



**RETURN BIDS TO:
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**LETTER OF INTEREST
LETTRE D'INTÉRÊT**

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution
Services Procurement-Instruments Management
Division/Approvisionnement de services-Gestion des
instruments
Terrasses de la Chaudière 5th Floor
10 Wellington Street
Gatineau
Quebec
K1A 0S5

Title - Sujet PASS SA Re-competition 2018 - LOI	
Solicitation No. - N° de l'invitation E60ZQ-180001/B	Date 2018-12-20
Client Reference No. - N° de référence du client E60ZQ-180001	GETS Ref. No. - N° de réf. de SEAG PW-\$\$\$Q-006-34423
File No. - N° de dossier 006zq.E60ZQ-180001	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2019-01-02	
Time Zone Fuseau horaire Eastern Standard Time EST	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: de Leon, Philip	Buyer Id - Id de l'acheteur 006zq
Telephone No. - N° de téléphone (613) 302-0769 ()	FAX No. - N° de FAX () -
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

THIS IS NOT A SOLICITATION DOCUMENT
THIS IS A LETTER OF INTEREST (LOI) FOR INFORMATIONAL PURPOSES ONLY.
THERE IS NO REQUIREMENT FOR SUPPLIERS TO SUBMIT A RESPONSE TO THIS LOI.

The intent of this Letter of Interest (LOI) is to share the comments submitted in response to the Request for Information (RFI) E60ZQ-180001/A, identify the resulting changes that have been incorporated into the planned Request for Supply Arrangement (RFSA) and publish a summary of the information session that was held as part of the aforementioned RFI process.

OVERVIEW

The Professional Audit Support Services Supply Arrangement (PASS SA) is a federal government-wide mandatory procurement tool for the provision of professional services required to meet obligations set by two Treasury Board policies: the Internal Audit Policy and the Internal Control Policy.

Public Works and Government Services Canada (PWGSC) and the Treasury Board Secretariat's Office of the Comptroller General (TBS-OCG) established this SA Method of Supply in support of the Government of Canada's Policy on Internal Audit. The SA covers services in the following eight (8) streams:

Stream 1: Internal Audit Services;
Stream 2: Internal Audit Quality Assessments;
Stream 3: Information Technology and Systems Audits;
Stream 4: Forensic Audits;
Stream 5: External Audit;
Stream 6: Financial Accounting Services;
Stream 7: Internal Control Training; and
Stream 8: Recipient/Contribution Agreement Audit.

The period of any resulting SAs is proposed to be from award date until such time as Canada chooses to Re-compete the SA, no longer deems the SAs necessary, or proceeds with a different procurement vehicle. The intent is to publish the RFSA solicitation in the winter of 2018. This is an estimated timeframe provided for information purposes only. PWGSC reserves the option to alter the procurement schedule as it sees fit.

NOTE TO POTENTIAL SUPPLIERS:

The material in this LOI package is for **information only**. Informing yourself of the contents of this LOI is not a prerequisite to receiving any resulting SA for the provision of the described services.

The publication of this LOI must not be construed as a commitment on Canada's part to issue a subsequent RFSA solicitation for this requirement and no contract or other form of commitment will be entered into with any Respondent based on this LOI. This LOI must in no way be considered as authorization by Canada for suppliers to undertake any work, which would result in costs to Canada. Canada will not be liable for, nor shall it reimburse any suppliers for any costs, fees or expenses incurred for any actions taken pursuant to this LOI. Canada will not be bound by anything stated herein. Canada reserves the right to change, at any time, any or all parts of the RFSA solicitation as it deems necessary.

This LOI is not a bid solicitation and will not result in the award of any contract. Potential suppliers of services described in this LOI should not reserve stock or facilities, nor allocate resources, as a result of the information contained in this LOI.

CONTRACTING AUTHORITY

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PASS RFI E60ZQ-180001/A – Summary of Comments and Applicable change(s) to RFSA

PASS QUALIFICATIONS			SUPPLIER COMMENTS ¹ (In Response to Request for Information)		Applicable change(s)/non-changes to Final RFSA (including rationale)
ISSUE	CONTEXT	NEW REQUIREMENTS			
1) STREAM 1: range of activities	Additional related activities that could be expected to fall under Internal Audit.	In Annex A, Statement of Requirements (SOR), Stream 1: Added following to range of activities: <ul style="list-style-type: none"> Develop methodologies for audit-related activities; Conduct research (audit-specific, general services, and best practices); Conduct data analytics, including developing and/or using artificial intelligence tools; Develop range of reporting approaches, techniques, and formats (narrative, graphical, dashboards, etc.); and Provide audit-related awareness and/or training sessions 	<ul style="list-style-type: none"> With respect to the additional activity: “Conduct data analytics, including developing and/or using artificial intelligence tools”, we recommend that the Crown specify that these activities are acceptable if they are performed in support of an audit. Similarly, we recommend that conducting data analytics in support of financial accounting and financial management activities be considered acceptable for Stream 6 activities as well. We fully support the inclusion of data analytics as part of the range of activities within Stream 1, Internal Audit. Resources bringing specialized expertise in Data Analytics and AI often have other designations that confirm their areas of specialties. We recommend the use of the Audit Support Specialist category for specialised Data Analytics and AI SME resources as the designations applicable to the Partner, Project Manager/Leader, Senior Auditor and Auditor categories are not appropriate for specialized resources. With the emergence of AI as part of audit tool sets, we are encouraging the PASS SA team to investigate and gain awareness on AI specific designations such as “Text-to- Software” Expert System, Level 1 Certification. Including AI designations as part of resource evaluations encourages better quality resources with the right experience to support the engagement. Data analytics, BI/AI tools and development of reporting approaches could be present in a number of workstream. It does not belong in just one. At a minimum, it should also be in workstream 6. Performance of data analytics and the use of AI tools are not typically performed by professionals with a CPA or CIA designation, would the Crown consider amending the professional designations/ education to include IT-related designations, similar to workstream 3? 		
2) STREAM 2: Clarity required relating to requirements for Stream 2- Practice Inspections	Departments have been using this Stream both for practice inspections and validation of self-assessments. Due to the nature of the work, experience requirements should be more focused on internal audit and quality assessment, rather than general audit.	In Annex A, SOR, Stream 2: Stream title changed to “Internal Audit Quality Assessments”. Organization level requirements (i.e. CIA certification, IIA quality assessment training, IPPF guides/provisions) have been fully implemented. Resource Experience requirements have been revised to be internal audit focused.	<ul style="list-style-type: none"> Government of Canada departments are only required to undergo a practice inspection every 5 years. In our experience, these types of engagements only take 4-6 weeks to complete. In addition, not all departments opt to outsource the inspection but rather use a peer review process with an IIA mentor. As such it would be difficult to demonstrate the years of cumulative experience for the Partner, Project Leader or Senior Auditor role as currently described. We recommend that the Crown maintain a requirement of cumulative years of experience in internal audit for the respective resources categories. In addition, we recommend that the Crown express the required experience for practice inspections in terms of number of practice inspections. For example, the Partner/Managing Director would need to show 8 cumulative years of experience in internal audit as well as have 2 projects where they performed a practice inspection. 		
3) STREAM 3: IT-related designations	Resources working on information technology and	In Annex A, SOR, Stream 3: Added following IT-	<ul style="list-style-type: none"> Not all of the proposed additional Professional Designations are relevant or as robust as the professional designations in the current requirements. To suggest these designations/ certification are equivalent is not appropriate. 		
			<p>Required Action</p> <p>According to the comments received regarding conducting data analytics and the development and/or use of artificial intelligence (AI) tools, it is clear that this activity could be done under multiple Streams and not only in Stream 1.</p> <p>Given that the range of activities provided for each Stream is not exhaustive, this activity is removed from each Stream 1 description and will not be added to any other Stream. This does not mean that data analytics and/or the use of AI tools cannot form part of an engagement performed under any of the Streams; however, an engagement that is exclusively for data analytics and/or the use of AI tools might not be considered relevant experience for the Stream for which it is proposed if it is not demonstrated that it was done in support of an audit.</p> <p>Required Action</p> <p>Stream 2 – Mandatory Qualifications: Minimum mandatory qualifications and experience for the resource categories: <ul style="list-style-type: none"> Partner/managing director AND Project manager/leader to qualify in the IIA’s quality assessment training course. Partner/managing director must have a minimum of eight (8) cumulative years of audit experience within the past ten (10) years, including at least two (2) cumulative years of experience in internal audit, as well as must have led or completed three (3) external assessments of an internal audit function. Project manager/leader must have a minimum of six (6) cumulative years of audit experience within the past ten (10) years, including at least two (2) cumulative years of experience in internal audit, as well as must have led or completed two (2) external assessments of an internal audit function. </p> <p>IT-related Professional Designations</p> <p>Context</p> <p>Following the review of supplier comments and other</p>		

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for Stream 3, Information Technology and System Audits	systems audits are required to have professional designation – but not necessarily one that relates to IT. Current requirement: "Professional designation in any one of the following: CPA, CA, CMA, CIA, CGAP, CISA, CISM or CISSP".	related Professional Designations for applicable resource categories: - GEIT - CRISC - ITIL - COBIT	<p>For example, CGEIT relates to IT governance and does not include audit related knowledge or skill sets. In addition, the CGEIT only requires 1 year of experience whereas CISA, as an example, requires 5 years. There are also varying requirements to maintain the designation/ certification and some of the new “designations” proposed have no requirements for continuing professional education in order to maintain the designation/ certification.</p> <p>We recommend that the Crown maintain the current professional designation requirements (i. CPA, CA, CMA, CIA, CGAP, CISA, CISM or CISSP) for the Partner/Managing Director and Project Manager/Lead resource categories.</p> <p>We also recommend that the Crown review the current requirements for proposed designations/certification, the level of experience expected, and the ongoing requirement for maintain the designations/ certification and confirm whether they cover the range of activities described in Page 51 of the draft RFSA and consider if these will meet the needs of the resulting PASS SA.</p> <p>For the newly proposed designations (which we believe are more suited to the Senior Auditor categories), we will require further clarification on the following: ITIL: the correct reference is likely ITIL. This certification has varying levels so additional information would be useful. COBIT: it should be clarified if this is referring to the COBIT Certified Assessor.</p> <ul style="list-style-type: none">We agree with the inclusion of additional IT-related designations <p>For clarity, we suggest the requirement to read: "Professional designation in any one of the following: CPA, CA, CMA, CIA, CGAP, CISA, CISM, CISSP, CGEIT, CRISC, ITIL, COBIT, TOGAF, Zachman Certified"</p> <ul style="list-style-type: none">We assume that “GEIT” should be “CGEIT”. We assume that “ITIL” should be “ITIL”. <p>ITIL and COBIT are not IT-related professional designations; rather, they are IT frameworks for service delivery and controls. A certificate for ITIL and COBIT foundation levels can be obtained without any type of on-the-job training experience, which is inconsistent with each of the other certifications/ designations listed... CPA, CA, CMA, CIA, CGAP, CISA, CISM, CISSP, CGEIT and CRISC all require a period of practical experience before obtaining the designation.</p> <p>We suggest that neither ITIL nor COBIT certificates be added as IT-related designations for Stream 3, Information Technology and System Audits.</p> <ul style="list-style-type: none">It is beneficial to add the following IT-related Professional Designations for applicable resource categories:<ul style="list-style-type: none">- GEIT- CRISC- ITIL- COBIT		
4) STREAM 4: Lack of clarity regarding education/	The Education/Professional Designation requirements for	In Annex A, SOR, Stream 4: Removed Education/Professional	<ul style="list-style-type: none">We agree that a police studies diploma may not be sufficient to demonstrate the necessary skills and abilities of proposed resources. However, qualifying resources based solely on employment experience with police services organizations is insufficient as this could include individuals who had been in non-policing roles and who do not have relevant policing experience (e.g. civilian and/or administrative roles). Furthermore, many aspects of policing are not relevant to this work		
			Education/Professional Qualification - Police Services Context <ul style="list-style-type: none">The education/professional qualifications section for all resource categories (with the exception of the Partner/		

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professional qualification for Stream 4, Forensic Audits	various resource categories included the following option: "a police studies diploma including Royal Canadian Mounted Police (RCMP) College and X years' experience with a police service." It was unclear what constitutes a police studies diploma and the RCMP College.	Designation requirement for applicable resource categories that required resource to have a police studies diploma; only a minimum number of years of experience with a police service is now required.	<p>stream (e.g. traffic enforcement).</p> <p>We recommend the Crown consider including a requirement for proposed individuals to demonstrate experience in a policing role relevant to the work stream, such as investigation experience, etc. For Stream 4, Forensic Audits, Education, we recommend inclusion of recognized police studies certificates from the Canadian Police College and/or the Royal Canadian Mounted Police College in addition to the demonstration of years of experience.</p> <ul style="list-style-type: none"> The courses offered at the Canadian Police College in Ottawa run by the RCMP. Certificates for General and Advanced levels are issued upon successful completion of the courses. See samples provided in Annex A – Canadian Police College Certificate Samples. We would suggest that the Police Services experience be relevant to Stream 4 in conducting forensic/fraud investigations. For example, possessing experience in commercial crime would apply to the stream; however experience in the traffic section would not. 		
5) ALL STREAMS: Project Manager/Leader resources do not need to demonstrate project management experience to meet required qualifications	Previously, any proposed resource with sufficient years of general and/or audit experience relevant to the Stream could have met the minimum qualifications, despite never having actually led an audit project.	In Annex A, SOR, Streams 1, 2, 3, 4, 5, 6 & 8: Added following Experience requirement for Project Manager/Leader resource category: 2 years cumulative experience in leading audit projects that are relevant to the Stream.	<p>Within Stream 6, page 7 of the RFI indicates the proposed change reads: "... at least 2 years of cumulative experience in <i>leading audit projects</i>".</p> <p>Page 56 reads: "...at least 2 years of experience leading financial and accounting and related services projects".</p> <p>We recommend "experience leading financial and accounting related services projects" be the requirement as this experience is more closely aligned to the scope of services required under Stream 6.</p> <ul style="list-style-type: none"> We agree with the additional wording to support demonstration of relevant experience for the Project Manager/Leader resource. Specifically, two years project management experience leading an audit relevant to Streams 1, 2, 3, 4, 5, 6 & 8 is a reasonable mandatory requirement for the PM/Leader resource candidate. We agree with adding the Experience requirement for Project Manager/Leader resource category: 2 years cumulative experience in leading audit projects that are relevant to the Stream. We respectfully suggest that procurement consider removing the word "audit" from "audit projects" to read "... experience in leading projects relevant to the particular stream." For example, on stream 3 the PM/PL requirement on page 52 of 60 reads "...including at least two (2) cumulative years of experience in leading internal audit projects." We recommend that this be changed, to "leading projects relevant to work stream 3". 		
EVALUATION PROCEDURES					
6) All suppliers – including Existing Suppliers – were required to	Existing Suppliers, who were those that were awarded a PASS SA with a serial number of E60ZG-060004/XXX/ZG, were	In Part 5, Certifications: A "grandfather" certification has been included in the new Re-competition RFSA that	<ul style="list-style-type: none"> Having attended the Bidder Information Session on September 11, 2018, we understand and appreciate that the Grandfather certification will apply at the firm level only and that existing PASS SA holders are not required to certify in relating to resources proposed at the time of the 2015 re-competition or earlier. <p>We agree with this approach.</p>		
			<p>Required Action</p> <p>No change</p>		

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demonstrate their compliance to all aspects of the previous Re-competition RFSA E60ZQ-140002/B, even for those Stream(s) that they were awarded under their previous SA.	required to demonstrate that they met all of the evaluation criteria of the Re-competition RFSA E60ZQ-140002/B, even for those Stream(s) that they were awarded under their previous SA.	applies to Existing Suppliers who were awarded a PASS SA with a serial number of E60ZQ-140002/XXX/ZQ and who wish to be awarded a new SA for the same Stream(s) that were authorized under their previous SA.	<ul style="list-style-type: none">We fully support the use of “grandfather” certification to be included in the new re-competition RFSA for existing Suppliers who were awarded a PASS SA with a serial number of E60ZQ-140002/XXX/ZQ and who wish to be awarded a new SA for the same Stream(s) that were authorized under their previous SA. The level of effort to prepare a re-compete response has historically been very high and is a very costly business expense for all proven suppliers to the PASS SA.It is beneficial to include a “grandfather” certification in the new Re-competition RFSA that applies to Existing Suppliers who were awarded a PASS SA with a serial number of E60ZQ-140002/XXX/ZQ and who wish to be awarded a new SA for the same Stream(s) that were authorized under their previous SA.		Required Action No change. Despite the comment received, the change that was implemented in the Draft RFSA did not incorporate a “(limit on) the period to a tight timeframe to which experience is to be demonstrated”; it incorporated an upper limit on the number of resources that will be evaluated to determine compliance (whereas there was no limit previously).
7) ALL STREAMS: Number of resources proposed by supplier exceed MT2 requirements	For MT2 of the previous RFSA, Suppliers were required to demonstrate that they had a specified minimum number of resources, however, there was no limit on how many resources could be proposed to meet that minimum. Therefore, if more than the minimum number of resources were proposed for a category, each would have to be evaluated until the required number of resources was deemed to have met the minimum qualifications for the category. Example: Suppliers were required to demonstrate that one (1) Project Manager/Leader resource met the minimum mandatory qualifications. If a Supplier proposed 4 such resources, then each was evaluated (in the order presented) until one (or none) was deemed to be compliant to the category.	In Attachment A, Technical Evaluation Criteria, A3: While there will still be no limit on the number of resources that can be proposed, a limit is being established on the number of resources that will be evaluated to determine compliance to MT2. Specifically, only the minimum number of resource(s) will be evaluated based on their order of appearance in the arrangement. In addition to the wording above, wording has been added to MT2 to clarify: the period during which experience must be demonstrated; and a limitation on the categories in which a single resource can be proposed.	<ul style="list-style-type: none">Limiting the period to a tight timeframe to which experience is to be demonstrated impacts on all suppliers’ ability to bid (at all or propose qualified people) if the time frame does not align. We recommend wider time frames if a time range is included as part of the requirements.		

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8) Rated evaluation (i.e. RT1 to RT2)	requirements. The rated evaluation of the organization level projects was subjective and the criteria were challenging to apply – e.g. project is directly/strongly related/ somewhat / not related to the Stream. Additionally, in order for a project to be compliant to MT1, it would have to be relevant to the Stream, making RT1 immaterial.	In Attachment A, A3: Rated evaluation has been removed.	<ul style="list-style-type: none">• We support the recommendation to disallow subjective rating scales/criteria as part of standard rated evaluation methodology as it typically favours a preferred bidder that has established their presence with the client prior to competition stage. Subjective evaluation scales like the example provided encourages biased selection which is counter productive in an open and fair competition.• The rated evaluation of the organization level projects were subjective and the criteria is challenging to apply and, in order for a project to be compliant to MT1, it would have to be relevant to the Stream, making RT1 immaterial		Required Action No change.
9) ALL STREAMS: Lack of relevant experience provided to demonstrate how resources meet stated requirements	Lack of detailed information relating to: <ul style="list-style-type: none">• project's scope• actual work performed by the resource(s) There is a tendency for some suppliers to only provide a listing of projects completed and an employment history of its resources. This makes it difficult to effectively assess the resources' work experience. Additionally, more time is taken by the Evaluation Team to search for other pertinent information in the submission document to obtain context relating to the resources' experience.	In Attachment A, A4: A project description response template has been provided and is strongly recommended to be used.	<ul style="list-style-type: none">• It was unclear whether it was the Crown's intention to apply the template to project qualifications provided in the response to the RFP or whether it would apply to the contents of the resume for each resource. For project qualifications, we agree with the Crown's approach. However, we recommend that the template be a requirement in the response rather than "strongly recommend". With respect to project details in the resumes provided by resources, we agree that providing project details (e.g. number, client organization, project name, description and duration as well as role and role description) are needed to assess the resource's experience. However, due to reasons of security and confidentiality we are not always able to include the client name; this is the case for security agencies, certain Crown corporations and publicly-traded company. We would like to clarify that it is acceptable to identify the client as follows: "an entity in the X sector". In addition, providing client reference and client contact information for each project in the resume is onerous; particularly for resources at the Partner or Project Leader level who projects cover a 10-year span. With the regular and constant movement of employees with the public service including those that leave the public service, it would be unreasonable to expect a bidder to track that information on a continuous basis and provides an additional burden to bidders. We strongly recommend that client reference information not be required for projects cited in the resumes or in the documentation that supports the years of experience requirements.• It may be beneficial to provide an example complete project template for bidders to determine the level of information expected to be provided.• We have reviewed the project description template included as Attachment A. Re: Client Reference (Name, Title, Phone Number, E-mail) details for all projects submitted. Given the nature of Federal Government work environment and the mobility of today's workforce, it is often not reasonable (and often impossible) to provide client contact details for work conducted in excess of three or more years. Federal Government public servants are a highly mobile workforce within the Federal Government environment and often hard to track down to verify current contact details. Bidders are often forced to include outdated information as available in the Government Employment Directory Service (GEDS) or simply last known information in the absence of current information.		

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			<p>For resources with five or more years' experience, inclusion of valid client contact details for Federal Government projects (and other relevant projects) become impossible and forces suppliers and proposed candidates to spend unreasonable amounts of time tracking down the requested detail. Again, bidders are forced to use last known information in the absence of current information. When contact of the named reference is unsuccessful, bidders are penalized for not providing correct information that affect final scores or compliance to mandatory requirements.</p> <p>As an employee based organization, we have staff with relevant experience completed under another organization where client confidentiality prevents disclosure of information particularly for projects conducted under a different entity.</p> <p>Quite simply, requesting client contact details for all project summaries quoted to demonstrate relevant experience is not feasible in a practical level.</p> <p>We have an alternate recommendation to current practice. Should resource references be required, we recommend a minimum of three client contact details for distinct projects instead of all project reference requiring client contact details.</p> <ul style="list-style-type: none"> This template is in line with the templates required to substantiate projects for other Federal Government Supply Arrangements and is a logical improvement. Agree with the items listed in the recommended project description response template: <ul style="list-style-type: none"> Project Number Client Organization Project Name Project Description Project Duration ("from-to" dates in month/ year) Role on Project Description of Project Role/Tasks <p>We understand that this template is only recommended, however we recommend removing the Client Reference request from the Project Summary/Description Template and, instead, adding a requirement requesting a minimum of three (3) recent (within the last 5 years) client references for each proposed resource. This will ensure consistency when Bidder's provide the required information.</p> <p>By having the Client Reference listed in the template it is being recommended that resources provide client references for every relevant project they provide. But, because some of the requirements ask that resources provide experience within the last 10 years and resources tend to have a large number of project examples that are of a short duration within those last 10 years, it would be difficult to provide client references for every relevant project listed.</p> <ul style="list-style-type: none"> It can be difficult to provide client references for old engagements or confidential projects; tracking references down in new organizations many years after an engagement can be problematic. For example, a number of Project Authorities have retired in the last number of years. Additionally, there are instances where our clients do not want this information provided in our response. However, it can be provided upon request. <p>The Crown should clarify expectations around providing client references given these circumstances.</p> <p>For example, if a vendor can provide who the work was performed for and what their role was at the time the engagement was conducted, would that be acceptable?</p>	

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OTHER COMMENTS / FEEDBACK PROVIDED BY SUPPLIERS			
ISSUE	CONTEXT	SUPPLIER COMMENTS / RECOMMENDATIONS	APPLICABLE CHANGE(S)/NON-CHANGES TO RFSA (INCLUDING RATIONALE)
Stream 1 range of activities is overlapping with other streams.	Annex A/Section 2.1 – Stream 1: Internal Audit The range of activities could include “Assurance audit”.	We recommend “assurance audit” be removed as this is redundant to these services and may be confused with audits provide under Stream 5.	Required Action No change. Maintain status quo – item “assurance audit” to remain part of range of activities.
Stream 1 – Audit Support Specialist The examples given for audit support specialist are focused on IT-type functions. Other expertise could be required depending on the nature of the audit. Audit support specialist could also be needed for other streams such as IT/cyber specialists to support fraud investigations or financial reporting analysis.	Annex A/Section 6.1 – Audit Support Specialist Provides specialized knowledge and advice in support of the audit work being done by those in one of more professional categories described above. Depending on the nature of the requirement, audit support specialists may include experts in data extraction, data analysis and spreadsheet development statistical sampling, data recovery and reconstruction specialist, engineers, etc.	We recommend the examples provided for the Audit Support Specialist be expanded to include but not be limited to: expertise in procurement, supply chain optimization; human resources; etc. Additionally, experience in cyber could also be defined as an expertise and could be applied to various streams. Ultimately, we believe providing the option for client departments to use the Audit Support Specialist within any of the PASS SA streams only benefits clients and suppliers as this provides increased flexibility when procuring for specialized services	Required Action Additional Audit Support Specialist categories and instructions to clients to be expanded as per examples provided.
The Policy on Internal Control was rescinded April 1, 2017 and was replaced by the Policy on Financial Management. Stream 6 range of activities does not reflect the language and expanded scope for internal controls included in the new policy	The current list of activities for Stream 6 (Annex A/Section 2.6) – Financial and Accounting Services reads as follows: The range of activities under this Stream could include: <ul style="list-style-type: none"> Financial reporting control framework; Financial statement or report preparation; Accounting standards interpretation; Policy monitoring; Accounting standards research Financial Services, including costing analysis; Accounting Services; and Statement of responsibility for stewardship and/or internal control. In addition, the resources qualifications for partner and project leader reads as follows: Partner/Project Leader/ senior Auditor – Education/Professional Qualifications: Professional Designation in any one of the following: CPA, CA CMA or CGA	We recommend replacing all references to the Policy on Internal Control to the Policy on Financial Management. We also recommend the following wording change to better align with the new policy and the associated draft guidelines. The range of activities under this Stream could include: <ul style="list-style-type: none"> Assessment of internal controls over financial management Statement of Management Responsibility Including Internal Control over Financial Reporting; Financial statement or report preparation; Accounting standards interpretation; Accounting standards research Policy monitoring Financial management process reviews and assessments; Costing analysis; Data analysis including developing and/or using artificial intelligence tools in support of financial management activities; and Other accounting or financial management services. Additionally, given the activities (e.g. financial management process reviews and assessments) in this stream do not all require audit experience and can be performed by resources that have experience and educational background different from those who conduct audits, we recommend considering relevant post-graduate degrees (i.e. MBAs or Masters in Accounting) sufficient to meet the Education/Professional Qualifications for all levels where a professional designation is required (i.e. Partner, Project Leader and Senior Auditor).	Required Action Based on a review of the Policy on Financial Management, the range of activities that could be provided under Stream 6 is changed to: <ul style="list-style-type: none"> Assessment of internal controls over financial management Statement of Management Responsibility Including Internal Control over Financial Reporting; Financial statement or report preparation; Accounting standards interpretation; Accounting standards research Policy monitoring Costing analysis; and Other accounting or financial management services. The resource specific qualifications are unchanged.
When asked to provide rate cards, the approach taken by bidders may differ greatly making the evaluation process more challenging. For example, some bidders include categories at unreasonably low rates (ex. \$1/day in each of the contract period and option periods for a particular resource category) with no intentions of using that resource category.	4.2.1 – Financial Evaluation	For consistency, and to facilitate the evaluation process, we recommend that all RFPs under PASS use the following clause that has been used in previously issued RFPs under PASS. Bidders must note the following when developing the per diem rates: <ul style="list-style-type: none"> A given rate for the Partner/Managing Director resource category must be greater than or equal to a given Project Manager/Leader rate; a given Project Manager/Leader rate must be greater than or equal to a given Senior Auditor rate; a given Senior Auditor rate must be greater than or equal to a given Auditor rate; and a given Auditor rate must be greater than or equal to a given Junior Auditor rate. A given rate shall not increase or decrease by more than 5% year over year. 	Required Action No change. Comment applies to subsequent RFPs. Multiple similar clauses are provided to Clients in the PASS RFP Template, however, there may be circumstances where these specific clauses are not suitable or where other means are used to eliminate/reduce the manipulation of the financial evaluation. As such, the discretion to include/not include these (or other similar clauses) will remain with the Client.

¹ To facilitate the review of information, key points/recommendations provided by suppliers are in bold font.

PASS RFI E60ZQ-180001/A – Summary of Comments and Applicable change(s) to RFSA

OTHER COMMENTS / FEEDBACK PROVIDED BY SUPPLIERS				APPLICABLE CHANGE(S)/NON-CHANGES TO RFSA (INCLUDING RATIONALE)
ISSUE	CONTEXT	SUPPLIER COMMENTS / RECOMMENDATIONS		
Technical expertise Suppliers under the PASS supply arrangement are numerous from single proprietor organizations to multinational professional services firms. It goes without saying that the capabilities of the individual supplier will be varied and will be more of less suitable to a specific requirement. After all, the Crown is purchasing professional services, not a commodity such as office supplies. The complexity and risk should be considered for each project and the mandatory and evaluated criteria as well as basis of selection should reflect this.	n/a	We recommend that for higher risk/more complex requirements, the rated or evaluated criteria should emphasize the required technical expertise. For example, for a human resources internal audit, the department could include in the RFP a requirement for an audit support specialist with knowledge and experience in human resources. In addition, bidders could be asked to provide an overview of their tools, methodologies and approach to demonstrate their ability to meet the requirement in an efficient and effective manner that also brings value to the Crown Furthermore, a greater emphasis could be placed on the technical expertise and experience of the suppliers by weighting the technical evaluation accordingly, while maintaining appropriate consideration of price (i.e. 80% - 20% weighting of technical and price or highest technical evaluation within budget).		Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to emphasize the requirements it chooses (i.e. what the Client considers important to them).
Approach to delivery of the service It is imperative that the Crown clearly define the objectives of its requirement with the statement of work. However, when the Crown prescribes the resource categories that can be used or specifies certain tasks; they impose an approach and leave little room for innovation or using leading practices.	n/a	We recommend that departments evaluate the bidder's approach to address the particularities including the areas of highest risk or complexity in their proposals and that the approach be appropriately evaluated. As qualified PASS Suppliers, were are well positioned to understand departments' audit-related service requirements, propose how to best achieve the departments' objectives by allocating resources and levels of effort accordingly, and ensure the successful execution and completion of the defined requirements. We encourage the Crown to continue clearly defining its service requirements within the PASS statements of work, while providing bidders the flexibility to allocate the appropriate resources categories and associated levels of effort to achieve the project objectives within the stipulated budget.		Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to define their requirements based on their individual circumstances.
Prescriptive Resource Allocation Some departments will limit or exclude some resource categories in the requirement thereby imposing on the bidder an approach. For example, an RFP that only asks for a senior auditor level resources excludes the possibility of more senior resources to ensure the quality of the work or to provide subject matter expertise. In addition, staff with insufficient experience or supervision can result in incomplete work or poor quality deliverables that require rework resulting increased cost to the Crown. Furthermore, senior resources would be required for assurance engagement in order to meet the professional standards of the designation (i.e. IIA or CPA Canada).	n/a	We recommend that departments allow bidders to propose the resource combination that they feel is the most appropriate to meet the requirement and evaluate the approach using appropriate evaluation criteria. The bidder should provide a description of the rationale for using the resource combination it is proposing. It the intent of the Crown is to supplement an existing team and that the resource is under the supervision of the department's staff, it may be more appropriate to use a staff augmentation supply arrangements such as Temporary Help Services (THS).		Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to define their requirements based on their individual circumstances.
Basis for evaluation not always appropriate for the level of effort	The basis for evaluation for RFPs does not always appear to align with the expected effort of work. For example, it would be expected that an RFP that is evaluated at 80/20 technical/pricing would likely require a higher level of expertise than an RFP evaluated at 70/30.	PWGSC could provide additional guidance to departments who issue RFPs under PASS on best practices for evaluation, and what types of projects may require a higher or lower weight on technical criteria for evaluation purposes. In addition, there have been RFPs issued that appear rated more highly on the technical component; however, the mandatory and rated criteria are easy for many firms to meet. This can end up leading to a lowest price bid, as many firms can score 100% technical, which may not be the intent of the issuing department.		Required Action No change. Comment applies to subsequent RFPs. PWGSC provides regular proactive (e.g. RFP template) and reactive (e.g. responding to individual e-mail requests) guidance, however, more outreach is desirable.
Pricing evaluation sometimes left blank	If there is not enough information provided by the issuing department for the expected level of effort and/or the expected dollar value of the contract, it	Departments should be encouraged to include at least an expected level of effort, even if it is just for evaluation purposes, to avoid large discrepancies in pricing provided by bidders.		Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the

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PASS RFI E60ZQ-180001/A – Summary of Comments and Applicable change(s) to RFSA

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ISSUE	CONTEXT	SUPPLIER COMMENTS / RECOMMENDATIONS	APPLICABLE CHANGE(S)/NON-CHANGES TO RFSA (INCLUDING RATIONALE)
	can be challenging for the bidder to provide a financial evaluation aligned with the expectations of the issuing department.		discretion to define their requirements based on their individual circumstances.
Lack of Junior Auditor category included in RFP	A number of RFPs continue to be issued without a category for Junior Auditor resources.	The Junior Auditor category should be encouraged to be included as part of the evaluation, or at least an option to submit to include on the contract, as they are a cost efficient means to provide support on basic tasks for the project. In addition, it also helps to develop and grow a talent pool of experienced audit professionals as Junior resources gain more experience.	Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to define their requirements based on their individual circumstances.
Relevant project experience must be performed for another federal department	Depending on the type of project, experience in public or private sector may be relevant and applicable experience.	Both public and private sector experience should be considered when determining what projects may qualify as relevant experience, and departments should be encouraged to include project experience for private companies, if relevant.	Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to define their requirements based on their individual circumstances.
Work experience prior to full time employment not applicable as relevant	Resources that have completed co-op or intern terms, some with the Government of Canada, have not been able to have their experience counted as part of relevant experience because it was prior to their full-time employment.	Relevant experience, regardless of full-time status, should be counted as applicable experience, if relevant to the respective stream.	Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to define their requirements based on their individual circumstances.
Public Sector Experience to include Provincial, Municipal, and Broader Public Section (BPS) experience	n/a	Given the nature of audit services for public sector client, we are recommending recognition of Provincial, Municipal, and Broader Public Sector (BPS) experience in addition to Federal Government specific experience. Requirements can include additional rated criteria that allows Federal Government experience with more points to allow Federal Government departments to confirm Federal Government experience as required.	Required Action No change. Provincial, Municipal, and Broader Public Sector (BPS) experience, in addition to Federal Government specific experience, is acceptable for RFSA.
Evaluation Criteria – Financial – minimizing rate manipulation through inclusion of standardized financial evaluation clauses	From time to time, there will be Bidders who will submit rates bidders submitting artificial rates that they will refuse to honour during contract award.	To minimize the likelihood of submission of superficial rates leading to a failed procurement, many PASS SA requirements include a substantiation of rates instruction as part of the evaluation requirements. We recommend that the Crown protect itself by including such a clause: "Substantiation of Rates Quoted by Bidders in Professional services Bids" as a standard mandatory requirement for all PASS SA RFPs. The content below is used on several PASS SA RFPs <i>Substantiation of Rates Quoted by Bidders in Professional services Bids</i> <i>In Canada's experience, bidders will from time to time quote rates in professional services bids for one or more categories of resources that, when they are selected as the contractor for the work, they refuse to honor during the period of the awarded contract, including any extension thereof, on the basis that the rates they quoted do not allow them to recover their own costs and/or make a profit.</i> <i>The proposed firm all-inclusive per diem rate for any given resource category included in a Bidder's financial proposal must be priced sequentially, e.g. the partner/managing director must be priced higher than the project manager/leader, the project manager/leader must be priced higher than the senior auditor, etc.</i> <i>The proposed firm all-inclusive per diem rate for any given resource category cannot decrease by more than 10%* from one year to the next during either the initial period or any of the optional periods specified in this solicitation document.</i> <i>When evaluating the financial bids submitted by bidders in response to this bid solicitation, Canada may, but will have no obligation to, require price support from bidders for any of the rates (either for one, several or all categories of resources) they quoted in their financial bids.</i> **Note: value can vary.	Required Action No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to define their requirements based on their individual circumstances.
Evaluation Criteria – Financial – providing value-	We find that a team based approach to audit	For PASS SA Identified Users to fully realize value for money through value add services such as ongoing knowledge	Required Action

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PASS RFI E60ZQ-180001/A – Summary of Comments and Applicable change(s) to RFSA

OTHER COMMENTS / FEEDBACK PROVIDED BY SUPPLIERS			
ISSUE	CONTEXT	SUPPLIER COMMENTS / RECOMMENDATIONS	APPLICABLE CHANGE(S)/NON-CHANGES TO RFSA (INCLUDING RATIONALE)
for-money to the Crown through team based delivery	services allow bidders to facilitate knowledge transfer and information sharing with our clients. Team based service delivery allows for internal capacities to support our client better because our teams focus on delivery and less on time tracking for billing purposes. Team based service delivery are typically best suited with milestone based payment schedules.	transfer during an engagement, the PASS RFSA could encourage milestone based payment financial proposals as well as include evaluation criteria that encourages team based approaches for engagements requiring two or more resources. Milestone based schedules minimize administrative burden and costs for both the client teams and the suppliers.	No change. Comment applies to subsequent RFPs. Each RFP is unique and each Client has the discretion to define their requirements based on their individual circumstances.
Page 7 of 60 – 1.7 Designation as Set Aside	n/a	Can the Crown confirm the amount of PASS procurements that were subject to the Procurement Strategy for Aboriginal Businesses since April 2016?	Required Action No change. To obtain this information a request should be made to the Access to Information and Privacy Office.

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**RFI
for
PASS SA Re-competition 2018**

BIDDER'S INFORMATION SESSION

Agenda

- Opening remarks
- Overview of the requirement
- Overview of the consultation process
- RFI and Draft RFSA document review
- Submitted topics for discussion/clarification
- Milestones and/or next steps
- Questions

Opening remarks

- PASS Team Introduction:
 - OCG – Linda d’Anjou, Sylvain Tomeho
 - PWGSC – Philip de Leon, Hemasrikha Bucktowar
- Housekeeping:
 - Recording of session
 - Bilingual
 - Washrooms

Overview of the requirement

- PASS SA History
 - Established in 2006
 - Currently 30 PASS SA holders
 - federal government-wide mandatory procurement tool for the provision of professional services required to meet obligations set by two Treasury Board policies: the Internal Audit Policy and the Internal Control Policy.

Overview of the requirement (cont'd)

- 3 key elements for Re-competition RFSA process:
 - Provide additional information to clarify submission requirements
 - Clarify existing requirements
 - Identify new requirements

Overview of the requirement

- Stream 1: Internal Audit Services;
- Stream 2: Internal Audit Quality Assessments;
- Stream 3: Information Technology and Systems Audits;
- Stream 4: Forensic Audits;
- Stream 5: External Audit;
- Stream 6: Financial Accounting Services;
- Stream 7: Internal Control Training; and
- Stream 8: Recipient/Contribution Agreement Audit.

Consultation process overview

- Roles and Responsibilities
 - OCG – Technical Authority
 - PWGSC – Procurement Authority
- Re-competition allows us to make adjustments to SA due to changes in industry (e.g. professional designations), client needs, legislation, etc.
- RFI allows for a less “bureaucratic” exchange of ideas

RFI and Draft RFSA document review

- RFI E60ZQ-180001-A.doc
- Draft PASS RFSA Recompensation 2018.pdf

Topics for discussion/clarification

- Grandfather certification

5.2.1 Grandfather Certification

The Supplier certifies that, with respect to each and every mandatory requirement, for its SA:

- i. it continues to meet these mandatory requirements, as of the date of solicitation closing; _____ (initial)*
- ii. all previously submitted information remains true, accurate and unchanged, and may be used for the purposes of this RFSA ; _____ (initial)*

Grandfather certification (cont'd)

5.2.8 Education and Experience

Suppliers:

- a) must submit this certification through the DCC of CPSS, by the closing date and time of this RFSA; and
- b) may be requested to provide the following signed certification and/or related documentation by email sometime during the evaluation period:

The Supplier certifies that all the information provided in the résumés and supporting material submitted with the arrangements, particularly the information pertaining to education, achievements, experience and work history, has been verified by the Supplier to be true and accurate.

Grandfather certification (cont'd)

“Our understanding is that the intention of the PASS SA refresh is to qualify firms (as opposed to individual resources). That said, we are concerned that the Grandfather certification will require firms already qualified on the PASS SA to confirm that the named resources proposed years ago during the last refresh remain available. This will be challenging to confirm for many firms in spite being more than qualified to meet the requirements of the overarching supply arrangement. As such, we wish to confirm that the Grandfather certification applies only to the firm and not resources named within the original supply arrangement qualification process. This is consistent with the way in which the Crown manages Grandfather certifications within other government-wide vehicles such as the TSPS and TBIPS supply arrangements. This way the Crown is assured that qualified firms remain qualified and resource qualifications can be evaluated when RFPs are issued for specific requirements.”

- The understanding above is confirmed; the certification does not require the supplier to certify that the **resources named within the original SA qualification process** “continue to meet these mandatory requirements”; it requires the **supplier** to certify that **it** continues to meet the mandatory requirements – e.g. The Supplier certifies that it has resources that can meet the minimum mandatory qualifications in the Streams for which the supplier wishes to continue to be qualified.

Topics for discussion/clarification

- **Appropriate usage of SA**

“We have noted recently that some of the PASS RFPs are only requiring one or two resources to augment an existing departmental or program area team. These individuals are under the supervision of the departmental staff and are not expected to be responsible for specific deliverables or outcomes of the work. This type of arrangement is more typical of a staff augmentation requirement or temporary help rather than a solution to a specific requirement. From a bidder perspective, the types of contract clauses related to a staff augmentation supply arrangement such as Temporary Help Services (THS) would be more appropriate than PASS. Can the Crown provide guidance as to when it would be more appropriate to use THS rather than PASS?”

- While another method of supply may be more appropriate, there is nothing in the SA that prevents clients from acquiring services in the manner described. Adding restrictions at the SA level to curtail this practice could impede other clients that have genuine needs for a limited number of resources. Guidance is provided to clients when it is requested.

Milestones and/or next steps

- RFI closes September 13, 2018
- Individual consultations (if applicable) – late September/early October
- Implementation of changes resulting from RFI feedback
- RFSA anticipated for late October

Questions?

- Cyber security audit services that were previously covered by another vehicle (CPSA) appear to now be covered under Streams 2, 3 & 4, however, resource designations for those Streams are slanted more towards accounting than IT (e.g. CPA, etc.). Will there be some latitude that would allow for other IT-focused designations to be accepted?
 - More IT designations have been added. Additionally, clients can add more IT-focused designations at the RFP stage.
- How many Joint Ventures (JVs) is one supplier able to participate in under PASS?
 - Suppliers can be awarded up to 2 SAs in the following combinations: individually, individually & JV or 2 JVs

Questions?

- Minimum project values for MT1 (e.g. \$40K for Stream 1, 3, 5 & 8): established thresholds could penalize supplier if service has been provided cost effectively; how were they established and can thresholds be reduced?
 - Thresholds have remain unchanged since PASS inception but consideration will be given to any suggested changes submitted.

WebEx

The WebEx recording can be viewed at:

<https://pwgsc-nh.webex.com/pwgsc-nh/jdr.php?RCID=8932b1d33a1dd927d699af9787e9bc0c>

Please Note:

- Based on the language of choice of the participants, the Information Session was conducted primarily in English; therefore, the audio in the recording is provided in it's original format.
- Due to unforeseen technical issues, the audio recording ceases at approximately the 40 min mark. The topics covered and information provided after that point have been summarised in the preceding slides based on available notes.