

MEETING MINUTES REPORT – 2014-1

MEETING	TEMPORARY HELP SERVICES ADVISORY COMMITTEE		
PLACE	Place du Portage, Phase III, Tower C, Boardroom 12C1 101A	DATE	February 25, 2014
TIME	1330 to 1600		

MEETING AGENDA

1. Opening Remarks
2. Acceptance of minutes for December 5, 2013 THSAC meeting
3. Committee Membership
4. THS Update – RENEWAL
5. Implementation THS Utilization Reporting Update
6. Issues Tabled for Discussion
7. Other Business
8. Round Table Discussion
9. Next Meeting
10. Meeting Adjournment

MEETING ATTENDEES

NAME	ORGANIZATION / PROJECT AND ROLE	PRESENT
Pascale Archambault	Acting Senior Director – Professional Services Procurement Directorate (PSPD), Acquisitions Branch (AB), PWGSC – CHAIRPERSON	
Dan Moorcroft	QMR Consulting & Professional Staffing	√
Jeremy Ingle	Association of Canadian Search, Employment and Staffing Services (ACSESS)	√
Martin Chenier	ACSESS	√
Eric Joannis	ACSESS	√
Meredith Egan	ACSESS	√
Paul Gagnon	Portage Personnel	
Brenda Harlow	Natural Resources Canada (NRCan)	
Caroline Carson	Health Canada	√
Lucie Lambert	Library and Archives Canada	
Roland Dimitriu	PWGSC Materiel Management	√
Ray Paquette (Alternate for R. Dimitriu)	PWGSC Materiel Management	
John Penhale	PWGSC, Procurement Strategy and Performance Management Directorate	
Helen Seto	PWGSC, Office of Small and Medium Enterprises and Strategic Engagement	√
Lynn Ménard	PWGSC, Office of Small and Medium Enterprises and Strategic Engagement	
Alykhan Rahim (Alternate for Lynn Ménard)	PWGSC, Office of Small and Medium Enterprises and Strategic Engagement	√
Rose Spirito	PWGSC, Procurement Strategies Division	√
Mark Newman	PWGSC, A/THS Team Lead	√
Stephanie Riley	PWGSC, THS Team	√

Meeting Minutes

#1. Opening Remarks

- PWGSC welcomed those present, and provided an overview of the agenda for the meeting.
- Round table introductions.

#2. Acceptance of minutes for December 5, 2013 THSAC meeting

- All in concurrence. The revised draft minutes for the THSAC meeting held on December 5, 2013 were accepted.
- Due to inefficiencies associated with posting approved minutes directly to the Temporary Help Services (THS) website, the possibility of posting PDF copies to the Buy and Sell Tenders website (<https://buyandsell.gc.ca/procurement-data/tenders>) will be investigated by PWGSC. If this is possible, a link will be provided from the THS website to the minutes posted to the Buy and Sell tenders website.
- It was noted that in accordance with the draft Terms of Reference for the THS Advisory Committee, PWGSC will establish and maintain a record of outstanding action items from THSAC meetings.

ACTION ITEM(S):

- PWGSC will investigate the possibility of posting PDF copies approved THSAC meeting minutes to the Buy and Sell Tenders website. If this is possible, PWGSC will provide a link from the THS website to the minutes posted to the Buy and Sell tenders website.
- PWGSC will establish (and maintain) a record of outstanding action items from THSAC meetings.

#3. Committee Membership

- Recommendations provided by the Association of Canadian Search, Employment and Staffing Services (ACSESS) as potential client participants were presented. The list was reviewed, and no objections were raised as it would broaden client participation from the Federal Government Portfolio Categories that were identified in the draft Terms of Reference for THSAC.
- In the first quarter of fiscal year 2014 - 2015, PWGSC intends to send a communiqué(s) to all stakeholders, including existing THS clients and suppliers to solicit increased participation on the THS Advisory Committee. PWGSC will likely hold an overview meeting with those who respond to the communiqué(s) and express an interest in participating on the THS Advisory Committee.
- The communiqué(s) will reference a copy of the Terms of Reference for THSAC, which among other things will explain the purpose of the Committee, the current membership, membership eligibility, and member responsibilities, including the requirement to attend meetings as often as possible. The communiqué(s) will also identify that comments may be submitted to PWGSC regarding the Terms of Reference.
- PWGSC reported that the draft Terms of Reference for the THS Advisory Committee was submitted to the Assistant Deputy Minister (ADM), Acquisitions Branch, PWGSC. If there are comments, these will be reviewed in a subsequent meeting. (**Postscript:** In April 2014, the THS Authority was informed that the ADM approved the Terms of Reference document without change in December 2013.)

ACTION ITEM(S):

- PWGSC will distribute the Terms of Reference for the THS Advisory Committee with a communiqué(s) to all stakeholders, including existing THS clients and suppliers to solicit increased participation on the THS Advisory Committee. The communiqué(s) will also identify that comments may be submitted to PWGSC regarding the Terms of Reference.

Postscript:

- On March 31, 2014, Martin Chenier informed the THS Authority that due to operational demands he decided to step down as the ACSESS Chair, and would no longer represent ACSESS on the THS Advisory Committee. PWGSC will follow-up with ACSESS regarding changes to their representation on the Committee.

#4. THS Update - RENEWAL

Q3 Renewal Solicitations

- Open to THS industry from October 25, 2013 to January 10, 2014.
- Published and accessible via the Buy and Sell Tenders website.
Request for Standing Offer (RFSO): E60ZN-110002/E
<https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZN-002-26501>

Request for Supply Arrangement (RFSA): EN578-060502/H
<https://buyandsell.gc.ca/procurement-data/tender-notice/PW-ZN-004-26502>

- Evaluation period from January 11 to March 31, 2014.
- Evaluations are underway for submissions made by new suppliers.
- As a result of the renewal solicitations, all THS Standing Offers and Supply Arrangements awarded for the National Capital Region (NCR) will incorporate new terms and conditions effective April 1, 2014.

Postscript:

- On April 8, 2014, notice was sent to the federal government users of THS in the NCR to provide a summary of the new terms and conditions that took effect on April 1, 2014 for all THS Standing Offers and Supply Arrangements for the NCR. It was identified that PWGSC completed the recent THS renewal to implement measures primarily to reduce costs and time delays for both suppliers and clients when finalizing the Request for Availability (RFA) process under the Standing Offer and the Request for Services (RFS) process under the Supply Arrangement.

Q4 Perpetual Permanent Refresh

- Published January 13, 2014 with closing date March 31, 2014.
- Evaluations, awards, debriefs & close out: April 1 to June 30, 2014.

#5. Implementation THS Utilization Reporting Update

- An updated summary of THS quarterly utilization report data including Q3 for fiscal year 2013 - 2014 (FY 13/14) was presented.
- PWGSC noted that for Q3 the data was based upon actual award amounts; whereas, for prior quarters the data was based upon invoicing amounts. Going forward, new quarterly utilization reporting protocols require suppliers to provide THS award amounts rather than invoicing amounts. Thus a switch has been made from the reporting of expenditures to the reporting of financial commitment amounts.
- Based upon February 24, 2014 THS quarterly utilization report (QUR) data, for Q3 of FY 13/14 SO usage was 72.4% and SA usage was 27.6%.
- PWGSC will be reviewing reporting capabilities to identify some additional metrics to make available, such as:
 - Business Volume by Classification / Stream split between SO & SA;
 - Business Volume by Classification / Stream and subdivided by Supplier;
 - Business Volume by Classification / Stream and subdivided by Client;
 - Average call-up / contract value under SO / SA by classification;
 - Average call-up / contract period under SO / SA by classification;
 - Total number of call-ups / contracts under SO / SA; and
 - Total number of call-up / contract amendments under SO / SA.
- A supplier member suggested that THS clients, rather than THS suppliers, should be responsible for submitting quarterly utilization data. PWGSC explained that at this time, the THS Methods of Supply are consistent with Methods of Supply for other professional services by requiring that this information be provided by suppliers.
- PWGSC clarified that by switching to reporting award amounts (potential spend), the supplier is only required to report once for a call-up, contract or amendment, as opposed to the previous approach of reporting invoiced amounts each quarter.
- A supplier member expressed their preference for reporting invoiced amounts because in their opinion it is easier to submit real figures. It was noted that this was discussed at a previous THSAC meeting, and the Committee agreed to proceed to harmonize with Methods of Supply for other professional services by reporting award amounts, thereby reducing the number of utilization report entries.
- A supplier member asked if THSAC members could have access to the Centralized Utilization Reporting System database. PWGSC responded that the database is not accessible, but PWGSC will work to publish data sets in keeping with TBS open data access.
- For example, PWGSC will investigate whether it is possible to post an Excel version of the THS utilization data on the Buy and Sell Tenders website (<https://buyandsell.gc.ca/procurement-data/tenders>).
- A supplier member expressed his view that that the federal government is not getting value for money with respect to THS resources. The member suggested that an effort should be made to qualitatively assess THS resources provided by suppliers, and indicated that evaluations of vendor performance are currently

not done.

- PWGSC commented that this is a long-standing issue, common to a wide range of professional services, not only THS. As the THS framework is looked at during the development of a National Goods & Services Procurement Strategy for THS, these broader issues can be raised.
- A key element to help guide the evolution of the Methods of Supply for THS is the Assessment Framework for the use of THS by clients. The assessments are currently focused on the activities of 3 government departments (PWGSC, DND, and Health Canada), and are due to be completed soon. A status update will be included on the agenda for the next THSAC meeting.

ACTION ITEM(S):

- PWGSC will make efforts to broaden the reporting capability for THS utilization data.
- PWGSC will investigate whether it is possible to post an Excel version of the THS utilization data on the Buy and Sell Tenders website (<https://buyandsell.gc.ca/procurement-data/tenders>).
- An update regarding the Assessment Framework will be included on the agenda for the next THSAC meeting.

#6. Issues Tabled for Discussion

THS Standing Offer Posted Rates

- The ACSESS Chair reported on the THS Standing Offer hourly rates (Unilingual / Bilingual) posted to the THS Online System on January 22, 2014 by a supplier for a Junior (\$12.50 / \$12.52), Intermediate (\$12.63 / \$12.62), Senior (\$12.68 / \$12.67) and Advanced (\$12.82 / \$12.84) level Records Management Clerk. He identified that from one level to the next there was minimal difference between the low rates, with only a \$0.32/hour difference between the rate for a Junior versus an Advanced Records Management Clerk.
- According to the ACSESS Chair, suppliers posting such low rates should be able to supply résumés upon request for proposed candidates willing to work at those rates. He suggested that some suppliers are fabricating résumés for candidates, and if the client does not interview the resource or check references, they miss out on a potential opportunity to determine that the candidate is not qualified. The ACSESS Chair claimed that when unqualified resources are hired, often they do not perform well and they either leave or are forced to leave by the client.
- A supplier member alleged that in a recent case of which he was aware, the résumé for a THS candidate working as a valet was doctored by a THS supplier to include work experience (e.g. Access to Information and Privacy (ATIP) experience) that the candidate did not have. When the resource was offered a high paying ATIP THS position, he turned it down on moral grounds.
- According to supplier members present, some THS suppliers use scare tactics (e.g. blacklisting threats) against resources to deter them from reporting unscrupulous supplier activities.
- A client member commented that front end verification of THS candidates is onerous and slows down the process. In addition, a supplier member stated that it is the supplier's responsibility, not the client's, to verify the qualifications of the resources that they propose.
- Client members indicated that they are aware that they get what they pay for with respect to THS resources hired at low rates. When the Standing Offer tool is used, they admit that they are often accepting the lowest common denominator.
- The ACSESS Chair commented that the Right of First Refusal selection methodology associated with the THS Standing Offer encourages a race to the bottom with respect to posted rates. He argued, and other supplier members agreed, that the use of a Standing Offer makes sense for Stream 1 (Office Support) and Stream 2 (Administrative Services) job classifications, but not for Streams 3 to 5, for which clients usually have more complex requirements.
- A client member expressed support for limiting the use of the Standing Offer to Streams 1 and 2; whereas, a second client member cautioned that there would be increased costs associated with using the Supply Arrangement instead of the Standing Offer because the client would be required to spend more time evaluating candidates.
- According to the ACSESS Chair, the THS industry needs to do a better job at quantifying and exposing the costs to government associated with hiring low paid, poorly qualified, or in some cases unqualified THS resources through the Standing Offer. He also suggested that the THS industry could map out and demonstrate to clients how the use of the THS Supply Arrangement is efficient compared to the THS Standing Offer.

- To encourage the use of the THS Supply Arrangement, a client member suggested that the Standing Offer apply to a lot fewer job classifications (e.g. restricted to administrative types of classifications, but continue to include the Access to Information and Privacy classification), and that the \$400,000 limit for THS Standing Offer call-up be significantly reduced (e.g. to \$80,000 or \$100,000).
- To address the issue of low rates, another client member suggested that consideration should be given to excluding posted hourly rates on a weekly basis which are more than +/- 2 standard deviations from the mean or median for each job classification and level.
- The ACSESS Chair expressed support for the reintroduction of "floor rates" for THS job classifications and levels under the Standing Offer. He explained that in the past, a supplier who submitted a rate below or above a certain threshold (computed from the median rate) was disqualified from that classification and level. The logic was to prevent "low ballers" from qualifying for a THS classification for which they would be unable to supply quality candidates, or for which they don't have knowledge of the market rate.
- According to PWGSC, THSAC members supported the elimination of floor and ceiling rates in 2012. PWGSC supported the elimination at that time because it was argued that the Crown should not dictate or restrict what rates suppliers are permitted to bid or charge.
- The ACSESS Chair suggested that the federal government is likely not motivated to re-impose floor rates because it has been successful at reducing spending on THS by eliminating them.
- The ACSESS Chair added that market rates are not being posted by THS suppliers under the Standing Offer. PWGSC responded by stating that in theory the posted rates are supposed to reflect supply and demand, and noted that business decisions made by some suppliers have driven rates downward. If THS posted rates (currently unblinded for suppliers) were blinded for suppliers, PWGSC questioned whether they would stabilize to market rates. Supplier members were certain that blinding rates for suppliers would in fact drive posted rates even lower.
- PWGSC indicated that the recommendation to reintroduce floor rates for the THS Standing Offer in some form or other would be given consideration. It would need to be assessed relative to other changes to the THS Methods of Supply proposed by stakeholders (e.g. potentially arising from upcoming consultations for the National Goods & Services Procurement Strategy for THS).
- PWGSC reminded the members that the effectiveness of the THS Vendor Performance Framework relies upon stakeholders, particularly clients, reporting incidents and issues to the THS Authority. A member representing a large client department agreed, but remarked that her department would need to hire a person fulltime to log all performance issues regarding THS vendors. PWGSC noted that some clients have been reporting poor vendor performance to the THS Authority, and this must be encouraged.
- The ACSESS Chair suggested that PWGSC should consider using a feedback questionnaire for THS clients in an effort to identify vendor performance concerns. PWGSC commented that the upcoming consultations for the National Goods & Services Procurement Strategy for THS are expected to provide clients with an opportunity to report concerns.
- PWGSC commented that ACSESS met recently with Normand Masse, Director General, Services and Technology Acquisition Management Sector, PWGSC to raise industry concerns.
- PWGSC noted that new provisions resulting from the October 2013 renewal solicitations will take effect on April 1, 2014 and will address some concerns raised by suppliers and clients. For example, options will be made available to clients when faced with "bait and switch" tactics used by some suppliers.
- The ACSESS Chair suggested that PWGSC investigate 3 Standing Offer processes or call-ups that were cancelled, and for which the performance of the vendor was observed to be particularly poor. PWGSC will determine what is possible with respect to the suggestion.
- The ACSESS Chair suggested that an exercise be conducted using previously posted weekly rates for the THS Standing Offer to determine the impact of implementing floor rates (and ceiling rates) calculated for particular job classifications and levels. For example:
 - i) How many suppliers would be disqualified?
 - ii) How many suppliers would be left to compete?
 - iii) How much would the minimum rate increase (i.e. from the lowest disqualified posted rate to the lowest posted rate not disqualified)?
 - iv) Different methods for calculating floor and ceiling rates could also be investigated.

ACTION ITEM(S):

- PWGSC will issue a communiqué to THS clients requesting that they report vendor performance concerns to the THS Authority.
- PWGSC will determine what is possible with respect to the suggestion to investigate 3 Standing Offer

processes or call-ups that were cancelled.

THS Resource Consent

- PWGSC presented the following concern raised by a supplier member:
A THS supplier has proposed a resource with the resource's consent, but the resource withdraws their consent before the end of the Request for Availability (RFA) or Request for Services (RFS) process. The supplier does not inform the client that the resource has withdrawn consent, and does not withdraw their bid.
- To address the supplier's concern, PWGSC recommended the insertion of instructions for Offerors and for Client Users into Section E. Resource Consent of the RFA form template, and the insertion of instructions for Suppliers and for Client Users into Part D: Supplier's Response Information, paragraph 3 of the RFS form template. The wording proposed for the RFA form template is provided below.

[Instruction to Offeror: In the event that a resource proposed by the Offeror withdraws their consent before the RFA response due date and time:

- i) The Offeror may amend their bid before the RFA response due date and time to propose an alternative resource with consent;
- ii) To ensure that the procurement process is fair, open and transparent, it is the Offeror's responsibility, in accordance with the PWGSC Code of Conduct for Procurement and the terms and conditions of the THS Standing Offer, to inform Canada of the withdrawal of consent;
- iii) If the Offeror does not inform Canada, and Canada learns that the resource withdrew their consent before the RFA response due date and time, Canada will consider the Offeror's submission in response to the subject RFA as withdrawn, and it will be given no further consideration subject to the terms and conditions of the THS Standing Offer; and
- iv) If it is determined that any certification made by the Offeror in its bid is untrue, whether made knowingly or unknowingly, Canada has the right to terminate any resulting call-up for default, and set aside the Offeror's Standing Offer.]

[Instruction to Client User: When it is determined that a resource has withdrawn their consent before the RFA response due date and time, the Client will consider the associated bid as withdrawn, and may not consider a Replacement of Personnel in accordance with the terms and conditions of the THS Standing Offer.]

- In addition to the above, PWGSC pointed out that THS renewal provisions to take effect on April 1, 2014 will give Client Users the option of not accepting replacement resources after call-up issuance or contract award when no services have been rendered.
- PWGSC noted that resource consent is a mandatory requirement for any THS supplier response to a RFA or RFS.
- The members agreed with the proposed wording for the RFA form template, and agreed that similar wording should be introduced into the RFS form template.

ACTION ITEM(S):

- To address the situation that arises when a resource withdraws their consent before the end of the RFA or RFS process, and the supplier does not inform the client and does not withdraw their bid, PWGSC will insert instructions for Offerors and for Client Users into Section E. Resource Consent of the RFA form template, and insert instructions for Suppliers and for Client Users into Part D: Supplier's Response Information, paragraph 3 of the RFS form template.

Postscript:

- The RFA and RFS form templates were updated as described above and made available via the THS website effective April 7, 2014.

#7. Other Business

Increase to Ontario Minimum Wage

- PWGSC presented the following excerpts from the Ontario government's January 30, 2014 News Release from (<http://news.ontario.ca/opo/en/2014/01/ontario-increasing-minimum-wage.html>) regarding the increase to the minimum wage from \$10.25 per hour to \$11.00 per hour effective June 1, 2014: The "new rate reflects the rise in the Consumer Price Index (CPI) since the last minimum wage increase in 2010".
"The government will also introduce legislation that would tie future minimum wage increases to the CPI. This will ensure the minimum wage keeps up with the cost of living, and that increases are predictable for businesses and families. Under the proposed legislation, increases would be announced by April 1 and come into effect on Oct. 1."
"The proposed legislation would act on the recommendations of Ontario's Minimum Wage Advisory Panel, which included business, labour, youth and anti-poverty representatives."
"The province's Minimum Wage Advisory Panel recommends that the province perform a full review of its minimum wage rates and revision process every five years."
- According to a supplier member, THS contracts were amended in the past to adjust for legislated cost increases, such as increases to premiums for Employment Insurance or for the Canada Pension Plan.
- PWGSC commented that the last time that the Ontario minimum wage was increased in 2010, there were no adjustments made to the fixed hourly rates specified in existing Temporary Help Services call-ups or contracts.
- Supplier members suggested that the June 2014 increase to the Ontario minimum wage could cause some suppliers to request the termination of THS call-ups or contracts for which they anticipate losses in continuing to performing the call-up or contract.

ACTION ITEM(S):

- PWGSC will issue a communiqué to NCR THS suppliers and clients to provide clarification and guidance regarding the June 2014 increase to the Ontario minimum wage, as well as regarding the May 2014 increase to the Québec minimum wage.

Postscript:

- A notice regarding the increase to the minimum wage in Ontario (and Québec) was posted to the homepage of the THS website on March 27, 2014. On Friday March 28, 2014 an e-mail was sent to all suppliers of THS under the THS Standing Offer and/or Supply Arrangement for the National Capital Region (NCR) providing a link to the notice. On Monday March 31, 2014, a similar e-mail with a link to the notice was sent to all federal government users of THS in the NCR.

Top three issues (Suppliers, Clients)

- NCR THS suppliers and client users each identified their top three issues as listed below. They are listed in the order in which they were raised, and are not ranked in order of importance.
- Top 3 THS Supplier Issues:
 - Improper use of the Standing Offer (e.g. for complex requirements);
 - Fraudulent supplier activity (e.g. falsified CVs);
 - The Standing Offer right of first refusal selection methodology (Note: The Directed Method option for Streams 1 & 2 only for requirements valued at \$25,000 and below is used to a lesser extent.).
- Top 3 THS Client User Issues:
 - Fraudulent suppliers and supplier activity;
 - Misuse of the Standing Offer;
 - A third issue (Under paid resources) was suggested by a client, but it was dropped at the request of the client because he felt that it was more of a moral issue for client users. That is, clients often feel bad for resources who are paid a low wage and who feel obligated to work the full duration of the THS call-up or contract to which they committed. On the flipside, clients recognize that lower wages translate to taxpayer savings. In addition, it was noted that when the rate charged by a THS supplier is low, the expectations of the client regarding the quality of resource are usually reduced.
- With regard to low paid THS resources, a supplier member suggested that the government can incur hidden costs associated with poorly performing low paid resources (e.g. costs associated with resource replacement or call-up or contract termination). A client member responded by reporting that he has not observed this for low paid THS resources. In his opinion, the majority of low paid THS resources provide

adequate service and commit to work the full duration of the call-up or contract.

Canadian Institute for Procurement and Materiel Management (CIPMM) 25th Annual National Workshop

- PWGSC reported that the CIPMM 25th Annual National Workshop will be taking place at Ottawa Convention Centre from May 5 to 8, 2014, and THS will be on the agenda.

Next THSAC Agenda

- PWGSC identified that the next THSAC agenda would include the following items:
 - Committee Membership;
 - National Goods & Services Procurement Strategy for THS;
 - Assessment Framework – Update; and
 - E-learning THS training module.

#8. Round-table Discussion

- Since the meeting was running late, this agenda item was skipped over. Significant and fruitful discussions that took place under agenda item 6. Issues Tabled for Discussion compensated for this.

#9. Next Meeting

- PWGSC proposed Tuesday, May 27, 2014 as the date for the next THSAC meeting. Members requested that it be scheduled sooner and preferably in April.

Postscript:

- Due to action items requiring completion, and taking into consideration the availability of THS Authority staff, the next THSAC meeting was scheduled as documented below.

Date: Tuesday May 13, 2014

Time: 1330 to 1600 (Registration at Commissionaires Desk from 1300 to 1330)

Location: Place du Portage, Phase III, Tower C, Boardroom **PDP 12C1 101A**

#10. Meeting Adjournment

- The meeting adjourned at approximately 1630.

Attachments:

- Deck presented at February 25, 2014 meeting.