

# Treasury Board of Canada Secretariat

## 1. Advance Contract Award Notice (ACAN)

The Treasury Board of Canada Secretariat (TBS) requires a firm to provide detailed advice and recommendations on high level business requirements for the next generation of the federal government's HR and pay system.

The purpose of this ACAN is to signal the Government of Canada's (GC) intent to award a contract to Ernst and Young LLP. Before awarding a contract, the GC would like to provide other suppliers with the opportunity to demonstrate that they are capable of satisfying the requirements set out in this ACAN by submitting a statement of capabilities during the 15-calendar-day posting period.

If other potential suppliers submit a statement of capabilities during the 15-calendar-day posting period that meet the requirements set out in the ACAN, the government will proceed to a full tendering process on either the government's electronic tendering service or through traditional means in order to award the contract.

If no other supplier submits, on or before the closing date, a statement of capabilities meeting the requirements set out in the ACAN, a contract will be awarded to the pre-selected supplier.

### 1.1 Background

On February 24, 2016, the GC launched the Phoenix pay system. Difficulties with the implementation of the pay system have resulted in thousands of employees experiencing problems with their pay. As a result, Budget 2018 provided funds to begin developing the next generation of the federal government's HR and pay system. Fundamental to the development of this next generation HR and pay system is the documentation of high level business requirements.

### 2. Definition of Requirement

The pre-selected supplier will support the GC to develop high level, user centered business requirements for the next-generation HR and pay system.

This work will be led by a pre-selected supplier who will conduct a series of facilitated user workshops, in August 2018, with representatives from federal departments and agencies, as well as with policy centers from TBS and Public Services and Procurement Canada (PSPC). A further

two week period will be required for the pre-selected supplier to document and deliver a consolidated set of business requirements for the next generation HR and pay system.

The work will include the following tasks and deliverables:

- Leveraging the pre-selected supplier's proprietary report to the Queensland, Australia government on their pay system and their experience in stabilizing the Queensland Health payroll system in Australia.
- Leveraging lessons learned from the Queensland experience to define critical business requirements for the next generation of the federal government's HR and pay systems through engagement, including workshops, with representatives from diverse Canadian departments and agencies.
- Planning and facilitating this engagement work in collaboration with Canadian government policy leaders.
- Review and provide feedback on desired future state HR capabilities and business outcomes.
- Document and summarize the outcomes of the engagement exercises into a digital format capturing both the high-level HR requirements and desired user experience for the next generation of the federal government's HR/pay system(s).
- Provide advice, as required, on immediate next steps and approaches to developing the next generation of the federal government's HR and pay system.

### **3. Criteria for Assessment of the Statement of Capabilities**

Any interested supplier must demonstrate by way of a statement of capabilities that it meets the following requirements:

**3.1.** Access to the proprietary Queensland Government report detailing approaches and solutions to effectively address pay system failures.

**3.2.** In-depth knowledge of comparative analytical information between the Queensland Government's pay system and the Government of Canada's pay system.

### **4. Applicability of the Trade Agreement(s)**

The requirement is subject to the provisions of the World Trade Organization Agreement on Government Procurement (WTO-AGP), the North American Free Trade Agreement (NAFTA), the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), and the Canadian Free Trade Agreement (CFTA).

## **5. Justification for the Pre-Identified Supplier**

The 2010 failure of the pay system for Queensland's Health Service cost Australian taxpayers \$1.2 billion. The experience of Queensland Health's pay system was referenced by the Auditor General of Canada in his fall 2018 report on the Phoenix pay system.

An expert professional from Ernst and Young in Queensland was directly involved in advising the Queensland government and Queensland Health on steps to stabilize and optimize their payroll system. This unique, in-depth knowledge and experience is a critical requirement in terms of designing the next generation of the federal government's HR and pay system.

The extensive similarity of the issues experienced both in Queensland, Australia, and the Government of Canada make the pre-selected supplier the only supplier with the essential expertise to provide strategic advice for the next generation of the federal government's HR and Pay system. It is critical that the pre-selected supplier have this direct, unique, proprietary and in-depth knowledge in order to successfully complete the work.

## **6. Government Contract Regulations**

The following exception to the *Government Contracts Regulations* is invoked for this procurement under subsection 6(d) - only one person is capable of performing the work.

## **7. Ownership of Intellectual Property**

Ownership of any Foreground Intellectual Property arising out of the proposed contract will vest in the Contractor.

## **8. Period of the Contract**

The proposed contract is for a period of six weeks, from August 7 to September 21, 2018.

## **9. Cost Estimate of the Proposed Contract**

The estimated value of the contract (including related travel costs) is **\$300,000 (13% HST included)**

## **10. Name and Address of the Pre-Identified Supplier**

Ernst and Young LLP  
700 West Georgia Street,  
Vancouver, BC V7Y 1C7

## **11. Supplier's Right to Submit a Statement of Capabilities**

Suppliers who consider themselves fully qualified and available to meet the specified requirements may submit a statement of capabilities in writing to the contact person identified in this Notice on or before the closing date of this Notice. The statement of capabilities must clearly demonstrate how the supplier meets the advertised requirements

**12. Closing date for a Submission of a Statement of Capabilities**

August 6, 2018 at 14:00 EDST

**13. Inquiries and Statements of Capabilities**

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