e-Procurement Solution (EPS)

Presentation to Financial Management Institute

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Acquisitions Program Transformation Sector

Public Services and Procurement Canada (PSPC)
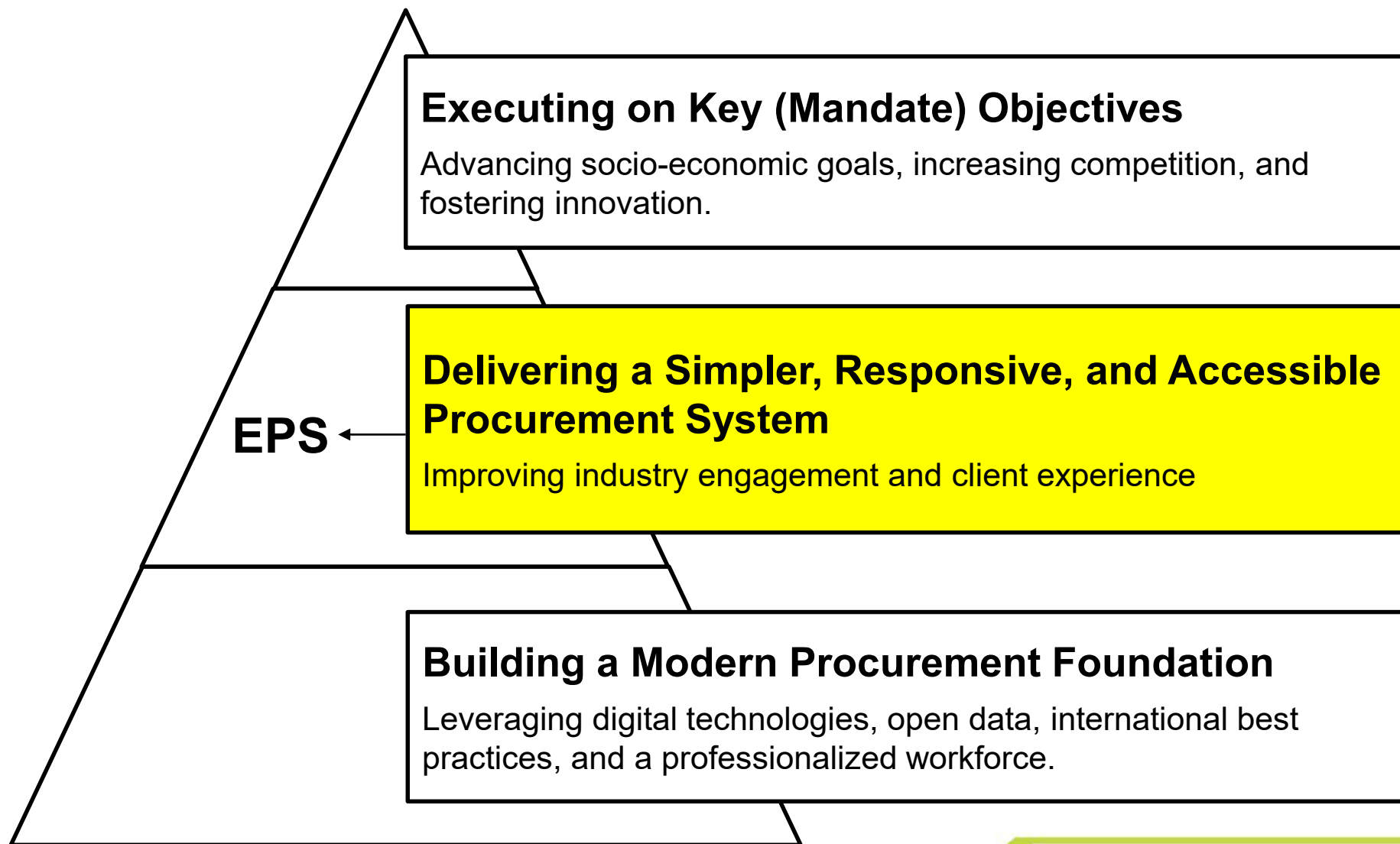
November 22, 2018

Context

PSPC Mandate Letter

"Modernize procurement practices so that they are simpler, less administratively burdensome, deploy modern comptrollership, encourage greater competition, and include practices that support our economic policy goals, including innovation, as well as green and social procurement."

EPS in support of procurement modernization

"Achieving a world-class, accessible procurement system that drives value-for-money while advancing government socio-economic objectives, simplifying the procurement system for suppliers and client departments, and delivering better results for Canadians."

– Minister Carla Qualtrough

Procurement Modernization Framework

Executing on Key (Mandate) Objectives

Advancing socio-economic goals, increasing competition, and fostering innovation.

EPS ←

Delivering a Simpler, Responsive, and Accessible Procurement System

Improving industry engagement and client experience

Building a Modern Procurement Foundation

Leveraging digital technologies, open data, international best practices, and a professionalized workforce.

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EPS Project Background

Budget 2018

- In Budget 18, the Government of Canada committed to modernizing the procurement function by allocating $196.8 million over five years to establish an EPS for simpler, better procurement

- *"Moving procurement online… will allow more suppliers to connect with the Government, and make government procurement opportunities more accessible to potential suppliers, regardless of size or geographical location."* (p. 119)

EPS Contract Award

- On July 4, 2018, the Government of Canada awarded a contract to Infosys Public Services to implement and manage EPS.

- Ernst & Young (Process & Change Management) and SAP (Technology) are subcontractors under the arrangement

- The contract is for five years, with options to extend up to an additional seven years if successfully established.

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Strategic Procurement Considerations

- **Outcome Based** – The Request for Proposal avoided prescribing a particular approach and left flexibility for the suppliers to propose how they could best implement the solution.

- **Negotiating Terms** – A new Terms Finalization Process allowed the GC the flexibility to negotiate terms with the top ranked vendor.

- **Off Ramps** – The EPS contract has included stringent terms and conditions permitting contract termination if the Crown deems it necessary.

- **EPS is a "Cloud Pathfinder"** – Government of Canada's first Enterprise Software as a Service solution

- **Proof of Concept** – A live demonstration during evaluation to prove that the technology could do what the vendor claimed.

- **Iterative Milestones** – Performance-based milestones that reward the delivery of working solutions.

- **An Innovation Proposal** – Bidders were evaluated on proposals regarding additional innovations that they could bring to increase the value for the GC.

- **Federal, Provincial and Territories** – Will have an option to access EPS and to acquire the solution.

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Strategic Objectives

EPS will modernize public procurement practices, make them less administratively burdensome and deploy modern comptrollership.

In addition, EPS will:
- Achieve better value for Canadians through improved procurement outcomes;
- Improve client service by providing easy, web-based access to procurement information and services to Departments and Agencies;
- Reduce Supplier's burden of participating in the procurement process;
- Manage government spend in an integrated approach; and
- Provide new tools, technology and processes to procurement professionals in order for them to deliver effective client services.

Organizational Modernization

Seamless Supplier Interactions

Trustworthy Information

Better value for Canadians through improved procurement outcomes

Benefits of EPS

Clients Easier to Buy	**Suppliers** Easier to Sell	**PSPC** Better Service	**Procurement Professionals** Better Effectiveness	**Canadians** Better Value
One stop shop for procurement	Less cost and burden to bid	Faster contract with less risk	Reduced process burden	More efficient support to government operations
Streamlined service delivery and reduced process burden	Simplified processes and shortened procurement cycles	Better information and more control	Improved productivity, efficiency and effectiveness	Increased visibility, transparency, and accessibility
Better value through increased competition	"Tell us once" reduced duplication of information entry	Replace legacy applications with modern systems	Decreased risk and better data.	Greening government operations and socio-economic benefits

EPS – Key Components

An easy-to-use, accessible web-based procurement system, with modern tools and services that consists of the following main components:

1. Sourcing & Contracting for Procurement Professionals:

- Supports core contracting functions: Contract Authoring and Management, Requests for Proposal, Vendor Performance, Analytics, Reporting (Source to Contract).

2. Supplier Relationship Management for Suppliers:

- Targeting, onboarding, and establishing connectivity, and ability for commerce and collaborative exchange between the buyer and suppliers

3. e-Catalogues for Government Buyers:

- Facilitates on-line ordering of commercial goods and services from Public Services and Procurement Canada established procurement tools, such as Standing Offers, and Supplier Arrangements.
- Linked to Government Financial Systems for end-to-end procurement.
- Support collaborative procurement with broader Canadian public sector (use of PSPC tools).

4. New Government Electronic Tendering Service:

- Replacing BuyandSell Tendering Service (www.buyandsell.gc.ca) which currently only supports the posting of tenders – not an e-procurement platform
- Fulfilling Trade Agreement posting obligations, transparency and openness, open data
- Creating a "Single Point of Access" for Public Sector Tenders in compliance with CETA and CFTA

Applying Lessons Learned

The EPS project has incorporated Lessons Learned from other IT enabled business transformation projects:

Avoid Big Bang | Off Ramps

Ensure sufficient time and funding to support onboarding, including training and transition

Disciplined Agile Implementation Approach

Run old and new in parallel until new system is stable

Phased Implementation approach, with continuous improvement built in

Standardize and simplify end-to-end business processes through governance

Avoid customization change process to align with Commercial Off-the-Shelf (COTS) IT Solution

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Change Management

- EPS Change Management strategy is based on industry leading practices
  - **Leadership** – Leaders are aligned, engaged, and understand their accountability;
  - **Stakeholder Management** – Stakeholders are engaged through targeted and deliberate change activities;
  - **Communication / Engagement** – Effective messages tailored to the needs of each stakeholder group as deployed;
  - **Organization Alignment** – Processes, governance, structure and culture align with the future state
  - **Measures and Evaluations** – Measures to evaluate progress and effectiveness of change initiatives are established
  - **Training and Knowledge** – Knowledge, tools and training to ensure success in the future state.

- The vendor will also provide change strategies, communication products, readiness assessments, and training support. This is in addition to the business expert support help desk.

- A dedicated change management team has been in place since early 2015 supporting change management activities through effective communication and engagement with all stakeholders.

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Change Management Themes

- **Culture & Behavior Change**: The notion of "perceived loss of control (losing their own process)" and therefore, the need to get all stakeholders on board, came up quite a few times, especially on the subject of approvals

- **Training, Communication, and Stakeholder Engagement**: Understanding the big picture, knowing in advance what's coming up next (e.g., which training when and how will be communicated), more information on the transition phase, "quality" of training and post go-live support, was brought up

- **Role evolution and need for increased clarity on roles & responsibilities**: Focus on creating a consistent, common understanding of roles & responsibilities, handoffs, and integration points in the end-to-end process for various end-user and stakeholder groups

- **Master data governance and "perceived" unreliability of Cloud**: Educating Government on the governance process and roles, and what protocols and security-measures have been taken, to drive a cultural shift towards the Cloud solution and encourage adoption

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Phased Approach

To ensure a smooth transition to the new government-wide electronic procurement solution (EPS), it will be implemented in two phases:

EPS will be implemented in an iterative fashion within PSPC, and will set a baseline for a broader GC-wide implementation. It is expected to be fully operational by the end of 2020.
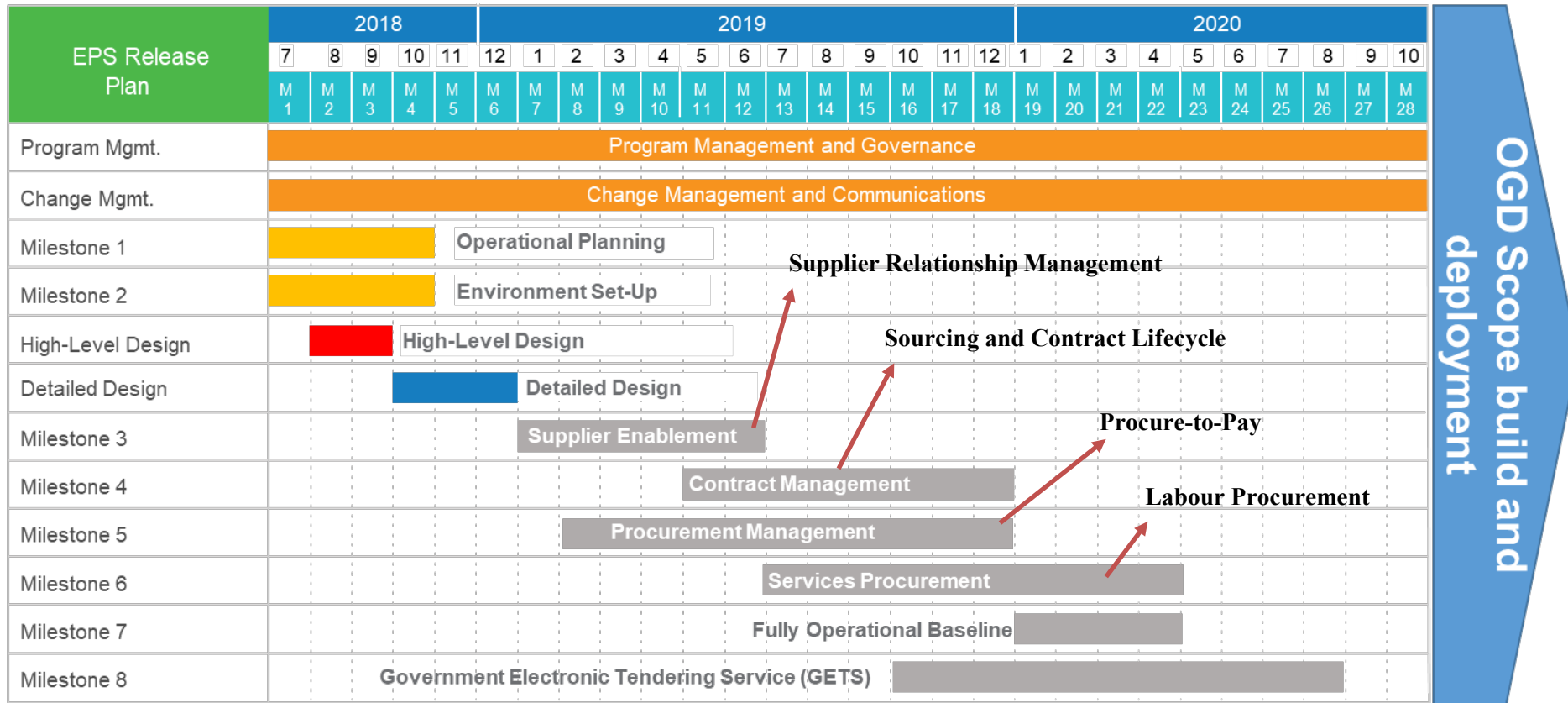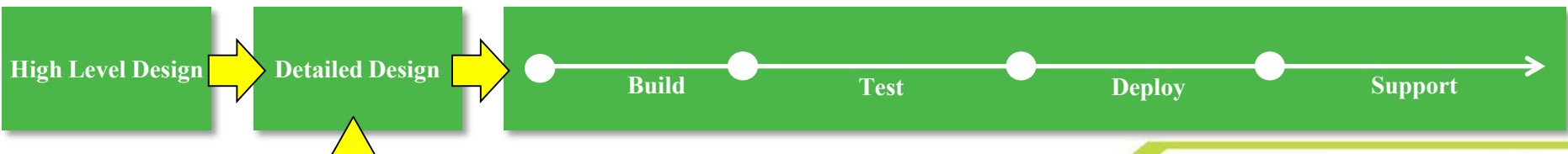
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Once successfully established and pending funding & TB approvals, Phase 2 will see the solution extended to other government departments (targeted for 2021).

2

Implementation Timeline

EPS Release Plan	2018					2019													2020									
	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17	M 18	M 19	M 20	M 21	M 22	M 23	M 24	M 25	M 26	M 27	M 28
Program Mgmt.	Program Management and Governance																											
Change Mgmt.	Change Management and Communications																											
Milestone 1	Operational Planning																											
Milestone 2	Environment Set-Up																											
High-Level Design	High-Level Design																											
Detailed Design	Detailed Design																											
Milestone 3	Supplier Enablement																											
Milestone 4	Contract Management																											
Milestone 5	Procurement Management																											
Milestone 6	Services Procurement																											
Milestone 7	Fully Operational Baseline																											
Milestone 8	Government Electronic Tendering Service (GETS)																											

Supplier Relationship Management

Sourcing and Contract Lifecycle

Procure-to-Pay

Labour Procurement

OGD Scope build and deployment

Implementation Approach

High Level Design → **Detailed Design** → ● Build ● Test ● Deploy ● Support →

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High Level Design (HLD)

- Between Aug. 20 – Oct. 4, Ernst & Young facilitated HLD working sessions with the GC and other stakeholders to:
    - Assess and validate the current state of GC procurement
    - Identify key gaps and challenges
    - Seek diverse and comprehensive input pertaining to the project
    - Develop future state business processes
    - Create the Business Process Design for the EPS detailed design
- The objective of the HLD phase is to form a foundation for developing system procurement processes
- Collaborative exercises with procurement, contracting and policy stakeholders from GC and development of business design artifacts that will be leveraged for Detailed Design.
- Various GC Stakeholders participated in the HLD sessions:
    - Other Government Departments (importance of a platform for GC-wide deployment)
    - Financial Operations Sector (FOS)
    - Treasury Board Financial Management Sector (TBS-FMS)

High Level Design (cont.)

Inputs into HLD	HLD activities	Outputs from HLD
Current State Process Flows	Artifacts collections	Future State Process Flows
Policies	Collaborative Workshops	Business Process Design Document
Templates	Deep dive discussions	Business Requirements Document
Meetings	Business process design	

Ongoing review, feedback and collaborative discussions

Accomplishments from HLD

- Between Sept 24– Oct. 4, the Collaboration Hub workshops were facilitated with the GC and other stakeholders to achieve the following accomplishments:

  1. **Current State Analysis –** Analysis of current procurement processes ensuring that GC is able to move smoothly throughout the Ariba steps while maintaining the highest level of compliance

  2. **Fit-Gap Analysis –** Overview and validation of the fit-gap requirements were conducted. SAP Ariba and FieldGlass was demoed end-to-end to identify the benefits and applicability to GC

  3. **Guiding Principles Development –** Met with GC leadership to confirm on guiding principles that would be applied to the future state procurement process framework

  4. **Draft Future State Process Design –** Developed draft future state process framework based Ariba, Fieldglass and leading practice capabilities

  5. **Collaboration Hub –** Updated process flows through a collaborative discussion along with validation of business requirements, guiding principles, risks, controls, change impacts and key metrics

  6. **Business Process Design Document –** Submitted draft BPD to begin review process of future state processes

Collaboration Hub Journey

01 Welcome to EPS

02 Source to Contract
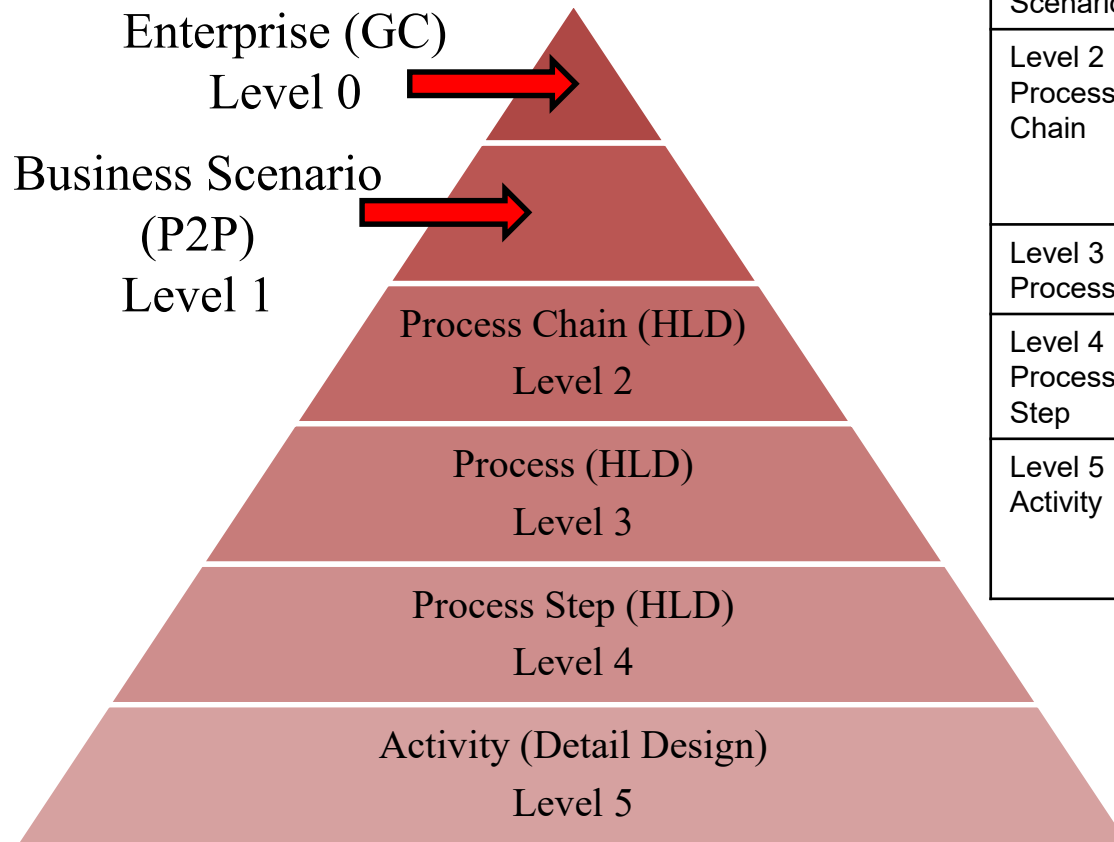Procure to Pay
Data
Process Reviews

03 Services
SRM
Process Reviews

04 Discussion &
Endorsement

Procurement Process Level Definitions

Enterprise (GC)
Level 0

Business Scenario
(P2P)
Level 1

Process Chain (HLD)
Level 2

Process (HLD)
Level 3

Process Step (HLD)
Level 4

Activity (Detail Design)
Level 5

Level	Description and Examples
Level 0 Enterprise	All business processes across GC
Level 1 Business Scenario	Set of business processes performed within or across an organization to complete an overall business function (ex. P2P)
Level 2 Process Chain	A collection of inter related work tasks initiated in response to an event that achieve a specific result for the customer of the process (ex. Purchase Requisition)
Level 3 Process	A sub process has the same definition as a process (ex. Determine Requirements)
Level 4 Process Step	Process step is the lowest level of decomposition of a business process that entails a change in state or status (ex. Determine Available Funds)
Level 5 Activity	An individual step in a transaction which by itself does not yield benefit to a customer. The purpose of an activity is to identify the data required to complete the process step.

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Process Maps

- During the Collaboration Hub of HLD, we looked at the processes at Level 4 detail

- These updated Level 3 and Level 4 process maps will serve as a guide to creating the Level 5 process maps for each Level 4, along with supporting outputs (i.e., Configuration Workbooks)

- The following modules encompass the processes discussed:

  1. **Source to Contract (S2C)** - represents all activities that need to be performed from the point where a procurement / sourcing need is identified, up until when a contract has been awarded, signed and operationalized.

  2. **Procure to Pay (P2P)** - represents all activities that need to be performed from the point where a Purchase Requisition is created, up until when an invoice is received, reconciled and paid.

  3. **Services** - represents all activities that need to be performed from the point where a services procurement / sourcing need is identified and sourced, then a Statement of Work or Work Order has is awarded, signed and operationalized, followed by the management, receipt and payment for the Services performed.

Process Maps (cont.)

4. **Supplier Master** - represents all activities that need to be performed from the point where a new Supplier is identified or an update needs to be made to a current Supplier. This process also includes selecting, qualifying and onboarding a Supplier and processing a new Supplier master.

5. **Item Master** - represents all activities that need to be performed from the point where a new Item is identified and created or an update needs to be made to a current item. This process also includes Deactivating Items when such a request is made.

6. **Supplier Relationship** Management - represents all activities that need to be performed from the point where the need to onboard a new supplier is identified, up until when the supplier is screened and approved to business with GC, including supplier performance management

- Discussing these processes at the Collaboration Hub enables participants to partake in Detailed Design (DD) sessions while benefitting from the most up-to-date processes that are supported by leading practices and the Government of Canada

Benefits

- At the end of each process, the teams highlighted the key benefits as a result of implementing the future state procurement processes. Specifically, EPS will:
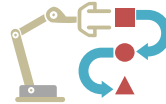
Provide access to a library of frequently used clauses to automate the process of contract authoring

Enable users to access a policy repository and applicability matrix

Enable automation of the approval process

Support the creation of standardized templates for sourcing and contracting

Allow for increased spend visibility and compliance

Create a fully accessible end to end supplier lifecycle management experience

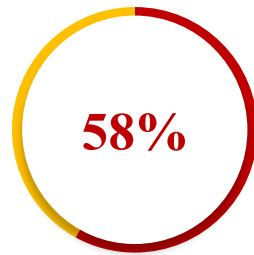*Guide and automate due diligence processes*

Significantly decrease paper-based engagements

Overall Future Guiding Principles

- Participants agreed that on average, the future state Level 4 processes of S2C, P2P, Services, SRM and Vendor / Item Master correspond to the following EPS guiding principles:

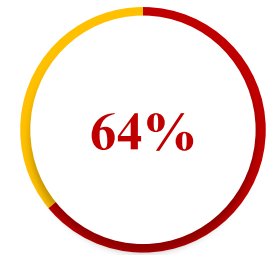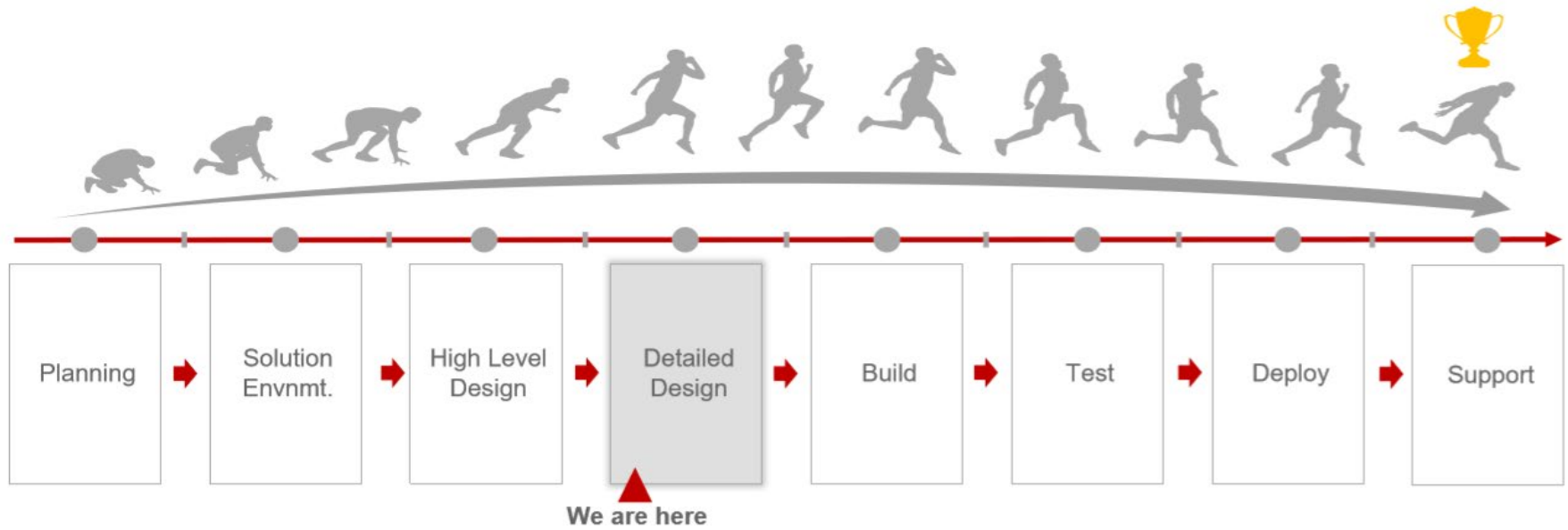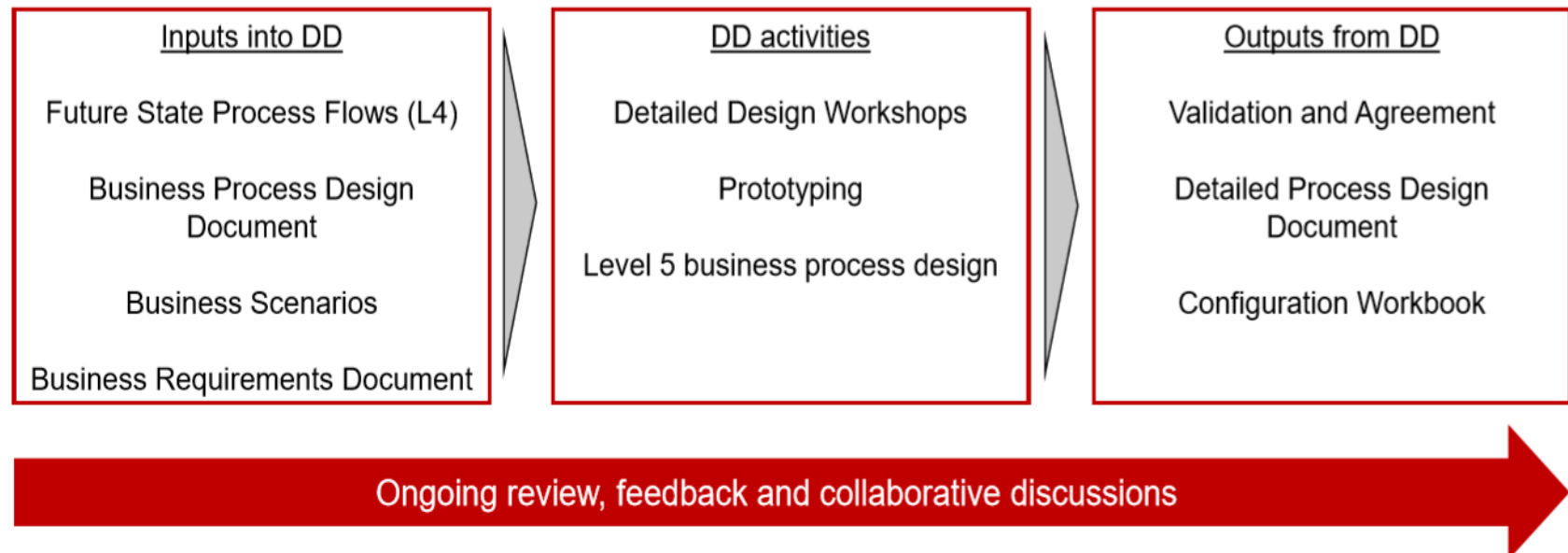| 91%	58%	95%	91%	64%
Improve Service to Internal Clients	*Reduce Supplier Burden*	*Reduce Manual Process*	*Provide New Tools*	*Manage Government Spend*

Yes

Not Applicable

Where Are We Now?

- Detailed Design working sessions are being held from Oct. 30th – Dec. 20th to review solution gaps in greater detail, identify mitigation strategies, and translate business requirements into practical system configurations

Planning → Solution Envnmt. → High Level Design → Detailed Design → Build → Test → Deploy → Support

We are here

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Detailed Design Objectives

- The objective of the DD phase is to arrive at a set of Level 5 processes and supporting artifacts that will be used as a basis to configure the system in the Build and subsequent phases of the EPS project.

- A majority of the activities in this phase will involve collaborative exercises with procurement stakeholders from GC.

Inputs into DD	DD activities	Outputs from DD
Future State Process Flows (L4)	Detailed Design Workshops	Validation and Agreement
Business Process Design Document	Prototyping	Detailed Process Design Document
Business Scenarios	Level 5 business process design	Configuration Workbook
Business Requirements Document		

Ongoing review, feedback and collaborative discussions

Ways of Working During DD Sessions

Drive to Key Decisions

- Vocalize key changes

- Be specific, use examples

Trust the process

- Trust the process and go with it

Assume SAP Ariba & Fieldglass Standard

- Think about leading practice

- Adopt and leverage intended use of the solution

Focus on the session

- Please make sure you are aware of the room/timing of your sessions as many sessions are taking place simultaneously on various topics.

- Commit to be at the workshop for the full time; no ducking in and out

- Breaks are embedded in the schedule

What's Next

Fall 2018

Milestone 1 – Planning
- Finalize initial project planning

Milestone 2 – Solution Environment
- Identifying required system environments
- Identifying software applications and tools to support solution
- Connectivity testing (Cloud to SIGMA development environment)

Detailed Design
- OGD co-design
- Creation of the Business Process Design Blueprints
- Completion of configuration workbooks

Winter/Spring 2018-19

Consultations (January)
- Order-to-Pay
- Centralized Vendor Master
- Design socialization

Configuration & Build
- Configure Ariba & Fieldglass
- "Cloud to Ground" connectivity via GC Interoperability Platform (GCIP) with PSPC SAP ECC6 instance

Testing
- System testing
- User testing with suppliers, and PSPC/OGD buyers & functional users.

Summer 2019

First Go-Live
- Begin piloting within PSPC's Acquisitions Program and Finance and Administration Branch

Onboarding
- Begin onboarding select suppliers

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Impact on Non-Procurement Professional GC Buyers

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Current State: SOSA Application

- The Standing Offer and Supply Arrangement (SOSA) Application is the official source for Government of Canada standing offers and supply arrangements.

- Users can view detailed information about the vendor, price lists, and the standing offer or supply arrangement document.

Search standing offers and supply arrangements

Start your search by entering a keyword in the following field. To search for a specific commodity you must enter the commodity name or a Goods and Services Identification Number (GSIN) directly into the keyword search. Please read our Search tips to learn more.

Keyword search ❓

> office supplies

Sort by

> Relevancy ▼

Results per page

> 10 ▼

[Search]

Showing 1 to 10 of 785 results.

ART WOODS OFFICE SUPPLIES (1998) INC (E60PD-16OSFB/008/PD)

Description:	Office Supplies (Office Supplies and Devices)
Mandatory commodity:	Office Supplies and Devices
Supplier operating name:	ART WOODS OFFICE SUPPLIES (1998) INC
Commodity:	N7530 - Stationery and Record Forms
Agreement number:	E60PD-16OSFB/008/PD
Department, agency or Crown corporation:	Public Works and Government Services Canada
Region of delivery:	National Capital Region

OFFICE CENTRAL (E60PD-16OSFB/010/PD)

Description:	Office Supplies (Office Supplies and Devices)
Mandatory commodity:	Office Supplies and Devices
Supplier operating name:	OFFICE CENTRAL
Commodity:	N7530 - Stationery and Record Forms
Agreement number:	E60PD-16OSFB/010/PD
Department, agency or Crown corporation:	Public Works and Government Services Canada
Region of delivery:	Ontario

Filter your results ❓

[Reset filters]

Departments/Agencies/Crown corporations ❓

- ☐ Correctional Service of Canada (755)
- ☐ Public Works and Government Services Canada (747)
- ☐ Department of National Defence (746)
- ☐ Courts Administration Service (745)
- ☐ Foreign Affairs, Trade and Development (Department Of) (745)

Show more

Region of delivery ❓

- ☐ Canada (123)
  - ☐ National Capital Region (509)
  - ☐ Ontario (288)
  - ☐ Alberta (180)
  - ☐ Quebec (161)

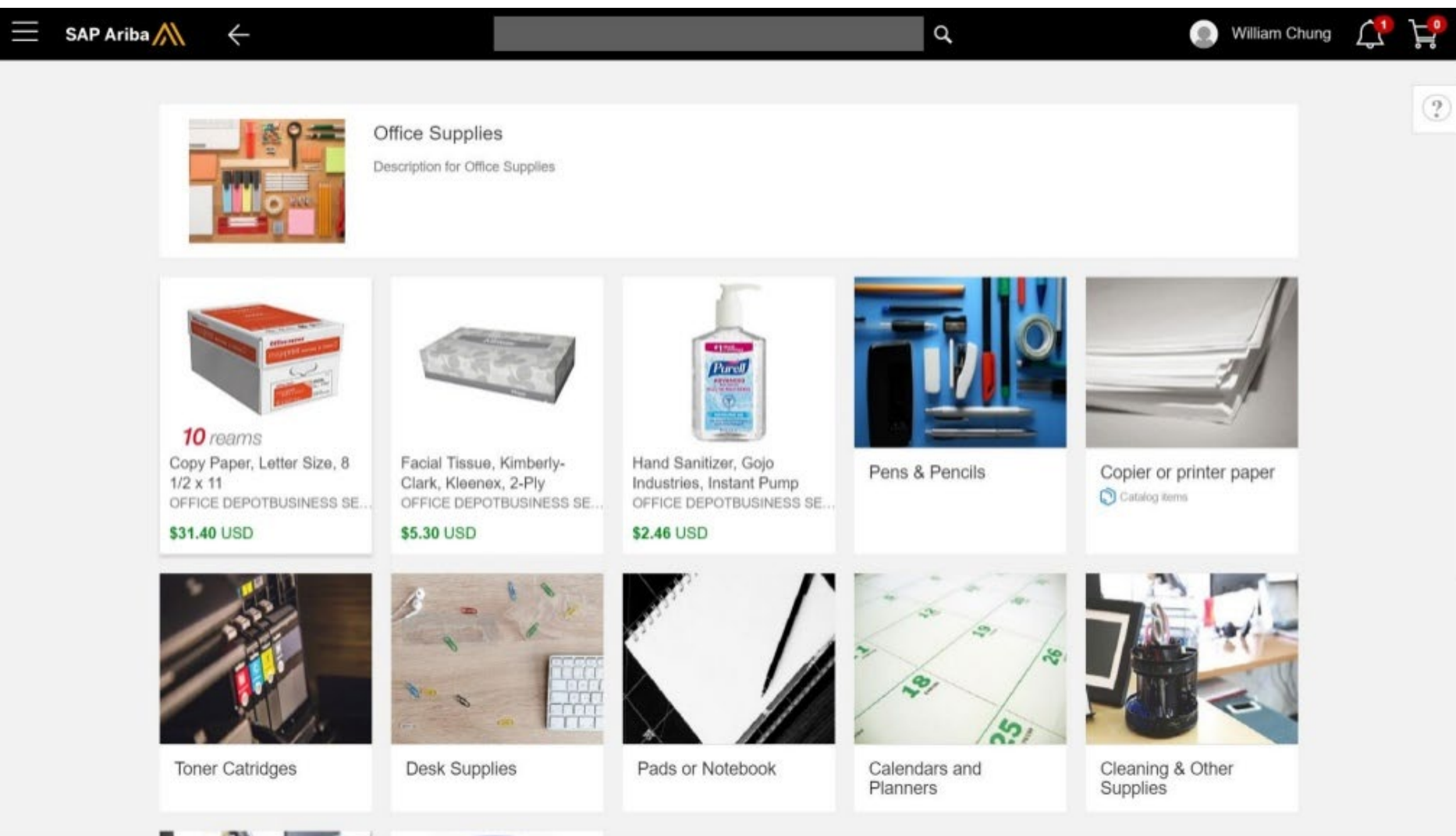Show more

Mandatory commodities ❓

- ☐ Personnel Recruitment (572)
- ☐ Furniture (134)
- ☐ Non-mandatory (55)
- ☐ Office Supplies and Devices (19)
- ☐ Office Machines, Text Processing Systems and Visible Record Equipment (3)

Show more

Goods and services

- ☐ Services (629)
- ☐ Goods (156)

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Future State: E-Catalogues

Demo

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SAP Ariba
Guided Buying
Development Preview

Questions?

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EPS on GCPEDIA

http://www.gcpedia.gc.ca/wiki/Acquisitions_Program_Transformation_-_e-Procurement_Solution

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#MAKE PROCUREMENT AWESOME

Thank You!

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