



Canadian Association of Management Consultants    Association canadienne  
des conseillers en management

The **Single Voice** of Management Consulting in Canada

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June 30, 2004

Mr. Neil Sentance  
Director, Procurement Policy and IT Procurement Branch  
Government of Ontario  
Ferguson Block, 6<sup>th</sup> Floor  
77 Wellesley St. W  
Toronto, ON M7A 1N3

Dear Mr. Sentance,

The Canadian Association of Management Consultants (CAMC) wishes to register a serious concern with the recently released Request for Proposals for Business and Management Consulting Services (MBS-BMS-01), a Vendor of Record (VOR) whose use is to be mandatory for all ministries for all management consulting contracts. We believe that as currently constituted, this VOR may:

- a) make it virtually impossible for Ministries, Agencies and related bodies of the Ontario government to obtain high quality, properly qualified management consulting services;
- b) exclude many if not most management consulting firms, small consulting firms and sole practitioners from doing business with the Ontario government.

Because this development would be so detrimental to both the government of Ontario and many of our members, CAMC strongly urges Management Board Secretariat to take the necessary steps to make the request for management consulting services a fair and open competition. The most obvious remedy is to restrict the current VOR to information technology services and issue a VOR for management consulting services under the auspices of the Shared Services Bureau, or Cabinet Office. Failing that, we are requesting that MBS withdraw the current Request and restructure it so that it properly addresses the issues raised in this letter.

The reasons for our concern are based on two characteristics of the RFP:

- that it is heavily biased toward Information Technology contracting services (at the expense of management consulting); and
- that while this may not be the intent, it inappropriately and unfairly favours large firms.

In support of the first issue – the heavy bias towards Information Technology contracting, we cite the following points:

1. The definitions of service categories are heavily weighted to IT services. While the service categories are those often found in typical management consulting VORs, the definitions are restrictive.

For example, the Change Management Services category definition is heavily reliant on IT Infrastructure Library (ITIL) and IT Service Management (ITSM), yet it covers all of the organization (people, processes, structure, roles and responsibilities), governance and accountability and all of organizational change. In non-IT management consulting, change management does not normally involve ITIL or ITSM at all, as it is typically aimed at those aspects of organizations that have little or no involvement with IT (and IT service management in particular).

2. The roles themselves, as defined, do not reflect management consulting roles typically found in firms or in typical management consulting assignments. The roles are more commonly found in IT services contracts.

These roles included: Business Continuity Planning/Data Recovery Planning Specialist, Business Architect, Business Integration Specialist, Security/Threat Impact Assessment Specialist, Data Quality and Integrity Specialist, Application Security Specialist, Infrastructure Security Specialist, ITIL/ITSM Process Architect/Modeller and ITIL/ITSM Service Management Strategist.

If non-IT management consulting services were truly being sought through this RFP, we would have expected to also see such roles as Lead Consultant, Consultant, Change Management/ Organizational Development Leader, Governance and Accountability Leader, Financial Analyst, to name a few.

3. The General Skills and Desirable Skills cited in the Role descriptions (on which the evaluation will be based) are heavily weighted to IT skills and experience. For example the role Project Manager/Leader role under Business Process Assessment and Integration Services and under Change Management Services requires leadership experience in one or more of five areas – four of the five are specifically IT related. Under Change Management Services this role requires leadership experience in one or more of five areas – and all five are specifically IT related. The Training Specialist role demands experience and skills in both technical and non-technical training development design and delivery, even if the eventual assignment does not require the technical component.
4. By disqualifying proponents whose rates are just 25% greater than the average for their categories, the evaluation of pricing clearly favours information technology contractors performing long-term assignments for lower rates over management consultants performing occasional short-term assignments for higher rates. Long-term, full-time assignments generally have lower per diem rates due to the commitment of more days. Many management consulting assignments are short term, and intermittent. These assignments reflect high value to the client and require higher rates. However, the current evaluation system will eliminate management consultants from the VOR and thus restrict them from OPS non-IT management consulting for three years. Since actual consultant selection does not occur until the second stage competition, at which point the actual cost of services will be a selection factor, why is MBS allowing the pricing evaluation to bias the competition and eliminate qualified management consultants at the first stage?

Our second concern is the inappropriate and unfair bias towards large firms. This is primarily manifested by the limitation of assignments that demonstrate experience to those completed in the last two years. As with larger firms, many small firms and sole practitioners have assignments that last between one and two years. But while large firms, owing to their size, will have many reference assignments to cite over the last two years, small firms or sole practitioners may have only one or two assignments in the same period. Thus they could easily be restricted to only one of the eight service categories, or quite possibly none at all if they have spent, for the example, the previous two years doing one assignment per year, each in a different service category. This would not be unusual for a small firm or sole practitioner but it would exclude them from this VOR.

Furthermore, the introduction of the two-year limit on the experience requirement seems to be a new one for the Ontario government. We cite the following recent VORs as examples:

<b>Originator</b>	<b>Year</b>	<b>VOR</b>	<b>Experience Requirements</b>
MBS	2003	Leadership & Training	3 years
MOHLTC	2003	Project Consulting	3 years
	2003	Procurement Consulting	3 years
	2003	Negotiation Services	3 years
Ontario Reality Corporation	2003	Management, Business & Audit Consulting	3 years
MBS	2002	Program Evaluation	5 years
MBS	2002	Internal Audit	3 years

CAMC understands the importance of recent experience for the more technical aspects of Information Technology services. But for many management consulting disciplines – organizational development, leadership development, governance, strategy, process design to name a few examples - the body of knowledge has not changed substantially for a number of years. We therefore see no justification for the new and more restrictive experience precedent being set by this VOR, especially as it unfairly disadvantages small firms and sole practitioners.

The resourcing plan being requested in Section 3.3.4.2 also reflects a large firm bias. Again, we do not think this is intentional, but the requirement for a resource plan that addresses turnover and replacement plans is clearly oriented to larger enterprises. These are definitely issues for contract service providers with large staffs, but it is neither reasonable nor fair to expect small firms and sole practitioners to address them in the same way.

In conclusion, and to reiterate, CAMC strongly urges Management Board Secretariat to take the necessary steps to make the request for management consulting services a fair and open competition. The most obvious remedy is to restrict the current VOR to information technology services and issue a VOR for management consulting services under the auspices of the Shared Services Bureau, or Cabinet Office. Failing that, we are requesting that MBS withdraw the current Request and restructure it so that it properly addresses the issues raised in this letter.

Yours sincerely,

Canadian Association of Management Consultants

David Dixon, CMC  
Chair

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