

**Office of the Comptroller General
Ministry of Finance**

PROCUREMENT GOVERNANCE OFFICE

ANNUAL SERVICE PLAN REPORT – 2006/07

Summary of Annual Service Plan Report Results

It was a very successful fourth full year of operation for the Procurement Governance Office (PGO), as it achieved or exceeded the targets identified in the PGO 2006/07 Service Plan, and made substantial progress in all areas of its mandated activities.

Recognition of the importance of the procurement function across government is increasing over time, and this year PGO was pleased to see that for the first time the Deputy Ministers' annual expectation letters include reference to adherence to procurement policy. This recognition for the contribution to government programs made by the procurement function will increase as the influence of the now fully developed national award-winning Procurement and Contract Management Program (PCMP) increases.

The provision of current and relevant procurement policy for government was achieved through: preparation for the implementation of the procurement provisions of the BC/Alberta Trade, Investment and Labour Mobility Agreement (TILMA); participation in the review of Chapter 5 (Procurement) of the national Agreement on Internal Trade (AIT); development and implementation of specialized terms and conditions for financial assurance contracts; development and implementation of changes to the Insurance Schedule of the General Service Agreement for licensing of insurers; implementation of two semi-annual updates to Chapter 6 (Procurement) of the CPPM; discussions on aboriginal service provider issues; development of specialized terms and conditions for university research agreements; support for environmental procurement initiatives; research on proposed policy for unsolicited proposals; review of terms and conditions for software license agreements; review of continuing agreement policy; review of security provisions for the General Service Agreement; and, review of Alternative Service Delivery procurement policy.

Service activities of the Branch included: support and direction for the Procurement Council; support for and participation in implementation activities for the government contract management system; lead jurisdiction for the first National Forum on Procurement Policy and Best Practices; analysis in support of a government report on procurement activities; and, planning for government classifications and job descriptions for procurement positions to attract and retain qualified procurement staff.

The framework for monitoring and reporting on compliance to procurement policy is implemented on an ongoing basis, with annual reviews by the Corporate Compliance and Controls Monitoring Branch, and procurement audits by Internal Audit and Advisory Services (IAAS) within OCG. This year's activities included briefings related to the 2004/05 report on compliance to procurement policy; completion and distribution of the 2005/06 IAAS report; and, planning for the 2006/07 review.

In its capacity as a central agency resource on policy advice and interpretation for ministries and other public and private bodies, PGO responded in a timely fashion to all of the 858 requests received. Other policy advisory activities included: representation for BC in all matters pertaining to Chapter 5 (Procurement) of the AIT, and in all matters pertaining to the procurement provisions of the BC/Alberta TILMA, the first of which were implemented for April 2007.

Four PGO Bulletins were issued this year, on several current issues, including: changes to terms and conditions for financial review and assurance contracts; the annual report on the Vendor Complaint Review Process (VCRP); amendments to CPPM Chapter 6 (Procurement); and, implementation of TILMA.

Other communication activities included presentations to: Procurement Council; Councils of SFOs, ADMs of Corporate Services and Deputy Ministers; Deputy Ministers of Public Works; the government financial community; the Canadian Institute Conference; and, the Crown Agencies and Government Forum.

No complaints were received this year by PGO under the Vendor Complaint Review Process (VCRP). The annual VCRP report summarizing all government VCRP activity was released.

The final seven courses were developed and piloted for the 20-course Procurement and Contract Management Program (PCMP), completing the program development one year ahead of schedule. Other PCMP activities included: the graduation ceremony for the first 23 graduates of the program; signing of the NECI licensing agreement to allow curriculum development and course offerings to the broader BC public sector and other jurisdictions; information sessions in the interior of BC; and, ongoing participation in the program steering committee. Ratings in the PCMP courses continued to be in excess of 4.4 on a 5-point scale, with all courses being fully subscribed.

Other training activities included preparation of procurement material for the new government managers training program and for the Redefining Management workshops.

Work in all PGO areas of responsibility is continuing into the next fiscal year. The specific work plan is described in the 2007/08 PGO Annual Service Plan.

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
<p>Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade</p>	<p>Client satisfaction with procurement policy</p>	<p>60%</p>	<p>Met target</p> <p>Statistical information on client satisfaction not available – OCG client survey not done this year</p> <p>Current policy is based on government direction, contract law and trade agreements. Policy is continuously reviewed and changed through consultation with ministries and vendors: to make it clearer; to be more responsive to the sometimes competing business needs of ministries and private sector vendors; and, to add policy in new areas.</p> <p>Policy activities accomplished this year</p> <ul style="list-style-type: none"> • Prepared for implementation of procurement provisions of BC/Alberta Trade, Investment and Labour Mobility Agreement (TILMA) in Chapter 6 (Procurement) of Core Policy and Procedures Manual (CPPM) as of April 2007 • Participated in and led working groups on the required review of Chapter 5 of the Agreement on Internal Trade (AIT), including the review of exclusions, prequalification procedures and other policy issues

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
<p>(continued)</p> <p>Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade</p>	<p>(continued)</p> <p>Client satisfaction with procurement policy</p>		<ul style="list-style-type: none"> • Developed and implemented specialized terms and conditions for financial assurance contracts with the vendor community • Developed and implemented change to Schedule D (Insurance) of General Service Agreement with regard to licensing of insurers • Implemented policy changes for two semi-annual updates to reflect minor amendments and clarifications to Chapter 6 of CPPM • Explored ways to refine measures for client satisfaction with policy and related service with Financial Management Branch • Participated in discussions with MCFD and aboriginal vendors to resolve issues associated with aboriginal service procurement activities • Developed specific service agreement terms and conditions for university research agreements • Participated in discussions with Common Business Services and Ministry of Environment to support environmental procurement initiatives • Conducted research on proposed new policy for unsolicited proposals • Initiated review to develop specific terms and conditions for software license agreements • Initiated review of continuing agreement policy

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
<p>(continued)</p> <p>Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade</p>	<p>(continued)</p> <p>Client satisfaction with procurement policy</p>		<ul style="list-style-type: none"> • Participated in review of security provisions for General Service Agreement • Reviewed and provided input on Alternative Service Delivery (ASD) policy analysis document

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
<p>(Continued) Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade</p>	<p>Client satisfaction with service delivery</p>	<p>80%</p>	<p>Met target</p> <p>Statistical information on client satisfaction not available – OCG client survey not done this year</p> <p>Service activities accomplished this year</p> <ul style="list-style-type: none"> ▪ Procurement Council – directed, coordinated and co-chaired activities of Procurement Council, representing all ministries and central agencies involved in procurement, throughout the year ▪ eProcurement – Corporate Contract Management System (CCMS): As OCG lead for CCMS implementation, participated in implementation activities with Corporate Accounting System (CAS) CCMS team, early implementer ministry representatives, and with OCG branch representatives ▪ eProcurement - Monitored projects related to vendor legal names for contracts ▪ Held the very successful First National Forum on Procurement Policy and Best Practices ▪ Analyzed CAS and ministry information for development of statistical reports on government procurement activities ▪ Continued planning for Procurement Strategic Plan project to provide government classifications and job descriptions for procurement positions, to facilitate hiring and retention of qualified procurement staff

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
<p>(Continued) Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade</p>	<p>Annual review and audit completed on compliance to procurement policy</p>	<p>Yes</p>	<p>Met target</p> <p>2004/05 Review and Audit</p> <ul style="list-style-type: none"> • Completed four Deputy Minister meetings to discuss ministry results • Prepared presentation to Deputy Ministers' Council on procurement and Review and Audit results <p>2005/06 Review and Audit</p> <ul style="list-style-type: none"> • 3CMB Review completed • Participated in preparation, release, distribution and presentation to ministries of IAAS audit report <p>2006/07 Review and Audit</p> <ul style="list-style-type: none"> • 3CMB Review completed • Planning activities with 3CMB and IAAS on next phase of audit activities
	<p>Percentage of identified policy and Agreement on Internal Trade (AIT) issues investigated and resolved</p>	<p>100%</p>	<p>Met target</p> <p>100% of 858 requests received for information and advice resolved in a timely fashion:</p> <p>649 from ministries</p> <p>91 from private sector</p> <p>75 from other governments</p> <p>43 from other public bodies</p> <p>in the areas of:</p> <p>241 on CPPM (Chapter 6)</p> <p>419 on other procurement/general</p> <p>140 on AIT/TILMA</p> <p>58 on other (incl VCRP and training)</p>

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
<p>(Continued) Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade</p>	<p>(Continued) Percentage of 100% identified policy and Agreement on Internal Trade (AIT) issues investigated and resolved</p>	<p>100%</p>	<p>AIT activities</p> <ul style="list-style-type: none"> • Represented BC in all matters pertaining to Chapter 5 (Procurement) of the national Agreement on Internal Trade (AIT) • Participated in and provided leadership to working groups on the required review of Chapter 5 • Attendance at all ongoing procurement negotiating table meetings regarding review of Chapter 5 including the review of exclusions, prequalification procedures and other issues • Attendance at annual national meeting • Produced annual AIT report on BC procurement activities <p>TILMA activities</p> <ul style="list-style-type: none"> • Represented BC in all matters pertaining to procurement aspects of the BC/Alberta Trade, Investment and Labour Mobility Agreement (TILMA) • Participated in TILMA procurement negotiating meetings to establish Agreement • Implemented TILMA procurement provisions effective April 2007 • Began negotiations for implementation of TILMA provisions to be effective April 2009

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
<p>(Continued) Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade</p>	<p>Number of information bulletins issued</p>	<p>4</p>	<p>Met target</p> <ul style="list-style-type: none"> • Bulletin #13 issued on Changes to Terms and Conditions for Financial Review and Assurance Contracts • Bulletin #14 issued on Vendor Complaint Review Process Annual Report, and other subjects • Bulletin #15 issued on Amendments to Core Policy and Procedures Manual Chapter 6 (Procurement) • Bulletin #16 issued on Implementation of Procurement Provisions of the BC/Alberta Trade, Investment and Labour Mobility Agreement (TILMA) <p>Other communication activities</p> <ul style="list-style-type: none"> • Presentations and reports to Procurement, SFO, ADMs Corporate Services and Deputy Ministers' Councils on ongoing procurement initiatives and issues • Updated PGO and Procurement Council websites • Presentation on PCMP to annual national meeting of Deputy Ministers of Public Works • Presentation to government financial community on procurement, as part of FRAS series of information seminars • Presentation on BC procurement initiatives to Canadian Institute Conference • Presentation on procurement to Crown Agencies and Government Forum

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
(Continued) Provide, monitor compliance to, and communicate and advise on government procurement policy that is current, relevant to clients, and consistent with the national Agreement on Internal Trade	Percentage of PGO complaints under the Vendor Complaint Review Process (VCRP) resolved within timelines	100%	No complaints received by PGO
	Produce annual report on VCRP activities	Yes	2005/06 annual VCRP report completed and posted on website

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
Identify procurement training requirements and appropriate training programs from ministry discussions and by monitoring compliance issues	Number of courses available under the new Procurement and Contract Management Program (PCMP) (20 total; development completed during 2006/07 one year ahead of schedule)	20	<p>Met target</p> <ul style="list-style-type: none"> • Final 7 courses developed and piloted; program development completed one year ahead of schedule <p>Other PCMP activities</p> <ul style="list-style-type: none"> • Reviewed course material and completed pilot audits for final courses in program • Final development and signing of NECI licensing agreement to allow curriculum development and course offerings to the broader public service in BC and other jurisdictions • Provided PCMP information sessions in Prince George, Fort St John, Dawson Creek and Nelson • Graduation ceremony for first 23 PCMP graduates, including presentations by Deputy Minister of Public Service Agency, Comptroller General and executives from graduates' ministries • Participation in Procurement Management Learning and Advisory Committee (PMLAC) <p>Other training activities</p> <ul style="list-style-type: none"> • Prepared procurement information for new government managers training program • Prepared procurement information for Redefining Management workshops

Strategy	Performance Measure	Target 2006/07	Results in 2006/07
(continued) Identify procurement training requirements and appropriate training programs from ministry discussions and by monitoring compliance issues	Average rating provided for PCMP courses by course participants (on an evaluation scale of 0 to 5)	Over 4	Met target <ul style="list-style-type: none"> • Ratings consistently above 4.4 • Average increase in PCMP knowledge is 27 per cent – an excellent learning result • All courses fully subscribed