



A HIGHER LEVEL of
management consulting
ONTARIO

Professional Development Procurement Outreach Session June 8, 2007: Summary

Background and Purpose

On June 8th, 2007, CMC-Ontario hosted a half day professional development workshop on the topic of the Ontario Government's procurement policies governing management consulting services. The goal of the session, co-sponsored by the Ontario Shared Services (OSS) Supply Chain Management Division, was to engage participants in a two way learning process about procurement issues that will affect not only the quality of, but the ways in which business is carried out between OSS and management consulting firms in the province.

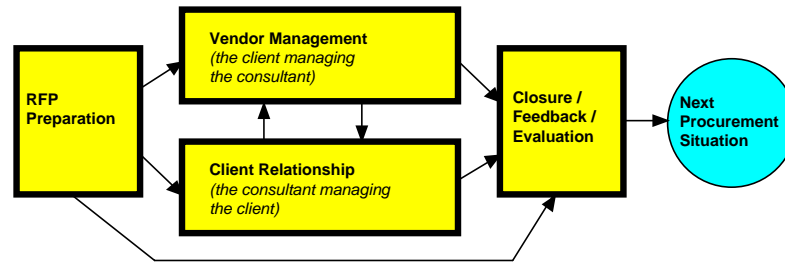
Presentations

Lynn Bennett, President of CMC-Ontario welcomed some 75 participants and provided the background to some of the issues of mutual concern to management consultants and the procurement community. She then introduced Mr. Neil Sentance, Assistant Deputy Minister, OSS. Mr. Sentance delivered a presentation outlining the Ontario Government's position vis a vis the philosophy and practice of procurement, and the ways in which the policies and practices are evolving. In addition to reviewing general procurement issues and trends, the Government of Ontario's Vendor-of-Record (VOR) approach was discussed, particularly with regard to procurement of professional services. Mr. Sentance answered questions from the participants and indicated his interest in obtaining feedback on procurement issues including the VOR construct.

Case Study Exercises

TCI Management Consultants presented four procurement case studies, developed for discussion purposes. These case studies were based upon actual consulting situations; two of which involved the VOR approach. The larger group then broke into four smaller break-out groups to discuss procurement related questions.

The procurement management process was conceptualized as a 'compass' requiring constant management to ensure the project is successfully navigated throughout the engagement and as having four stages, as shown in the diagram below. Three case studies which were based on consulting engagements focused on the four key stages as shown below. The fourth case study was constructed around a VOR request, and focused more on issues related to the VOR at the RFP preparation and response stage.



The key conclusions resulting from the case study discussions relating to each aspect of the procurement process were presented in plenary at the end of the session. They included:

(1) RFP Preparation

- a clear point of contact with a back-up should be identified for each RFP; the availability of either the individual or the backup from the time of issue to the deadline should be guaranteed
- in cases where there is a “procurement specialist” and a “content specialist” for the RFP, it should be clear to everyone which is in charge of the process
- the development of RFPs should ensure reasonable consultation with the government staff either involved in the undertaking of the project, or who will be affected by its results, or (ideally) both
- reasonable and achievable deadlines should be set, taking into account courier delivery dates at the destination location, holiday times, etc.
- consultants should state assumptions governing the scope of the project clearly in the proposal
- Ontario Procurement Services (OPS) should answer questions relating to an RFP as thoroughly and helpfully as they are able (as these will help shape and validate the assumptions that consultants make)
- wherever possible, budget information should be provided (e.g. a range or a ceiling) – this will ensure that consultants are better able to scope out proposals, and will likely result in a better response
- the evaluation criteria should be clearly specified – again, this will ensure better and more focused proposals
- if consultants consider a RFP and then reject it for reasons inherent to the nature of the project (as opposed to their own situational factors such as a lack of time to prepare a proposal) there should be some mechanism to feed this intelligence back to OPS to improve the overall procurement environment

(2) Vendor Management (i.e. the government managing the consultant)

- roles and responsibilities for administrative requirements over the life of the project (e.g. keeping minutes of meetings) should be negotiated at the outset
- regular status updates should be required
- to the extent possible, the same group (i.e. Steering Committee) should oversee the project, without changes in leadership or membership

(3) Client Relationship (the consultant managing the client)

- (as in (2) above) roles and responsibilities for administrative requirements over the life of the project (e.g. keeping minutes of meetings) should be negotiated at the outset
- regular status updates should be provided
- any scope change should be discussed immediately with the Steering Committee representative, and the timetable and budget implications clearly documented

(4) Closure / Feedback / Evaluation

- should be mandatory for every project

Conclusions With Respect to the VOR

The key conclusions resulting from the case study discussion relating to the VOR were:

- there was clear support for the VOR concept and intent
- a three-stage process was recommended:
 - Stage 1 of the VOR process should simply establish the firm's interest and basic qualifications to sell services to the Ontario Government – it should not include pricing or per diem rate information
 - Stage 1 should also be a continually open window, with firms able to submit or update their qualifications at any time (rather than respond at a fixed deadline date)
 - once accepted onto the list, firms could then move to Stage 2 where they would build a database of qualified resources – again this would be open-ended, but would focus in upon the specific types of experience and capabilities and would not contain rate information
 - Stage 3 would be the specific RFP – here specific methodologies and rates would come into play in the proposal

The session concluded with remarks by Anne Bachinski, CMC-Ontario's Advocacy Working Group Chair. She thanked Neil Sentance and all who attended the session for their participation. On behalf of the working group, she promised to continue the efforts of CMC-Ontario to (i) add "value for money" to members through advocacy and (ii) to work in partnership with clients to improve public sector procurement.

Over 90 per cent of the evaluations received after the session were very positive, and the workshop was judged to be a successful mutual learning experience and a stepping stone to continued dialogue with the Ontario government on procurement issues.