest, confidentiality, and contractor selection; and
    - updated training frameworks and evaluator tools to support ongoing learning and compliance.

    In addition to these improvements, HC/PHAC now places a stronger emphasis on consistent documentation, transparent evaluation practices, and clear communication with suppliers. These updates help ensure that bid evaluations, approvals, and contract management activities are completed in line with current procurement rules and expectations. The peer review process and updated guidance also provide more structured oversight of evaluation criteria, scoring methods, and procurement decisions.

15. HC/PHAC has also strengthened internal training by updating learning materials, awareness sessions, and evaluation tools to help staff maintain current procurement knowledge. These resources support knowledge transfer, reduce duplication of effort,

and promote consistent application of procurement practices across both departments.

Report card

16. OPO’s Follow-up Reviews include a report card with a rating that represents the department’s performance taking into consideration the results from the initial PPR and the actions taken by the department to implement the recommendations under each LOE. The assessment ratings are as follows:

    - Satisfactory Plus
    - Satisfactory
    - Partially Satisfactory
    - Unsatisfactory

17. Note that a “Satisfactory Plus” assessment rating is only possible when the initial review resulted in no recommendations being issued under a particular LOE. As the initial review contained recommendations under all 3 LOEs, a “Satisfactory Plus” rating was not possible in this Follow-up Review, and the highest possible score HC/PHAC could obtain for each LOE 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 LOE 1, LOE 2, and LOE 3.

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 ☆☆☆	• Recommendation 1 applied to this LOE. • To address this recommendation, a series of initiatives and products were developed and implemented. Evaluation criteria and selection plans were addressed through the establishment of a comprehensive and transparent procurement framework that aligns with applicable laws, regulations and policies. Updated guidance documents, standardized templates, and detailed checklists ensure consistency and

Report Card		
Line of Inquiry (LOE)	**Rating**	**Assessment**
		compliance in bid evaluation and selection processes, while conflict of interest declarations reinforce both ethical conduct and accountability. • Oversight procedures such as peer reviews and regular review meetings assist in the verification of evaluation criteria.
2. Solicitation documents and organizational practices during the bid solicitation period were consistent with applicable laws, regulations and policies.	Satisfactory 	• Recommendations 2 and 3 applied to this LOE. • To address these recommendations, both HC and PHAC implemented new operating instructions and approval requirements to strengthen governance and ensure that solicitation documents and practices comply with applicable laws, regulations and policies. Section 2 focused on promoting consistency and accountability through the use of detailed checklists, standardized contract request forms, and updated guidance on bid evaluation criteria. Moreover, the documents received regular updates to improve consistency and clarity, ensuring the guidelines were clearly communicated. Mandatory training (i.e., COR 403) and awareness sessions for business owners and contracting authorities reinforced understanding of policy requirements, while conflict of interest declarations ensured ethical conduct and fairness through the solicitation process. • While the materials shared demonstrate steps taken to strengthen transparency, additional detail could be provided to more explicitly address the elements outlined in Recommendation 3, including documented information-sharing practices, audit trails, and notice publication.

<table>
<tr><th colspan="3">Report Card</th></tr>
<tr><th>Line of Inquiry (LOE)</th><th>Rating</th><th>Assessment</th></tr>
<tr><td>3. Evaluation of bids and contract award were conducted in accordance with the solicitation.</td><td>Satisfactory</td><td>Recommendations 4 and 5 applied to this LOE.
To address these recommendations, HC/PHAC updated their guidance and procedures to enhance fairness and transparency in bid evaluation processes. These updates include both new and revised templates, guidance documents for bid evaluations and regret letters, as well as Contracting Authority checklists. These documents demonstrate an enhanced approach for the conduct and oversight of bid evaluation and contract award processes.
Clearer evaluation procedures, supported by refined quality assurance reviews and documentation standards also promote consistency in the application of evaluation criteria.
The new procedures combined with updated guidance and tools introduced by HC/PHAC strengthen transparency and ensure decisions are aligned with solicitation terms. Furthermore, updates to HC/PHAC's Procurement Management Framework reinforce the importance of maintaining accurate and complete file documentation and clear communication with suppliers in both official languages while supporting transparency and compliance throughout evaluation and reward activities.</td></tr>
<tr><td colspan="3">HC/PHAC's overall report card rating is "Satisfactory".
The key factors contributing to this rating include:
The initial review resulted in 1 or more recommendations under each of the 3 LOEs, thus precluding a rating higher than "Satisfactory";</td></tr>
</table>

- HC/PHAC's Management Action Plan achieved a level 5 for all recommendations 1 through 5, meaning that structures and processes are fully implemented, and positive results have been identified.
- HC/PHAC's self-assessment is supported with documentation that demonstrates structures and processes are in place and integrated within the organizations.

Conclusion

19. The Follow-up Review confirms that all recommendations in the initial HC/PHAC PPR have been addressed and implemented. HC/PHAC have advanced their objective of developing and maintaining a robust procurement and contracting framework that supports fairness and transparency. Evidence reviewed demonstrates progress in strengthening procurement practices through updated guidance, revised checklists, and standardized templates for all documents included under the Bid Evaluation and Regret Letter Suite of Guidance and Templates. These sections were subject to several iterations over time and aid in reinforcing consistency, compliance and accountability across all procurement operations and practitioners. In addition, both organizations have established comprehensive training frameworks, enhanced oversight procedures, and embedded quality assurance practices that ensure ongoing alignment with the *Directive on the Management of Procurement*. Overall, the measures implemented demonstrate a structured and sustainable approach to procurement management, satisfying the recommendations and supporting the continued integrity and efficiency of the procurement process.

20. Both organizations self-assessed their progress at level 5 (full implementation) for each recommendation. Based on the documentation reviewed, OPO considers this assessment to be reasonable. While the recommendations have been implemented, some opportunities for improvement around the strengthening of transparency are evident in some of the materials shared. The materials provided could more explicitly address the specific elements outlined in Recommendation 3, including documented information-sharing practices, audit trails, and notice publication. Both organizations have been forthcoming with their efforts and provided a substantial volume of supporting documentation in a timely manner.

Appendix 1: Assessment of Implementation Level

Categories	Definition
Level 1	**No progress or insignificant progress** Actions such as establishing a new committee, conducting meetings, and generating informal plans have not advanced, or insignificant progress has been made.
Level 2	**Planning stage** Formal plans for organizational changes have been created and approved.
Level 3	**Preparations for implementation** Preparations for implementing a recommendation are in progress – e.g. hiring or training staff, developing necessary resources, etc.
Level 4	**Substantial implementation** 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	**Full implementation** 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

Satisfactory +	• Findings from the initial PPR resulted in no recommendations being issued under the line of enquiry. • A rating of Satisfactory + is based on results from the initial PPR.
Satisfactory	• Initial PPR resulted in one or more recommendations under the line of enquiry. • Action plan(s) have achieved level 5 implementation or a combination of level 4 and level 5 that is deemed to be satisfactory, i.e. significant progress has been made to implement action plan(s) that address recommendation(s). • Organization's response is supported with adequate documentation and/or testing results.
Partially Satisfactory	• Initial PPR resulted in one or more recommendations under the line of enquiry. • Some progress has been made in implementing action plan(s), but not enough to adequately address all recommendations under the line of enquiry, e.g. one or more recommendations achieved level 3, but work remains to be done. • Organization's response is supported with some documentation and/or testing results.
Unsatisfactory	• Initial PPR resulted in one or more recommendations under the line of enquiry. • No or insignificant progress made to implement action plan(s). • Inadequate supporting documentation provided or testing does not demonstrate that positive results have been achieved. • Recommendation(s) not addressed and remain(s) outstanding.

Appendix 3: Detailed Assessment of Recommendations

Recommendation 1:

HC/PHAC should review its policies, processes, guidelines, training materials and template library and update where appropriate to strengthen guidance to support the development and use of:

- Clear and measurable mandatory criteria;
- Clear and measurable rated criteria;
- Scoring grids that align with the RFP requirements; and
- A clear basis of selection in solicitation documents.

HC/PHAC's action plan:

- Where appropriate, HC/PHAC will review and update their procurement policies, processes, guidelines, training materials and template library to support practitioners in the development of clear and measurable bid evaluation criteria, scoring grids that align with RFP requirements and a clear basis of selection in solicitation documents.
- Training needs specific to bid evaluations will be reviewed as part of the Performance Management Agreement (PMA) process for individual practitioners. Depending on their role, new hires will continue to enroll in training courses offered by the Canada School of the Public Service.
- HC/PHAC already has a quality assurance function in place to review files based on specific criteria for risk and complexity. This function's protocols will be reviewed to address any gaps relating to bid evaluation criteria, scoring grids and basis of selection.
- A peer review process will be piloted to provide greater oversight on the bid evaluation criteria, scoring grids and basis of selection being developed on individual procurements that meet specific criteria for complexity and risk.

OPO's assessment:

HC/PHAC established a strong foundation for procurement practices by introducing updated guidance, framework, and supporting material, along with mandatory training for business owners. This work reinforces learning for both business owners and contracting authorities while providing oversight on the performance management agreement process. HC/PHAC also outlined standard operating procedures and launched a peer review pilot program to strengthen oversight of bid evaluation criteria, scoring grids, and selection methods regarding procurements of higher risk and complexity.

In summary, the actions taken fully address the intent of Recommendation 1, which places emphasis on establishing clear guidance, training, and oversight mechanisms to strengthen procurement practices.

Implementation level: 5

Recommendation 2:

HC/PHAC should review its procurement policies, processes, guidelines, training and template library and update where appropriate to describe and delineate the roles and responsibilities of the contracting and technical authorities to ensure solicitation processes are conducted in accordance with the relevant governing policies.

HC/PHAC's action plan:

- Where appropriate, HC/PHAC will review and update its procurement policies, processes, guidelines, training and template library to provide targeted information for business owners and contracting authorities based on their specific roles and responsibilities in accordance with the *Directive on the Management of Procurement*.
- As noted above, a peer review process will be piloted to provide greater oversight on individual procurements that meet specific criteria for complexity and risk to ensure new hires understand roles and responsibilities.

OPO's assessment:

HC/PHAC strengthened procurement practices by introducing new operating instructions on contracting with former public servants and approval requirements for professional services, along with detailed checklists and contract request forms to ensure compliance in solicitation documents. Updated guidance on bid evaluation criteria and contractor selection reinforces procurement frameworks and mandatory training and provides resources on intellectual property and conflict-of-interest declarations. Additional materials support both business owners and contracting authorities through training frameworks, awareness sessions, and guidance on low-dollar-value procurements. The New Bid Evaluation and Regret Letter Suite of Guidance and Templates concludes by iterating on key procurement templates, key tools, as well as summaries and a scoring grid.

In summary, the actions taken fully address the intent of Recommendation 2, which emphasizes strengthening procedural clarity, compliance requirements, and supporting tools across procurement activities.

Implementation level: 5

Recommendation 3:

To support open and transparent procurement practices, HC/PHAC should review its policies, processes, guidelines, training, and template library and update where appropriate to assist in ensuring that:

- all relevant information is shared simultaneously with suppliers;

- supplier communications are documented to provide a complete audit trail;
- regret letters are sent to all unsuccessful bidders; and
- award notices/Proactive Disclosure submissions are published as per applicable requirements.

HC/PHAC's action plan:

- Where appropriate, HC/PHAC will review and update procurement policies, processes, guidelines, training, and template library to address any gaps in file documentation and requirements for communications with suppliers.
- Requirements for file documentation, communications with suppliers, and proactive disclosure will be re-iterated regularly at team meetings and form part of objective setting as part of the performance review process.
- As noted above, HC/PHAC already has a quality assurance function in place to review files based on levels of risk and complexity. This function's protocols will be reviewed and updated as appropriate to include a more robust file documentation checklist.

OPO's assessment:

HC/PHAC reinforced key procurement initiatives by reiterating guidance on approval requirements, task authorization contracts, contract request forms, procurement management frameworks, and supporting tools such as templates, checklists, and placemats. HC/PHAC continued to reiterate the peer review pilot and quality assurance processes. HC/PHAC also outlined team meetings focused on strengthening best practices covering areas such as fraud awareness, bid evaluation, and regional procurement in Nunavut. In addition, enhancements were made to the quality assurance review process through updated documentation requirements and review matrices.

In summary, the actions taken fully address the intent of Recommendation 3, which highlights the importance of strengthening oversight processes, best-practice guidance, and quality assurance mechanisms.

Implementation level: 5

Recommendation 4:

HC/PHAC should review its procurement policies, processes, guidelines, training and template library and update where appropriate to require contracting authorities to:

- provide all evaluators with evaluation instructions for solicitations prior to their obtaining bid documentation or participating in the evaluation process; and
- obtain signed conflict of interest and confidentiality declarations from all evaluators.

HC/PHAC's action plan:

- Where appropriate, HC/PHAC will review and update its procurement policies, processes, guidelines, training, and template library to require contracting authorities to share evaluation instructions with all evaluators prior to their participation in the bid evaluation process, including receipt of bids.
- Bid evaluation instructions will be updated to require all evaluators to provide signed conflict of interest and confidentiality declaration.

OPO's assessment:

HC/PHAC updated the Bid Evaluation and Regret Letter Suite of Guidance and Templates documents to support a more standardized and transparent process. Revisions included evaluator instructions, contracting authority checklists, and mandatory templates that strengthen consistency, compliance, and accountability. Requirements for conflict-of-interest and confidentiality declarations were reinforced, and procedures were clarified to support consistent application of bid evaluation processes.

In summary, the actions taken fully address the intent of Recommendation 4, which aims to ensure consistent, transparent, and accountable bid evaluation processes.

Implementation level: 5

Recommendation 5:

To support fair and transparent evaluation processes and file documentation practices, HC/PHAC should review its procurement policies, processes, guidelines, training, and template library and update where appropriate to:

- update its procurement guidance and training to ensure that a complete record and audit trail are kept on every procurement file, including the requirement that all evaluators be identified and provide signed evaluations demonstrating results;
- ensure monitoring processes are in place to identify and remediate documentation deficiencies.

HC/PHAC's action plan:

- As part of HC/PHAC's action items above, procurement practices, processes, guidelines, training, and template library will be reviewed and updated as appropriate with respect to requirements for file documentation and communication with suppliers.
- As part of HC/PHAC's action items above, consistency will be monitored and reviewed via the quality assurance function already in place. Areas for improvement will be identified and addressed to support continuous learning and optimization.

OPO's assessment:

HC/PHAC highlighted the implementation and continuous refinement of tools and frameworks aimed at strengthening transparency, accountability, and compliance within procurement processes. Updates to peer review pilots, contracting authority checklists, procurement management frameworks, and related guidance materials emphasize consistent documentation standards, improved communication with suppliers, and adherence to the *Directive on the Management of Procurement*. New and revised guides, including those on task authorizations, quality assurance, and supplier communication, reinforce fairness, openness, and ethical behaviour. Updated training frameworks and evaluation tools support ongoing learning and ensure that contracting authorities maintain robust oversight practices, reduce duplication of effort, and provide strong documentation trails.

In summary, the actions taken fully address the intent of Recommendation 5, which focuses on strengthening documentation standards, training, and oversight mechanisms across procurement activities.

Implementation level: 5