



July 18, 2017

Honourable Jinny Sims
Minister of Citizens' Services
Parliament Buildings
Victoria, British Columbia V8V 1X4

Dear Minister Sims:

Congratulations on your new appointment as Minister of Citizens' Services.

It has never been more important for new leadership that works for ordinary people, not just those at the top.

It is your job to deliver that leadership in your ministry.

Our government made three key commitments to British Columbians.

Our first commitment is to make life more affordable. Too many families were left behind for too long by the previous government. They are counting on you to do your part to make their lives easier.

Our second commitment is to deliver the services that people count on. Together, we can ensure that children get access to the quality public education they need to succeed, that families can get timely medical attention, and that our senior citizens are able to live their final years with dignity.

These and other government services touch the lives of British Columbians every day. It is your job as minister to work within your budget to deliver quality services that are available and effective.

Our third key commitment is to build a strong, sustainable, innovative economy that works for everyone, not just the wealthy and the well-connected. Together, we are going to tackle poverty and inequality, create good-paying jobs in every corner of the province, and ensure people from every background have the opportunity to reach their full potential.

These three commitments along with your specific ministerial objectives should guide your work and shape your priorities from day to day. I expect you to work with the skilled professionals in the public service to deliver on this mandate.

.../2

As you are aware, we have set up a *Confidence and Supply Agreement* with the B.C. Green caucus. This agreement is critical to the success of our government. Accordingly, the principles of “good faith and no surprises” set out in that document should also guide your work going forward.

As minister, you are responsible for ensuring members of the B.C. Green caucus are appropriately consulted on major policy issues, budgets, legislation and other matters as outlined in our agreement. This consultation should be coordinated through the Confidence and Supply Agreement Secretariat in the Premier’s Office. The secretariat is charged with ensuring that members of the B.C. Green caucus are provided access to key documents and officials as set out in the agreement. This consultation and information sharing will occur in accordance with protocols established jointly by government and the B.C. Green caucus, and in accordance with relevant legislation.

British Columbians expect our government to work together to advance the public good. That means seeking out, fostering, and advancing good ideas regardless of which side of the house they come from.

Our government put forward a progressive vision for a Better B.C. that has won broad support with all members of the legislature. There is consensus on the need to address many pressing issues such as reducing health-care wait times, addressing overcrowded and under-supported classrooms, taking action on climate change, tackling the opioid crisis, and delivering safe, quality, affordable child care for all. As one of my ministers, I expect you to build on and expand that consensus to help us better deliver new leadership for British Columbians.

As part of our commitment to true, lasting reconciliation with First Nations in British Columbia our government will be fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Calls to Action of the Truth and Reconciliation Commission. As minister, you are responsible for moving forward on the calls to action and reviewing policies, programs, and legislation to determine how to bring the principles of the declaration into action in British Columbia.

In your role as Minister of Citizens' Services I expect that you will make substantive progress on the following priorities:

- Institute a cap on the value and the length of government IT contracts to save money, increase innovation, improve competition and help our technology sector grow.
- Ensure government IT and software development procurement work better for companies that hire locally and have a local supply chain.
- Improve access to information rules to provide greater public accountability.
- Improve response and processing times for freedom of information requests.

All members of Cabinet are expected to review, understand and act according to the *Members Conflict of Interest Act* and to conduct themselves with the highest level of integrity. Remember, as a minister of the Crown, the way you conduct yourself will reflect not only on yourself, but on your Cabinet colleagues and our government as a whole.

.../3

I look forward to working with you in the coming weeks and months ahead.

It will take dedication, hard work, and a real commitment to working for people to make it happen, but I know you're up to the challenge.

Sincerely,

A handwritten signature in black ink that reads "John Horgan". The signature is written in a cursive, flowing style with a large initial "J" and "H".

John Horgan
Premier

Deputy Ministers' Committee on Procurement and Strategic Contracts

AGENDA

Tuesday, September 19, 2017

1:00 p.m. to 2:00 p.m.

s.15

or Online

Join online meeting

s.15,s.17

Join by Phone

Local - Victoria: s.15,s.17

Local - Vancouver: s.15,s.17

Toll-Free: s.15,s.17

Conference ID: s.15,s.17

Members

Jill Kot, CITZ (Chair)

X

Sarf Ahmed, CITZ

✓

Doug Foster, ADM (for Lori Wanamaker, FIN)

✓

Richard Fyfe, JAG

✓

Fazil Mihar, JTT

✓

Lori Halls, BCPSA

✓

Stephen Brown, HLTH

✓

Support

Pelle Agerup, a/ADM, Procurement and Supply, CITZ

✓

Brooke Hayes, ED, Procurement Transformation, CITZ

✓

Mike Nielsen, Dir, Corporate Policy and Legislation, CITZ

✓

	Committee Items	Presenter	Materials
1	Introductions	All	
2	Alternate Service Delivery (ASD) Deals/Strategic Contracts	Sarf Ahmed Pelle Agerup	Presentation: Portfolio of Strategic Contracts
3	Procurement Review	Brooke Hayes	Presentation: Modernize IT Procurement and Deliver Government Commitments
4	Terms of Reference	Sarf Ahmed	Draft Terms of Reference Mandate Letter

CONFIDENTIAL

DEPUTY MINISTERS' COMMITTEE ON PROCUREMENT AND STRATEGIC CONTRACTS

DRAFT Terms of Reference

Mandate

The Deputy Ministers' Committee on Procurement and Strategic Contracts (DMCPSC), a sub-committee to Deputy Ministers' Council (DMC), sets the procurement vision for the future of the public service to ensure that government procurement keeps pace with innovation in service delivery and evolving needs of citizens to make life more affordable for British Columbians and promote sustainable shared prosperity for all.

The DMCPSC will:

1. Establish the framework for Alternative Service Delivery (ASD)/Strategic Contracts and oversee its implementation.
2. Reform procurement processes within core government to align with the needs of the business community and promote sustainable shared prosperity.
3. Make recommendations to the Minister of Citizens' Services to achieve the requirements of the Information Technology commitments in the Minister's mandate letter.

Process

- DMCPSC will meet monthly for a period of two years (September 2017 – September 2019). More frequent meetings can be called at the discretion of the Chair.
- The term of the committee can be modified at the discretion of the members or on the direction of the Deputy to the Premier.
- At least 4 members must be present to represent a quorum for the meeting.
- All decisions will be made by consensus or if that is not possible then through a majority vote of the members.
- Agendas and meeting materials will be made available to DMCPSC members at least 24 hours in advance of meetings.
- The Chair or a designate will report out regularly to DMC on DMCPSC decisions.
- Secretariat support for DMCPSC will be provided by the Ministry of Citizens' Services.
- The Chair or support staff will ensure that members who cannot attend a meeting are adequately informed of the proceedings.
- Minutes showing actions and decisions taken will be kept and circulated within 1 week of the meeting to all members.
- Alternates are not allowed without the consent of the Chair, unless they are acting for a Deputy Minister while on vacation.

Membership:

The committee will be chaired by the Deputy Minister of Citizens' Services. Membership will include deputy or associate deputy ministers of ministries with large strategic contracts. Legal and financial representation will be provided by the Deputy Attorney General and Deputy Minister of Finance.

Current membership is:

Jill Kot, Deputy Minister, Ministry of Citizens' Services (Chair)
Sarf Ahmed, Associate Deputy Minister, Ministry of Citizens' Services
Lori Wanamaker, Deputy Minister, Finance
Richard Fyfe, Deputy Attorney General, Ministry of Justice
Fazil Mihar, Deputy Minister, Ministry of Jobs, Trade & Technology
Lori Halls, Deputy Minister, BC Public Service Agency
Stephen Brown, Deputy Minister, Ministry of Health

Resources:

This committee will be supported by:

1. ADM Strategic Partnerships Advisory Committee with respect to alternative service delivery contracts.
2. ADM Committee on Procurement chaired by Ministry of Citizens' Services with respect to procurement reform and modernization.
3. Procurement and Supply Services Division staff (including Strategic Partnerships Office) in the Ministry of Citizens' Services.
4. Any other resources required by the committee.

Appendix 1: Specific Accountabilities

Appendix 2: Ministry of Citizens' Services Mandate Letter Items relating to IT Contracts

Appendix 1 – Specific Accountabilities

1. Alternative Service Delivery/Strategic Contracts

1. Develop principles for circumstances when alternative service delivery contracts can be considered by the ministries.
2. Provide oversight to existing alternative service delivery contracts.
3. Provide recommendations to government on future course of action on expiry of existing alternative service delivery contracts.
4. Build internal capacity within the public service to manage existing alternative delivery/strategic contracts as well as skills for negotiation of new contracts.
5. Review circumstances where fair wages are currently not paid to employees of alternative service delivery organizations or their sub-contractors and make recommendations to address the issue.

The Committee will develop an accompanying communication strategy with GCPE.

2. Procurement Review/Modernization

Government's procurement ecosystem is outdated and in need of systemic modernization and it should be re-designed with increased focus on helping to meet government objectives.

Work to develop options began recently and includes extensive market and internal engagement, analysis including jurisdictional, operational, market, legal, risk, trade and policy. Specific accountabilities are:

1. Review and approve the work plan and project charter.
2. Identify early opportunities for improvement.
3. Provide oversight to the work of the committees and approve or make recommendations to government to modernize procurement process with particular emphasis on information technology contracts.
4. Make recommendations to government to implement mandate letter commitments of the Minister of Citizens' Services with respect to IT contracts.

The Committee will develop an accompanying communication strategy with GCPE.

Appendix 2 – Ministry of Citizens' Services Mandate Letter Items relating to IT Contracts

From July 18, 2017 Minister of Citizens' Services Mandate Letter:

In your role as Minister of Citizens' Services I expect that you will make substantive progress on the following priorities:

- Institute a cap on the value and the length of government IT contracts to save money, increase innovation, improve competition and help our technology sector grow.
- Ensure government IT and software development procurement work better for companies that hire locally and have a local supply chain.

DRAFT

Modernize IT Procurement and Deliver Government Commitments

September 19, 2017
Ministry of Citizens' Services



Objectives

- Confirm scope
- Agree on topics for further development
- Agree on approach and timelines

MANDATE

Institute a cap on the value and the length of government IT contracts to save money, increase innovation, improve competitions and help our technology sector grow.

Ensure government IT and software development procurement works better for companies that hire locally and have a local supply chain

Page 11 to/à Page 17

Withheld pursuant to/removed as

s.12

Portfolio of Strategic Contracts

September 19, 2017
Ministry of Citizens' Services

Background

2001 – Government of BC undertook a Core Review process to transform the way government services are delivered.

2003 – Cabinet approved the Alternative Service Delivery (ASD) Strategic Plan, its subsequent implementation, and the establishment of the ASD Secretariat to help government realise this transformation.

2003-2010 – 8 ASD deals implemented – majority procured through Joint Solution Procurement (JSP).

2010 – ASD Secretariat dissolved.

2012 – The Strategic Partnerships Office (SPO) was created to oversee the ASD portfolio of deals, with a mandate from TB to provide central coordination and expertise in negotiations.

Why Strategic Contracts?

The primary focus of strategic contracting was to provide cost effective and efficient delivery of government services through innovative partnering with the private sector.

Objectives of strategic contracting included:

- Maintaining or enhancing service levels;
- Allowing government to focus its resources on more strategic areas;
- Reducing costs, increasing revenue, or maximizing cost avoidance;
- Transferring operational risk to service providers;
- Harnessing the combined creativity of the private and public sectors; and
- Supporting general economic development and growth.

Note: Approximately half of the portfolio included transfer of BCGEU employees to private sector subsidiaries. Transferred employees remained BCGEU members, and negotiated collective agreements with respective service providers.

Current Strategic Contracts

Title & Description	Name of Contractor	Current Contract Term	Avg Annual Contract Spend (approx)
Workstation Services - Delivers a complete end-to-end service for workplace support for workstation users within core government and health authorities (Hardware, software & supports).	IBM Canada	2004 - 2018	\$75M
Facilities Management - Property management of the Province's real estate portfolio, along with asset maintenance, project management services, and environmental /pollution prevention and technical value services.	Brookfield GIS - WSI	2004 - 2019	\$150M
Human Resources Management System - Payroll and benefit services, contact centre and application management/ application development.	TELUS	2004 - 2019	\$16M
Health Insurance BC (HIBC) Services - Administration of the Medical Services Plan and PharmaCare programs, including transforming business processes and technologies.	MAXIMUS BC	2005 - 2020	\$53M

Current Strategic Contracts

Title & Description	Name of Contractor	Current Contract Term	Avg. Annual Contract Spend (Approx)
Revenue Management Services - Integrated and streamlined business and systems environment focused primarily on non-tax revenue management functions across government.	ESIT Advanced Solutions Inc.	2004 - 2020	\$63M
Telecommunication Service Master Agreement - Provide delivery of a broad range of telecommunications services including long distance, conferencing, cellular, and voice and data network services.	TELUS	2011 - 2021	\$110M
Service BC - management and operation of contact centre services and projects to transform service delivery to meet the future needs of citizens, including a single point of interaction with government.	MAXIMUS Canada	2017 - 2022	\$3M
Hosting / Data Services - Managed hosting services, provides clients an environment that is sized and configured to run their business applications and data centre services from secure and reliable locations for client equipment.	ESIT Advanced Solutions Inc.	2009 – 2021/24	\$58M

Page 23 to/à Page 27

Withheld pursuant to/removed as

s.12