



For immediate release

News Release

INTERIM PROCUREMENT OMBUDSMAN HIGHLIGHTS ISSUES WITH FEDERAL PROCUREMENT

Ottawa, Ontario – October 10, 2017

Federal Interim Procurement Ombudsman Lorenzo Ieraci released his [Annual Report](#) for the 2016-2017 fiscal year, which was tabled last week in Parliament by the Minister of Public Services and Procurement, the Honourable Carla Qualtrough.

The report summarizes the Office of the Procurement Ombudsman's (OPO) activities in 2016-2017, identifies key issues in federal procurement and outlines the most common feedback received from suppliers and federal officials. The Interim Procurement Ombudsman highlighted three procurement issues in his message, namely:

- **Capacity:** The lack of procurement specialist capacity in the federal public service is causing delays in many procurements and raising concerns about an increasing reliance on non-specialists. Without a concerted effort on the part of all federal organizations, including a coordinated approach to recruitment and development, capacity problems and associated impacts will continue to grow.
- **Standing Offers:** Suppliers must invest time and energy to submit proposals to qualify on standing offers, without any guarantee of business. With the exception of the purchase of certain mandatory commodities, there is nothing requiring federal organizations to actually use the standing offers they establish. If they do, suppliers must be ready to provide the goods or services within very short timeframes. This means that suppliers need to make investments in inventory (for goods) or ensure they have access to quality resources (for services) to be able to deliver quickly on business they are not guaranteed to get.
- **Simpler procurement:** A number of initiatives are being explored by federal organizations to modernize and simplify federal procurement. The challenge, however, is to develop procurement documents that are clear and simple enough for suppliers to respond to, while ensuring they are sufficiently detailed to lay out what is expected by federal organizations.

The [2016-2017 Annual Report](#) can be found on OPO's Website at opo-boa.gc.ca.

See Annex for further details.

– 30 –

Media enquiries:

Office of the Procurement Ombudsman

Telephone: 613-947-9755

media@opo-boa.gc.ca

Follow OPO on Twitter [@OPO_Canada](https://twitter.com/OPO_Canada)

Highlights of 2016-2017 Activities:

- OPO continued its focus on raising awareness of the Office's services and listening to its stakeholders, by hosting 60 outreach events across the country.
- OPO completed two Procurement Practice Reviews (Bid Evaluation Processes and Non-Competitive Contracting), a follow-up to a previous review (Follow-Up Report on the 2013-2014 Procurement Practice Review – Health Canada) and one procurement study (Available Procurement Information Study). These reports are available on the OPO website at opo-boa.gc.ca.
- The Office received a total of 463 contacts, of which 283 were procurement-related. OPO staff provided answers to 122 general inquiries, received 10 requests for OPO's in-house dispute resolution services (ADR) and facilitated 121 contacts. OPO received 30 written complaints of which 7 met regulatory criteria. The review of 1 of these complaints was completed while 6 that were received late in the fiscal year were carried over to 2017-2018. The Office also completed 2 reviews of supplier complaints carried over from 2015-2016.

Background Information:

The Office of the Procurement Ombudsman is an arm's-length organization with a government-wide mandate to promote fairness, openness and transparency in federal procurement. The Office provides an avenue to address procurement-related issues and disputes both to Canadian businesses selling goods and services to the federal organizations and federal officials purchasing those goods and services.

The Procurement Ombudsman is a governor-in-council appointee who reports to the **Minister of Public Services and Procurement**. The Ombudsman operates independently from Public Services and Procurement Canada (PSPC). The Minister and PSPC have no involvement in the Office's daily activities nor the content of its reports.

As such, the Office of the Procurement Ombudsman has a legal mandate which is separate from that of PSPC. The Procurement Ombudsman's mandate is to:

- Review any complaint with respect to the award of a contract for the acquisition of goods below \$25,000 and services below \$100,000;
- Review any complaint with respect to the administration of a contract, regardless of dollar value;
- Review the practices of departments for acquiring goods and services to assess their fairness, openness and transparency and make recommendations to improve those practices; and
- Ensure that an alternative dispute resolution process is provided, if requested and agreed to by both parties.