

CONSULTATION WITH SUPPLIERS – INFORMATICS PROFESSIONAL SERVICES PWGSC RESPONSE

1. Duration of the Standing Offers

Industry Input

Three years plus two one-year options for the Standing Offers is too long.

PWGSC Response

PWGSC will modify the strategy to allow an annual refresh. This will allow new companies to qualify. There will be an annual price competition among all qualified suppliers.

2. SME Concerns

Industry Input

Small and Medium Enterprises (SMEs) raised concerns with regard to Joint Ventures, the proposed evaluation criteria and the number of categories required to qualify.

Some pointed out that Joint Ventures are not cost effective and impede SMEs, and that they would prefer to qualify on their own.

PWGSC Response

PWGSC will make it easier for firms to qualify for a Standing Offer by restructuring the categories under three main classes: Project Management, Business, and Technology. PWGSC will introduce three subclasses under Technology: Geomatics, IM/IT Services and Application Services. For example, for Tier 1, firms would need to demonstrate that they provided such services to an external client one third of the categories listed under the class or subclass. These measures will make it easier for SMEs to qualify for a Standing Offer without seeking Joint Ventures.

3. Number of resource categories and domains to be reduced

Industry Input

The industry would like to add specialist levels; to expand the geomatics categories; to reduce the number of resource categories and domains; and to reduce the number of categories required to qualify for a Tier.

PWGSC Response

PWGSC's strategy will be revised to regroup the categories under three main classes: Project Management, Business, and Technology. PWGSC will introduce three subclasses under Technology: Geomatics, IM/IT Services and Application Services.

For Tier 1, companies would need to demonstrate that they provided such services to an external client for one-third of the categories listed under the class or the subclass.

For future requirements, firms would only be considered for categories for which they qualified at the time of award of the RFSO plus up to an additional 50% categories of services within the same class or subclass.

In addition, the number of categories under the geomatics subclass will be expanded.

4. Review of proposed pricing competition formulae

Industry Input

Some suppliers would like to update their prices on a yearly basis.

Concerns were expressed that large service providers will not qualify because of weak qualification and lowest priced competition. Several suggestions were made to address the pricing formula.

PWGSC Response

PWGSC will conduct annual price competition among all Standing Offer holders, rather than use a price index adjustment, because using a price index adjustment might not be reflective of the market.

With respect to the pricing formula, it will be modified so that any firms meeting the technical/expertise qualification requirements and offering a price within the median price +40% will be awarded a Standing Offer.

5. Price versus Value

Industry Input

Some firms have requested that PWGSC should have a selection of suppliers based on value rather than price.

PWGSC Response

The qualification process will assess a firm's corporate qualifications. Based on PWGSC's proposed strategy, the pool of qualified suppliers should be large enough to ensure that client departments have access to qualified resources.

With regard to the resources provided under Task-Based requirements, client departments will have the opportunity at time of call-up to define best value parameters. Client departments will have the possibility of choosing firms on the basis of lowest cost-per-point, highest point score, or lowest compliant bid. There will be no obligation for client departments to choose only the lowest price qualified suppliers. Client departments will be able to invite any suppliers of their choice, plus one from the three qualified suppliers offering the lowest price for the required categories and one random qualified supplier to provide bids.

For Solution-Based requirements, client departments will have the opportunity to require value-added/outcome-based solution. Price should only be one component of their final decision.

The Department will also provide training sessions to client departments in which the various ways of obtaining "value" will be emphasized.

6. Procurement Change Management and Policy Change

Industry Input

The industry raised a number of issues that are requiring changes that go beyond the Procurement Strategy itself or that are out of PWGSC's control. A list of these issues is provided in Annex A (attached).