

Building a stronger economic future for Yukoners.

Response to the Procurement Advisory Panel Recommendations

January 2019



Yukon

In 2016, the Procurement Advisory Panel submitted eleven recommendations to improve our approach to procurement. In response to those recommendations, we are changing how we buy goods and services.

Here's what we've done:

1 OVERALL RECOMMENDATION: Develop a strategic approach to sourcing and procurement

- The **five-year capital plan** maps out procurements planned in Yukon from 2018 to 2022.



2 Develop clear objectives and policy guidance for staff concerning the expected use of procurement to support local businesses and First Nations

- The **Procurement Improvement Framework** outlines activities to address panel recommendations.
- We **updated the procurement policy**, effective April 1, 2019. The updated policy clarifies roles and responsibilities, outlines planning procedures, and aligns with trade agreements.
- The **first-ever First Nation procurement policy** is being developed in collaboration with Yukon First Nations. This new "from-scratch" policy will be embedded within the updated procurement policy and will provide direction about increasing opportunities for First Nations to secure government contracts.



3 Focus vendor responses on the information most relevant to the procurement

- Since June 1, 2017, over 150 **value-driven procurements** have included **new evaluation criteria** for Northern knowledge and experience and First Nations participation.
- We have increased coordination of tender closing date so industry can better plan for upcoming projects.
- We ensure regular updates to tender templates for greater consistency and quality in construction tenders.



4 Improve alignment of procurement processes with desired outcomes

- Used a **negotiated procurement process** for the French First Language Secondary School design-build contract.
- Implemented trade agreement **exceptions for regional economic development in 10 contracts** per year to offer opportunities to Yukon businesses only, using selection criteria developed with industry input.
- Vendor performance review program pilots** in 12 contracts across Government of Yukon to gather information on how to reward good contract performance and help poor performers improve.



5 Develop guidelines, policy or an organizational model that ensures procurement is conducted by staff with appropriate expertise

- New operational requirements under the policy **support sound decision making** for using procurement to meet government priorities.
- Enhanced guidance for staff on how to **increase opportunities for Yukon businesses**, for example, when using a direct award or an invitational tendering approach.
- We have taken a one-government approach to **share knowledge, solve problems and provide advice** to procurement teams.



6 Invest in ongoing skill development and awareness of the role of procurement

- We are investing in the ongoing skill development of 155 employees currently enrolled in the Public Sector Procurement Program to further **develop procurement expertise in planning, solicitation and evaluation**.
- We are implementing a **Government of Yukon procurement training program**.



11 Revise the current Bid Challenge process

- The **Bid Challenge committee, now composed solely of private sector members**, is more independent from government. We are sharing more information about past bid challenges with industry (through the PBC) to seek feedback.



7 Establish a consistent approach for increased scrutiny of and support for complex procurements

- Contracts from every department are randomly selected and checked annually for compliance with policies in our **new benchmarking program** to inform our continuous improvements at every stage of procurement across government.
- An **innovative value-driven procurement for goods** for Health and Social Services resulted in the highest-quality proposal winning with a \$300,000 savings on a three-year contract.
- Project Delivery Guidelines developed for capital projects focus on **sound decision making, good procurement planning and high quality results**.



8 Improve relationships and the sharing of information between vendors and buyers

- We continue to work **with businesses and First Nations** about our procurement to inform further improvements.
- The **new Procurement Business Committee (PBC)** offers wide perspectives on our procurement improvements through regular spirited debate on topics that matter to vendors.



9 Improve market intelligence and procurement management information

- Government of Yukon hosts the Reverse Trade Show and Industry Conference in collaboration with industry groups to bring **vendors and government staff together**.



10 Increase coordination and communication of the scheduling of procurements

- To **help contractors better plan** their work and make the most of the short construction season, we tendered 37 major seasonally dependent capital projects valued at \$62-million well before the 2018 summer season, **doubling the number of early tenders over previous years**.



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