

Recommendations ONLY from the Procurement, Funding and Performance Measurement Task Force

Key Strategy 1: Ensure that grant, procurement and contracting practices are fair and transparent, and that they create the minimum necessary administrative burden and complexity.

1. Service Delivery Option:

Procurement Process Enhancements:

Consistency/Simplification:

1.1. ***Priority Medium term:*** Current government procurement processes should be reviewed to ensure that all tendering and related processes (including proposal writing, evaluation and selection, monitoring and reporting, performance measures and contract terms and conditions) are as streamlined as possible within the constraints of contract law and trade agreements; are consistent across government as much as possible; and are proportionate to the scale and complexity of the service requirements being tendered. In making adjustments, government should consider:

- Developing: standard short & long form RFP processes; and short & long form contract templates;
- Developing standard guidelines to support use of local/regional/provincial approaches to tendering;
- Reducing the complexity and frequency of monitoring/reporting requirements;
- Enhancing use of prequalification processes;
- Clarifying use of accreditation as part of qualification/prequalification processes;
- The current capacity of the NPS to respond to tender calls;
- Ensuring that processes do not exclude NPS organizations unnecessarily; and
- Ensuring that processes are as user friendly as possible.

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2. **Service Delivery Option:**

NPS Involvement in Procurement Processes:

2.1. ***Priority Medium term:*** Enhance and clarify consultation /communication processes between the government and the NPS (and community where appropriate) within the overall procurement and contracting processes as follows:

- Place greater emphasis on pre-consultation processes including program policy and design, service delivery modeling and procurement design before formal RFI's, RFQ's and RFP's are issued;
- Develop and communicate clear, consistent and understood rules of engagement to apply to all ministries and all proponents including the NPS during tendering process;
- Involve non-bidding NPS representation and possibly for-profit organizations as content experts or fairness monitors in key aspects of RFP process (i.e. screening/selection process) where appropriate, ensuring that procurement rules of engagement and principles of transparency and fairness are not compromised; and
- Ensure that the current Vendor Complaint Review Process is being used effectively as a procurement process improvement tool and that review findings applicable to procurement processes across government/NPS are being effectively communicated.

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3. **Service Delivery Option:**

Procurement Process Enhancements:

Customizing Approaches to Procurement to Address Special Client Needs:

- 3.1. **Priority Medium term:** Government should consider the recommendations of a cross government committee currently exploring new approaches to procurement with the Aboriginal community and determine their applicability to other special client/stakeholder groups or special community needs.

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Service Delivery Option:

Procurement Process Enhancements:

Data Management and Information Sharing:

- 3.2. ***Priority Short term:*** Where predictable, government should establish and post Annual Pre-notification Timetable of Government Tender calls/RFP's in the health and social services sector on existing BC Bid site and eventually through new NPS portal (see 1.5 below).

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4. **Service Delivery Option:**

Procurement Process Enhancements:

- 4.1. ***Priority Medium term:*** To increase access to information and responsiveness, government should develop a common single window portal for the NPS for all information related to procurement, funding and performance measurement – including opportunities and applications, support guides, program criteria, evaluations, historical funding information, etc.

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5. Engagement Option:

Procurement Process Enhancements:

Data Management and Information Sharing:

- 5.1. ***Priority Medium term:*** To reduce repetitive procurement related processes and administrative burdens as well as enhance more efficient information exchanges (including monitoring & reporting requirements and training & development), the government should consider the following:
- Place greater emphasis on developing and implementing electronic Web-based procurement processes and related training and development modules;
 - Continue to develop a corporate information system to maintain vendor tombstone information (i.e. including criminal record checks, pre-qualification information, financial statements, etc.) to reduce multiple submissions of the same information by NPS organizations to support multiple tender calls; and
 - Link web-based processes and information to proposed NPS portal and BC Bid site.

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6. Partnership Option:

Data Management and Information Sharing:

6.1. **Priority Medium term:** Government and the NPS need to work in partnership to develop a long term IT/Data Management/Information Sharing Strategy to support all aspects of the procurement and funding system in BC. In developing this strategy, the NPS needs to review its information/database management/IT capabilities across the sector and provide recommendations to government on how best to interface and share information. Government and the NPS then need to determine appropriate leadership accountabilities in the development and implementation of the Strategy.

Key Strategy 2: Ensure accountability and value within a meaningful and practical framework.

1. **Service Delivery Option:**

Procurement and Grant Policies:

1.1. ***Priority* Short term:** Revisit current provincial grant policy with the view to clarifying and revising the policy as well as providing guidance on when a grant should be used vs. a contract. In determining revised scope of policy and appropriate grant usage, consider the following:

- Review best practices in other jurisdictions where grants are used to help sustain or build capacity within the NPS; and
- Consider developing new renewable grant process, separate from RFP contract process, to apply to organizational capacity building and sustainability.

Key Strategy 2: Ensure accountability and value within a meaningful and practical framework.

Procurement Process Enhancements:

Evaluation/Selection Criteria and Weighting:

- 1.3 **Priority Short term:** The NPS should develop a discussion paper for government clearly articulating the benefits/value add of the “Third Sector” - to inform government decision makers and procurement policies and practices.

Key Strategy 2: Ensure accountability and value within a meaningful and practical framework.

Performance Measures (Managing for Results):

1.4 ***Priority Short term:*** In applying output and outcome measures to tendering processes and performance based contracts, the government needs to ensure that:

- They are achievable under proposed contract timelines;
- They are achievable given the geography and demographics of a particular region being serviced; and
- They do not limit the majority of possible NPS organizations from bidding on contracts (i.e. they are achievable given the capacity of the majority of possible NPS service providers).

Key Strategy 2: Ensure accountability and value within a meaningful and practical framework.

- 1.7 **Priority Medium term:** In applying output and outcome measures to performance based contracts, the government should be responsible for achieving outcomes while the service provider (NPS or private sector) should be accountable for the outputs.

Sharing the Risk:

1.8 **Priority Short term:** Risks factors associated with service delivery initiatives should be identified and discussed up front as part of the RFP/tendering pre-consultation processes and as part of annual NPS/ministry contract review processes.

Engagement Option:

Development of a Meaningful and Practical Framework:

- 2.1 ***Priority* Medium term:** The government and the NPS should review in collaboration existing procurement/tendering process models used elsewhere within the health and social sector with the view to developing a best in class, principles based Procurement/Funding/Performance Measurement Framework that creates a high level of consistency with respect to outcomes across the sector while maintaining sufficient flexibility to address specific client needs.

2.2 **Priority Medium term**: In developing the principles to support this new Framework, the underlying principles of the government's current procurement policy should be supplemented by additional principles specific to the health and social services sector including community wellness, continuity of client services, best value to the taxpayer, organizational and community capacity development and sustainability, sharing of risk and full program cost recovery. These principles should be incorporated into future RFP/tendering documentation and any NPS/Government relationship protocols that are developed.

Key Strategy 2: Ensure accountability and value within a meaningful and practical framework.

2.3 **Priority Medium term:** To support this new Framework, government and the NPS need to develop together common long term outcome performance measures/benchmarks for the health and social services sector to be applied provincially and regionally (i.e. measures should reflect goals of independent living and a healthy society). These outcome measures should clearly link to the government's multi-year Strategic Plan and Ministry Service Plans. As a starting point, MCFD's Catalogue of Service and Third Party Service Agreements which include standard outcome and output measures by program area, could be reviewed and then expanded across other ministries as appropriate.

Key Strategy 2: Ensure accountability and value within a meaningful and practical framework.

Procurement Process Enhancements:

Performance Measures (Managing for Results):

2.4 ***Priority Medium term:*** Procurement/tendering processes and documents should clearly link long term performance metrics with specific shorter-term outcomes and outputs developed on a program or service delivery initiative basis. These contract specific measurements should be discussed as part of pre-tendering consultation processes.

Key Strategy 2: Ensure accountability and value within a meaningful and practical framework.

2. Partnership Option:

No priority recommendations

Key Strategy 3: Explore how funding to the NPS can be keyed to outcomes and performance while recognizing that the ability of NPS agencies to sustain performance depends on the ability to sustain core operations

1. Service Delivery Option:

Performance Based Contract Enhancements:

1.1. **Priority Short term:** In order to stabilize the relationship with the customer; to enhance the sustainability of the service provider and/or to reduce administrative costs for government and the NPS, the following improvements are suggested with respect to performance based contracts:

- Move to longer term 3 to 5 year contracts where services are needed;
- Implement greater use of contract extensions and renewals – provided that performance measures are being met or exceeded.
- Explore different payment structures to better support continuous cash flow requirements of NPS providers including more frequent milestone payments; differentiating regular base payments (reflecting administration and direct core service costs) from performance based payments (reflecting specific outputs and outcomes), and others.

Key Strategy 3: Explore how funding to the NPS can be keyed to outcomes and performance while recognizing that the ability of NPS agencies to sustain performance depends on the ability to sustain core operations

Contract Negotiations:

- 1.2. ***Priority Short term:*** Adjust negotiation processes to enable some negotiation of contract terms including performance benchmarks and payment schedules. These needs to be done in a way that is fair and equitable, and does not significantly change the requirements of the solicitation; therefore minimizing needless litigation from unsuccessful vendors.

Key Strategy 3: Explore how funding to the NPS can be keyed to outcomes and performance while recognizing that the ability of NPS agencies to sustain performance depends on the ability to sustain core operations

Contract Funding:

- 1.3. ***Priority Medium term:*** When contracting with a NPS organization to delivery a service, the government should pay the full costs of the service provision including a proportionate share of organizational operating costs and the actual operating cost of the service delivery. This move to full cost recovery should over time help to address the issue of NPS sustainability. It is recognized that determining fair and accurate costing will be challenge given the diversity of agencies and the need to analyze the impacts of geography on such cost.

Key Strategy 3: Explore how funding to the NPS can be keyed to outcomes and performance while recognizing that the ability of NPS agencies to sustain performance depends on the ability to sustain core operations

- 1.4. **Priority Short term:** NPS needs to propose a strategy to government on how best to identify and educate government on the full costs of providing services on behalf of government ministries and then work with government to decide on appropriate approach and timeframe (short & long) to reflect the change to full cost recovery in a consistent manner in tender calls/RFP processes and contracts across the ministries and the sector.

Key Strategy 3: Explore how funding to the NPS can be keyed to outcomes and performance while recognizing that the ability of NPS agencies to sustain performance depends on the ability to sustain core operations

2. Engagement Option:

Contractor Models:

- 2.1. ***Priority Medium term:*** Revisit various contractor models in place (i.e. use of prime contractor, sub-contractor and community based service provider models, etc.) with the view to maximizing NPS sustainability.

3. Partnership Option:

No priority recommendations

Key Strategy 4: Work together across traditional Sectoral and organizational boundaries to streamline and improve procurement and performance measurement requirements and coordinate funding.

1. **Service Delivery Option:**

Cross Ministry Collaboration:

- 1.1. **Priority Medium term:** The government should place a greater focus on cross ministry initiatives – focused on the service needs of the “whole” individual (e.g. Front Counter BC / Community Hubs for Youth) or cross ministry tendering for multiple services targeting the same population.

Key Strategy 4: Work together across traditional Sectoral and organizational boundaries to streamline and improve procurement and performance measurement requirements and coordinate funding.

2. **Service Delivery Option:**

Cross Ministry Collaboration:

- 1.2. **Priority Medium term:** The government should consider appointing one Ministry as a lead ministry, where feasible, for all services contracted with a particular multi-service agency to improve coordination, consistency and reduce the administrative burden for the NPS provider.

Key Strategy 4: Work together across traditional Sectoral and organizational boundaries to streamline and improve procurement and performance measurement requirements and coordinate funding.

3. Engagement Option:

Capacity Building/Business Acumen:

- 3.1. ***Priority* Medium term:** To support quality and consistent procurement, funding and performance measurement processes and practices across ministries and the NPS, education and training enhancements are required. The government and the NPS should work together to develop and implement shared education and training programs under the leadership of the Strategic Acquisitions and Technology Procurement Branch of the MLCS (and supported by the Learning Services branch of the Public Service Agency (PSA) over the short term and develop an integrated multi-year education and training program over the longer term. Other training options should be considered in developing such a program including possibly developing a vendor training module as part of the Procurement & contract Management Program or having the NPS develop a supporting but independent program.

Key Strategy 4: Work together across traditional Sectoral and organizational boundaries to streamline and improve procurement and performance measurement requirements and coordinate funding.

4. Partnership Option:

Relationship Building/Governance:

4.1. ***Priority Long term:*** Government and NPS need to develop a more strategic partnership – jointly creating a process that fosters a climate of systemic collaboration for social change vs. the current transactional purchase of buyer (govt.) and seller (NPS) model. Such a partnership would result in the following examples of collaboration:

- Joint program/policy design through to delivery and evaluation and associated funding considerations;
- Both parties would view procurement as an investment and work on adjusting processes and practices to achieve that goal through a shared approach to procurement, funding, performance measurement, communications and consultation, organizational sustainability and capacity building;
- Processes, including pilot projects, would be put in place to jointly explore innovative and best practice service delivery operating models to enhance client intervention/services at the community level (e.g. “Director of Innovation” model in New York).

Key Strategy 4: Work together across traditional Sectoral and organizational boundaries to streamline and improve procurement and performance measurement requirements and coordinate funding.

- 4.2. **Priority Short/Medium term:** To support this more strategic partnership the following short and longer consultation and governance structures are suggested
- To begin this more ongoing consultative process, the government and the NPS should meet annually to discuss community development, strategic issues of mutual interest including funding pressures and changing government policies and priorities; and cross government service issues and requirements;
 - NPS should consider putting in place an overarching Council to represent individual non profit organizations and umbrella associations; and
 - To complement this NPS structure, the government should assign accountability to one Ministry as the key contact for the NPS or establish a Secretariat.