



# Summary of Feedback National Goods and Services Procurement Strategy Clothing and Textiles

June 10, 2013

*Shaping procurement together*





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## 1 Introduction

Public Works and Government Services Canada (PWGSC) developed and published a draft National Goods and Services Procurement Strategy for Clothing and Textiles to provide a consistent national approach that will improve the efficiency and effectiveness of the procurement process for all government departments, suppliers and Canadians.

During a formal consultation period, government departments and suppliers reviewed and commented on the draft National Goods and Services Procurement Strategy for Clothing and Textiles. All formal consultation feedback was considered when finalizing the National Procurement Strategy for Clothing and Textiles.

## 2 Purpose

This document summarizes relevant formal consultation feedback from government departments and suppliers, and outlines how the feedback will be taken into consideration to finalize the National Goods and Services Procurement Strategy for Clothing and Textiles. This document is used for reviewing feedback and deciding upon resulting changes.

## 3 Formal Consultation

|  |   |
|--|---|
| <b>Period</b>                            | January 13, 2012 through April 4, 2012 (83 days).   |
| <b>Government Department Respondents</b> | There were 22 government department respondents representing 12 government departments. These 12 government departments represent: <ul style="list-style-type: none"><li>• 94% of Government of Canada spend on clothing and textiles<sup>1</sup>; and</li><li>• 87% of PWGSC contracted amount on clothing and textiles<sup>2</sup>.</li></ul> |
| <b>Supplier Respondents</b>              | There were 142 supplier respondents.  |

## 4 Overview

The general view of suppliers and government respondents is supportive of the overall strategy.

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<sup>1</sup> Source: Spend Management Tool 3-year average FY07/08 to FY09/10. The Spend Management Tool currently contains approximately 85% of all Government of Canada expenditures. This information represents departmental data provided by departmental financial systems. Spend data represents invoices that have been paid.

<sup>2</sup> Source: AIS 5-year average (FY05/06 to FY09/10)

## 5 Strategy Recommendations

### 5.1 Demand Management

#### Original Recommendation

PWGSC proposes to expand the consolidated uniform-type contracts to include additional government departments, where demand warrants, increasing efficiencies and consistency for PWGSC, government departments and suppliers.

#### Relevant Feedback

|   |  |  |
|---|--|--|
| <b>TOPIC</b>  | Use of consolidated uniform-type contracts for additional government departments, where demand warrants.   |  |
| <b>GOVERNMENT DEPARTMENTS</b>   | <b>SUPPLIERS</b>   |  |
| <p>84% (16/19 respondents to the question) indicate they have a continual requirement for uniforms. Four respondents indicate their department already has a consolidated contract.</p> <p>Government department respondents indicate that:</p> <ul style="list-style-type: none"> <li>▪ This approach benefits the Government of Canada objective, which is to improve the efficiency and effectiveness of the procurement process; and</li> <li>▪ Having two departments participate in a consolidated uniform contract results in significant cost savings and administrative efficiencies that can not be realized through separate contracts.</li> </ul> <p>32% (6/19 respondents to the question) indicate their uniform needs were specific to their department.</p> | <p>52% (46/89 respondents to the question) indicate that the use of consolidated uniform contracts benefit suppliers.</p> <p>Suppliers in favour of consolidated uniform contracts indicate that consolidated contracts:</p> <ul style="list-style-type: none"> <li>▪ Simplify the procurement process by eliminating unnecessary bureaucracy;</li> <li>▪ Reduce overall business costs and improve supplier efficiency in planning for meeting client demand resulting in better overall value for clients; and</li> <li>▪ Create a stable production environment which ensures continuity of supply and product consistency.</li> </ul> <p>48% (43/89 respondents to the question) indicate that the use of consolidated uniform contracts do not benefit suppliers. At the micro, small and medium business size levels, respondents are almost equally split between opposing and supporting.</p> <p>Suppliers who do not support consolidated uniform contracts indicate that consolidated contracts:</p> <ul style="list-style-type: none"> <li>▪ Would result in only large enterprises with larger production, business, and resource capabilities being able to meet federal department demands, thereby eliminating small and medium enterprises from acting as prime contractors. (Note: current holders are small enterprises);</li> <li>▪ Would potentially reduce competition and lead to monopolies among suppliers;</li> </ul> |  |

| GOVERNMENT DEPARTMENTS | SUPPLIERS  |
|------------------------|--|
|                        | <ul style="list-style-type: none"> <li>▪ Create an environment where suppliers are limited in their ability to promote new and innovative products, particularly where cost is the determining factor;</li> <li>▪ Reduce the communication between the suppliers who develop the goods and the government department.</li> </ul> |

### **Original Recommendation**

PWGSC proposes to consult industry and government departments to determine groupings of requirements and procurement approaches that will serve to better manage the overall procurement of clothing and textiles.

### **Relevant Feedback**

| TOPIC   | Identify groupings of requirements and preferred procurement approaches.   |
|---|--|
| GOVERNMENT DEPARTMENTS  | SUPPLIERS  |
| <p>Identified groupings of requirements are:</p> <ul style="list-style-type: none"> <li>▪ Boots and protective footwear;</li> <li>▪ Footwear;</li> <li>▪ Promotional garments such as t-shirts, jackets, sweaters;</li> <li>▪ Pants, rain apparel;</li> <li>▪ Operational Clothing; and</li> <li>▪ Common Equipment.</li> </ul> <p>76% (13/17 respondents to the question) indicate that continued use of contracts as the preferred method of supply for clothing and textiles would not present problems with their departments to receive their goods and services.</p> <p>69% (11/16 of respondents to the question) indicate that there are groups of goods and/or services that are better procured under a method of supply different from a contract. The following specific goods are mentioned:</p> <ul style="list-style-type: none"> <li>▪ Footwear;</li> <li>▪ Hats;</li> <li>▪ Canadian Flags (CGSB Standards) through standing offers;</li> <li>▪ Period costumes, promotional/special clothing items and other special items utilizing fabric (mascots, etc) through standing offers;</li> <li>▪ Clothing adhering to various Canadian or international safety standards and where improvement is often done at irregular intervals through purchase orders;</li> <li>▪ Badges and insignia through standing offers; and</li> </ul> | <p>Identified groupings of requirements are:</p> <ul style="list-style-type: none"> <li>▪ Commercial items such as hats and gloves;</li> <li>▪ Badges/insignia;</li> <li>▪ Uniforms;</li> <li>▪ Footwear;</li> <li>▪ Individual equipment and items (e.g. tents, flags, blankets, mattresses); and</li> <li>▪ Textiles.</li> </ul> <p>77% (79/102 respondents to the question) indicate they do not foresee challenges with using contracts as the primary method of supply for clothing and textiles.</p> <p>Suppliers who foresee challenges with using contracts as the primary method of supply list the following challenges:</p> <ul style="list-style-type: none"> <li>▪ Reduces industry innovation because suppliers will focus on providing current technological products based on Government of Canada specifications rather than investing in new innovative product lines;</li> <li>▪ Favours larger enterprises; and</li> <li>▪ Focuses on price over quality.</li> </ul> |

- Services (e.g. testing and analysis) through supply arrangements or task-based contracts.

**OUTCOME**

Use of consolidated clothing contract

While only a small number of government departments have implemented consolidated contracts, all respondents from government departments indicate that this approach benefits the objective of the Government of Canada. Suppliers, however, are split evenly about their support, clearly citing their concerns. Among them are the potential for the following problems: creation of larger enterprises which would result in the elimination of small and medium-sized enterprises acting as prime contractors; reduction of competition and creation of monopolies; limitation among suppliers to promote new and innovative products; and reduction in communication. However, the National Goods and Procurement Strategy (NGSPS) for Clothing and Textiles aims to address and to be consistent with PWGSC's mission statement of fostering a healthy and competitive industry. In addition, the NGSPS specifically outlines a communication strategy and activities, which addresses improving communications and enhancing innovation.

Groupings of requirements and preferred procurement approaches

Both government departments and supplier respondents identified their preferred grouping of requirements. Over 75% of government department and supplier respondents are satisfied with using contracts as a method of supply. However, government departments suggested that some groupings of items could be better procured under a different method of supply. In addition, suppliers indicated challenges with using contracts as the primary method of supply.

**New Strategic Direction and Implementation Plan**

**Direction For Fiscal Years 2013/14 Through 2017/18 Inclusive**

The use of consolidated clothing contracts is a mechanism that PWGSC will consider using in the competitive process to meet the clothing and textile requirements of government departments. When consolidated contracts are considered as the preferred mechanism, industry will be consulted (e.g. Request for Information) and their feedback used as part of a risk analysis that will be performed to decide if consolidated clothing contracts can be used as a method of supply whenever this option is explored by a client department. The risk analysis will be performed for each consolidated clothing contract request, in collaboration with the client departments and will be part of the decision-making process on whether or not to implement this method of supply. Consultation with industry is part of the overall communications<sup>3</sup> strategy and activities in order to enhance innovation. This strategic direction will be reviewed and may be adjusted over the life of the strategy to ensure that the needs of the client departments and industry are met.

| Activity   | Timeframe  |
|--|------------|
| PWGSC will develop evaluation criteria to support small and medium enterprises' (SMEs) opportunity to compete in consolidated contracts. | FY 2013/14 |

<sup>3</sup> National Goods and Services Procurement Strategy for Clothing and Textiles - Section 8.4: Communication.

| Activity  | Timeframe  |
|---|------------|
| As part of the communications strategy to enhance innovation, PWGSC will publish Letter(s) of Interest and hold Industry Day(s) to invite the industry to propose improvements for future consolidated contracts.   | FY 2013/14 |
| The Clothing and Textiles Division of PWGSC will work with the Office of Small and Medium Enterprises and Strategic Engagement (OSME-SE) in PWGSC to publish information on Buyandsell.gc.ca to inform government departments and industry about consolidated contracts.  | FY 2014/15 |
| <p>PWGSC will conduct a comprehensive review of the concept of consolidated clothing contracts and will focus the review on the following topics:</p> <ul style="list-style-type: none"> <li>a) The basis of payment to allow for a price adjustment for the extended period using the Consumer Price Index published by Statistics Canada; and</li> <li>b) Ensuring integrity in the competitive process when the client department adds a new item(s) and that the Government of Canada receives best value.</li> </ul> | FY 2014/15 |

## 5.2 Access to the Government of Canada Market

### 5.2.1 Optional Quantities

#### Original Recommendation

PWGSC proposes to implement a consistent national approach to managing the inclusion of option/optional quantities for clothing and textile procurement instruments.

#### **Relevant Feedback**

| TOPIC  | Optional Quantities   |   |
|--|---|---|
| GOVERNMENT DEPARTMENTS   | SUPPLIERS   | OUTCOME   |
| <p>93% (14/15 respondents to the question) are in favour of including optional quantities as a method to ensure continuity of supply.</p> <p>Benefits of optional quantities:</p> <ul style="list-style-type: none"> <li>▪ Provide flexibility;</li> <li>▪ Reduce administration of retendering; and</li> <li>▪ Allow for better physical and financial management of materials.</li> </ul> <p>Suggestions of how to use options on clothing and textiles contracts while ensuring open access to the market for all suppliers are as follows:</p> <ul style="list-style-type: none"> <li>▪ Use options for additional quantities or special orders;</li> <li>▪ Ensure suppliers are aware of the options on the contract at the RFP stage;</li> <li>▪ Consider price of options at time of price evaluation;</li> <li>▪ Limit the number of options to a maximum of three; and</li> <li>▪ Options could be 'open options' where winner and bidders on original contract have the opportunity (in that order) to deliver options. Financial reprimands could discourage companies to say they could deliver option purchases 'on time' and then not deliver according to agreed upon timelines.</li> </ul> | <p>79% (53/67 respondents to the question) are in favour of including optional quantities as a methodology to ensure continuity of supply.</p> <p>Benefits of optional quantities:</p> <ul style="list-style-type: none"> <li>▪ Allow the client to better adapt to changing procurement priorities and requirements;</li> <li>▪ Allow for more competitive bidding;</li> <li>▪ Provides greater return on set-up costs; and</li> <li>▪ Provides better employment stability because the supplier can better forecast production and business requirements.</li> </ul> <p>Suppliers recommend options be used on clothing and textiles contracts to ensure a balance between government efficiency and open access to the market for all suppliers as follows:</p> <ul style="list-style-type: none"> <li>▪ Have fixed quantities;</li> <li>▪ Include maximum and minimum quantities in contracts or minimize optional quantities to a percentage of the original order;</li> <li>▪ Include set production and completion time-frames in the contract; and</li> <li>▪ Publicize optional quantities ordered.</li> </ul> <p>Comments against using optional quantities as a method to ensure continuity of supply include the difficulties encountered in forecasting clients' needs and forecasting changing market trends.</p> | <p>In general, government department and supplier respondents favour the inclusion of optional quantities to ensure continuity of supply and cited their benefits. Suppliers who opposed their use cited difficulties in forecasting government department needs and market trends.</p> |

#### **New Strategic Direction and Implementation Plan**

### Direction For Fiscal Years 2013/14 Through 2017/18 Inclusive

PWGSC will implement a consistent national approach for optional quantities in clothing and textiles procurement instruments as follows:

- Optional quantities will be identified in the requirement (i.e. Request for Proposal);
- Contracts will have a maximum four-year duration including optional years. A four-year contracting period has been identified by PWGSC as a good planning timeframe for industry and government departments; and
- PWGSC will normally allow bidders at the solicitation phase to submit firm pricing for firm quantities, to ensure competitive pricing.

PWGSC will consider the following when determining the optional quantities to include in a procurement instrument:

- Degree of competition available in the industry for the good or service required and industry's capacity to deliver;
- Opportunity for return on investment for the successful bidder, including the administrative efforts for suppliers to produce bids; and
- Facilitation of the procurement process for government departments to effectively use a given procurement instrument over a longer period of time.

| Activity   | Timeframe  |
|--|------------|
| PWGSC will ensure that the Clothing and Textiles Division will have a consistent national approach for optional quantities as a pilot program. Its progress will be monitored, reviewed and adjusted based on regular engagement and feedback with client departments and suppliers. | FY 2013/14 |
| PWGSC will use Buyandsell.gc.ca to communicate the consistent national approach to including optional quantities in clothing and textiles procurement.   | FY 2015/16 |

## 5.2.2 Sealed Samples and Pre-Award Samples

### Original Recommendation

PWGSC proposes to work with suppliers and government departments to ensure reasonable access and timelines for the inspection of samples. In addition, PWGSC proposes to investigate with government departments and industry to determine if there are better approaches to managing the pre-award sample process.

### **Relevant Feedback**

| <b>TOPIC</b>   | Reasonable access and timelines for the inspection of sealed samples.<br><br><i>NOTE: Questions on this topic were not asked of Government Departments.</i> |
|--|---|
| <b>SUPPLIERS</b>   |   |
| 29% (20/68 respondents to the question) indicate they were unable to visit a Government of Canada office to view a sample during past solicitations for which they may have otherwise been qualified.  |   |
| Suggestions made by supplier respondents to improve access include:  |   |
| <ul style="list-style-type: none"> <li>▪ Allowing qualified potential bidders to acquire physical samples and/or online-based digital drawings/pictures of products or garments for closer examination;</li> <li>▪ Ensuring clear specifications about products; and</li> <li>▪ Allowing longer timeframes for suppliers to view samples and during this time to collaborate with</li> </ul> |   |

**SUPPLIERS**

potential clients on the sample but the manner in which the collaboration would take place was not specified.

**Relevant Feedback**

|              |                           |
|--------------|---------------------------|
| <b>TOPIC</b> | Pre-award sample process. |
|--------------|---------------------------|

| <b>GOVERNMENT DEPARTMENTS</b>   | <b>SUPPLIERS</b>  |
|---|---|
| <p>93% (14/15 respondents to the question) would not accept anything other than a physical sample from a bidder as evidence of their ability to perform the work according to the identified specifications. 3 respondents provide the following comments on cases where they would accept something other than a pre-award sample and those cases include:</p> <ul style="list-style-type: none"> <li>▪ The ability to accept anything other than a physical sample is dependent on the garment or product required;</li> <li>▪ An exception might be when the supplier has previously supplied the same particular good under the same specification; and</li> <li>▪ The supplier's capacity to conform to specifications is most important considering it is not always possible to make small quantities for samples.</li> </ul> <p>1 respondent will accept anything other than a physical sample from a bidder.</p> | <ul style="list-style-type: none"> <li>▪ 50% (34/68 respondents to the question) feel there is a more efficient way for suppliers to provide sufficient evidence during the bidding process of their ability to meet the identified specifications.</li> <li>▪ 52% of all micro, small, or medium enterprise respondents indicate that there is a more efficient alternative.</li> </ul> <p>Alternatives proposed by supplier respondents include:</p> <ul style="list-style-type: none"> <li>▪ Employing new technology mediums such as the Internet, digital / online photography, and sample scans;</li> <li>▪ Focusing more on supplier evaluation (i.e. past performance, reliability, service performance) over specific product samples; and</li> <li>▪ Having fewer requirements on samples (i.e. specific fabrics, yarn, dye) and accepting the use of a base colour sample.</li> </ul> <p>50% (34/68 respondents to the question) indicate there is not a more efficient way for suppliers to provide sufficient evidence during the bidding process of their ability to meet the identified specifications.</p> <p>80% of all large enterprise respondents say they think there is not a more efficient alternative.</p> |

**OUTCOME**

Sealed samples

Under 30% of supplier respondents indicated that they were unable to visit a Government of Canada office to view a sample and they offered suggestions to improve access.

Pre-award samples

The majority of government department respondents only accepted physical samples submitted by bidders as sufficient evidence of their ability to perform the work. Supplier respondents were split evenly in support of providing sufficient evidence on their ability to perform work and offered alternatives to be considered by government departments.

## New Strategic Direction and Implementation Plan

| <b>Direction For Fiscal Years 2013/14 Through 2017/18 Inclusive</b>   |                  |
|---|------------------|
| <p><u>Sealed Samples</u><br/>PWGSC will work with suppliers and government departments to ensure reasonable access and timelines for viewing sealed samples by potential bidders.</p> <p><u>Pre-award Samples</u><br/>PWGSC will continue to require pre-award samples to ensure quality and to ensure specifications for requirements are met. To confirm a bidder's capability to meet technical requirements, PWGSC will require the bidder's pre-award sample:</p> <ul style="list-style-type: none"> <li>a) accompany the supplier's bid for a regular solicitation; or</li> <li>b) be submitted after the bid closing date of the solicitations. This requirement applies when suppliers have already submitted their sample on a previous requirement and their sample is compliant. PWGSC retains their sample along with the evaluation report so that they do not need to re-submit a new sample unless the requirement changes. This process is intended to reduce a supplier's expense (time and resources).</li> </ul> |                  |
| <b>Activity</b>   | <b>Timeframe</b> |
| PWGSC will review new requirements with government departments to determine if substitutions and/or deviations would be acceptable for the suppliers' pre-award sample (e.g. colour, fabric type). Solicitations will clearly state if substitutions or deviations will be accepted. Substitutions will be allowed when, for financial or technical reasons, it will be difficult for bidders to provide a pre-award sample that is fully representative of the requirement.  | FY 2013/14       |
| PWGSC will identify requirements that will have samples accessible electronically. For consideration are requirements that are subject to NAFTA; requirements including a large volume of similar items such as badges; and requirements that have an insufficient number of samples available for suppliers to view.   | FY 2014/15       |
| PWGSC will review how pre-award samples can be evaluated in a more reasonable manner taking into consideration the requirement specifications and the certificate of compliance.  | FY 2014/15       |

### 5.3 Bid Evaluation Methods

#### Original Recommendation

PWGSC proposes to examine the feasibility of incorporating methods of supplier selection for contract awards that are not strictly based on lowest price, but could also consider best value as a determining factor. PWGSC proposes to work with government departments to ensure the evaluations of value-added services are measurable, attainable and realistic.

#### Relevant Feedback

|   |   |  |
|---|---|--|
| <b>TOPIC</b>  | Incorporate methods of supplier selection for contract awards that are not strictly based on lowest price, but also consider best value as a determining factor.  |  |
| <b>GOVERNMENT DEPARTMENTS</b>   | <b>SUPPLIERS</b>  |  |
| <p>85% (11/13 respondents to the question) observe issues with the product quality or supplier performance resulting from awards where PWGSC uses the lowest price, compliant bid selection methodology.</p> <p>Suggestions from respondents on ways to manage or correct these issues include:</p> <ul style="list-style-type: none"> <li>▪ Ensuring a bid evaluation criteria of best value and not lowest price;</li> <li>▪ Ensuring a bid evaluation criteria for product quality and warranty/guarantee;</li> <li>▪ Ensuring a bid evaluation criteria related to product quality and respect for contract conditions, such as delivery timeframes, on past contracts for similar products with government departments;</li> <li>▪ Continuously testing products for quality assurance testing of products and consequences if the quality diminishes;</li> <li>▪ Facing consequences when a supplier does not meet delivery timeframe as set out in the contract.</li> </ul> <p>Identified value-added services that are associated with suppliers are:</p> <ul style="list-style-type: none"> <li>▪ Innovative approaches;</li> <li>▪ Product improvement capability during contract implementation;</li> <li>▪ Replacement pieces for material/workmanship defects in uniforms;</li> <li>▪ Quality of components such as zippers and thread;</li> <li>▪ Inventory management;</li> <li>▪ A work plan, a contingency plan, experience of the project manager and quality assurance. Evaluate through bid evaluation criteria; and</li> </ul> | <p>60% (40/67 respondents to the question) feel that the evaluation criteria and methodologies are too restrictive. Their comments include:</p> <ul style="list-style-type: none"> <li>▪ Perception that contracts are awarded based on lowest price instead of balanced cost and overall quality;</li> <li>▪ Some opposition to “Made in Canada” requirements, whereby suppliers must have garments woven in Canada; and</li> <li>▪ Perception that suppliers outside the NCA are occasionally not selected because of their higher shipping costs despite their opinion that they offer better overall value.</li> </ul> <p>Difficulties experienced by suppliers on account of evaluation criteria and methodologies that are too restrictive include:</p> <ul style="list-style-type: none"> <li>▪ Restrictive response timeframes - suggestion to increase timeframes to allow time to produce sampling requirements;</li> <li>▪ Few SME-identified respondents indicate that RFQs and RFPs require too much resources, time, and they do not have the same number of resources as larger firms to be able to respond to complex requirements;</li> <li>▪ Some respondents oppose “Made in Canada” requirements which garments must be woven in Canada. This requirement puts undue constraints on production capabilities and overall revenue streams;</li> <li>▪ Few respondents said that the evaluation criteria and methodology requirement criteria should be tempered and/or adjusted to the severity and/or simplicity of the specific requirement; and</li> <li>▪ Small number of respondents expressed the general perception that requirements are too</li> </ul> |  |

| GOVERNMENT DEPARTMENTS   | SUPPLIERS  |
|--|--|
| <ul style="list-style-type: none"> <li>▪ ISO certification.</li> </ul> | <p>restrictive with a focus on price versus overall quality.</p> <p>Identified value-added services proposed as beneficial are:</p> <ul style="list-style-type: none"> <li>▪ Product follow up, such as maintenance, repair, upgrades, modifications and alteration;</li> <li>▪ Preference given to “Made in Canada” products;</li> <li>▪ Having research and development capabilities;</li> <li>▪ Design capabilities;</li> <li>▪ Made to measure capabilities;</li> <li>▪ Quick turnaround/flexibility in delivery/production capabilities;</li> <li>▪ Life expectancy of the garment (to be weighted on the pricing submission); and</li> <li>▪ Supplier track record rated against specific criteria in the solicitation and the track record includes: <ul style="list-style-type: none"> <li>• Meeting all quality/delivery requirements;</li> <li>• Percentage of “off quality” product within expected limits;</li> <li>• Capacity to hold inventory;</li> <li>• Response to changing requirements;</li> <li>• References and testimonials;</li> <li>• Ability to adjust delivery schedules to accommodate special or critical requirements;</li> <li>• Ability and experience with the specific goods;</li> <li>• Ability and experience to meet specifications; and</li> <li>• Ability and experience reading and interpreting item specifications.</li> </ul> </li> </ul> |

**OUTCOME**

In general, government department and supplier respondents felt that the suppliers’ abilities to meet performance standards of orders from government departments would better result from balancing lowest price with best value bids.

## New Strategic Direction and Implementation Plan

| <b>Direction For Fiscal Years 2013/14 Through 2017/18 Inclusive</b>  |                  |
|--|------------------|
| PWGSC will include methods of supplier selection for contract awards that are not strictly based on lowest price, but also on best value. This means including point-rated criteria, where selection of supplier takes into consideration the quality of goods/services, price or a combination of both requirements. In other words, a contract will not be awarded solely based on the lowest priced supplier, who meets mandatory qualifications. PWGSC will work with government departments to ensure best value, which includes value-added services e.g. client service, warehousing or distribution services although each solicitation will be individually assessed. |                  |
| <b>Activity</b>  | <b>Timeframe</b> |
| PWGSC will identify which value-added services are in demand by government departments and which ones suppliers can provide.   | FY 2013/14       |
| PWGSC will meet and work with government departments to determine which value-added services and/or innovation may be effectively incorporated into appropriate bid solicitations.   | FY 2013/14       |

## 5.4 Communication

### Original Recommendation

It is proposed that a communication process be formalized between PWGSC, industry and government departments to facilitate collecting feedback and sharing information on the procurement process for clothing and textiles.

### Relevant Feedback

|   |  |  |
|---|--|--|
| <b>TOPIC</b>  | Communication among PWGSC, industry and government departments.  |  |
| <b>GOVERNMENT DEPARTMENTS</b>   | <b>SUPPLIERS</b>   |  |
| <p>50% of respondents indicate communication tools are sufficient.</p> <p>Suggestions made by respondents to improve communication amongst PWGSC and government department include:</p> <ul style="list-style-type: none"> <li>▪ Have meetings between PWGSC and government departmental procurement officers;</li> <li>▪ Coordinate planning between PWGSC and government departments to understand workload and priorities;</li> <li>▪ Have regular meetings involving government department, PWGSC and industry at working level;</li> <li>▪ Establish direct communication with the fewest intermediaries;</li> <li>▪ Use general email accounts and contact lists;</li> <li>▪ Improve the SOI website; and</li> <li>▪ Use Buyandsell.gc.ca.</li> </ul> | <p>56% (37/66 respondents to the question) indicate that current communication tools and processes are sufficient.</p> <p>Suggestions made by respondents to improve communication between PWGSC and suppliers include:</p> <ul style="list-style-type: none"> <li>▪ More accurate description of product requirements by including accurate pictures and/or detailed drawings, accurate reference colours and better descriptions of products to ensure both government department and supplier have a better understanding of their respective needs and capabilities;</li> <li>▪ Government interaction on improving its response time on e-mails and phone calls; and participating by PWGSC in exhibitions and special events;</li> <li>▪ Bidding opportunity notifications should not only be posted on the Government Electronic Tendering Service but also be sent by e-mail directly to registered suppliers;</li> <li>▪ Federal Identity Program Logos (FIP) - 1 respondent requested better access to Government FIP logos as this supplier mentioned that some departmental personnel were under the impression that departmental logos/names could not be "released" to the private sector even under contract; and</li> <li>▪ Direct supplier-client meetings - in person meetings between suppliers and PWGSC procurement officials.</li> </ul> |  |
| <b>OUTCOME</b>  |  |  |
| In general, government department and supplier respondents felt that communication could be improved among PWGSC, government departments and suppliers.   |  |  |

## New Strategic Direction and Implementation Plan

| <b>Direction For Fiscal Years 2013/14 Through 2017/18 Inclusive</b>  |                        |
|--|------------------------|
| PWGSC will implement a formal communication process amongst PWGSC, industry and government departments to facilitate collecting feedback and sharing information on the procurement process for clothing and textiles. The primary tool for communication will be Buyandsell.gc.ca.  |                        |
| <b>Activity</b>  | <b>Timeframe</b>       |
| PWGSC and government departments will improve the descriptions of goods required by including information such as accurate detailed drawings, pictures, and reference colours.   | Starting<br>FY 2013/14 |
| PWGSC will promote the use of the Clothing and Textiles Division's general email account. Buyandsell.gc.ca will be one communication method.   | Starting<br>FY 2013/14 |
| PWGSC will participate in site visits, fairs and trade shows to stay current with clothing and textiles.   | Starting<br>FY 2014/15 |
| The Clothing and Textiles Division of PWGSC will research and if feasible, with the Office of Small and Medium Enterprises and Strategic Engagement (OSME-SE), will create a clothing and textiles section accessible to both government departments and suppliers on Buyandsell.gc.ca. Within this clothing and textiles section, links to Buyandsell.gc.ca material relevant to clothing and textiles, such as specific references in the supply manual and information on recent contracts and commercial agreements, could be presented. | FY 2015/16             |
| PWGSC will share expertise on innovations regarding new textiles including environmental leadership on Buyandsell.gc.ca  | FY 2015/16             |

## 5.5 Vendor (Supplier) Performance

### Original Recommendation

In an effort to improve supplier performance, PWGSC proposes the following:

- Consideration of past performance and experience of suppliers during the bid evaluation process. PWGSC will reference information regarding the supplier's history recorded in PWGSC's Vendor Information Management (VIM) System;
- Enhanced emphasis to be placed on monitoring supplier performance post contract award to ensure suppliers are adhering to all contractual terms and conditions. This includes the validation that pre-production and production samples match pre-award bid submission samples and mandatory requirements (e.g. verification of actual Canadian content); and
- Introduction of the requirement for suppliers to demonstrate a Quality Management system over the 5-year life of the National Goods and Services Procurement Strategy for Clothing and Textiles.

### Relevant Feedback

| TOPIC   | Process to improve how to monitor and measure supplier performance.   |  |
|---|---|--|
| GOVERNMENT DEPARTMENTS  | SUPPLIERS   |  |
| <p>Government department respondents indicate that the new Vendor Performance Policy should address poor performance from suppliers.</p> <p>93% (13/14 respondents to the question) support introducing the requirement for suppliers to demonstrate a Quality Management System within the 5-year life of the National Goods and Services Procurement Strategy for Clothing and Textiles.</p> <p>A few respondents feel that Quality Management system requirements should follow industry standards and not be a barrier.</p> <p>1 respondent indicates specifications and samples are sufficient and a Quality Management system would result in delays and increased costs.</p> | <p>Many respondents support the actions identified in the Section 9.5, Vendor Performance of the Proposed National Procurement Strategy for Clothing and Textiles.</p> <p>To address poor performance, suppliers recommend:</p> <ul style="list-style-type: none"> <li>▪ Setting criteria to ensure performance expectations are understood and those criteria include: <ul style="list-style-type: none"> <li>• Delivery performance (on time);</li> <li>• Effective supply-chain management;</li> <li>• Adherence to the specifications; and</li> <li>• Performance and quality of garments.</li> </ul> </li> <li>▪ Establish penalties such as: <ul style="list-style-type: none"> <li>• Writing a statement of where the supplier needs to improve and then establishing improvements that have been met;</li> <li>• Taking into consideration past performance when evaluating bids;</li> <li>• Outlining a certain performance standard to be reached by vendors in order to qualify for bidding consideration;</li> <li>• Temporarily suspend supplier (1-5 year ban on bid submissions);</li> <li>• Using a three strike program (as suggested by some suppliers); and</li> <li>• Terminating contracts by the Government of Canada (GoC) and having suppliers</li> </ul> </li> </ul> |  |

| GOVERNMENT DEPARTMENTS  | SUPPLIERS  |
|---|--|
|   | <p>reimburse the GoC for errors and omissions.</p> <p>Identified quality management processes include:</p> <ul style="list-style-type: none"> <li>▪ Goods are checked/visually inspected before shipping;</li> <li>▪ Quality control and quality management steps are built in to the process; and</li> <li>▪ Quality certifications.</li> </ul> <p>Suggested effective mechanisms to ensure quality management include:</p> <ul style="list-style-type: none"> <li>▪ ISO or AQAP certifications;</li> <li>▪ Provide samples;</li> <li>▪ Obtain feedback from the government department;</li> <li>▪ Provide warranties on products;</li> <li>▪ Employ a customer service representative to deal solely with federal government procurement;</li> <li>▪ Site visits;</li> <li>▪ Employee quality management training; and</li> <li>▪ Spot checks and audits.</li> </ul> |
| OUTCOME   |  |
| <p>In general, government department and supplier respondents support the new Vendor Performance Corrective Measure Policy.</p> |  |

### **New Strategic Direction and Implementation Plan**

| <b>Direction For Fiscal Years 2013/14 Through 2017/18 Inclusive</b>  |                   |
|--|-------------------|
| <p>PWGSC will:</p> <ul style="list-style-type: none"> <li>▪ Continue to monitor supplier performance post contract award to ensure suppliers adhere to all contractual terms and conditions. There will be the validation that pre-production and production samples match pre-award bid submission samples and mandatory requirements, such as, verification of actual Canadian content.</li> <li>▪ Introduce the requirement for suppliers to demonstrate a quality management system for more complex, larger dollar-value requirements over the 5-year life of this National Goods and Services Procurement Strategy.</li> </ul> |                   |
| <b>Activity</b>  | <b>Timeframe</b>  |
| <p>PWGSC will meet with government departments to determine and implement acceptable evaluation criteria to measure quality control.</p>   | <p>FY 2014/15</p> |
| <p>PWGSC will introduce into complex, high dollar-value solicitations requirement for suppliers to demonstrate a quality management system.</p>  | <p>FY 2016/17</p> |

## 5.6 Environmental Considerations

### Original Recommendation

PWGSC proposes to continue incorporating on an incremental basis, appropriate and consistent environmental considerations in the procurement process. Therefore, PWGSC proposes to demonstrate environmental leadership by influencing suppliers and government departments to use environmentally preferable goods, services and processes while striving for the optimal balance of government department requirements, supplier capacity and ensuring value to Canadians. Two key steps are:

- Developing and subsequent publishing of PWGSC's strategic environmental direction through its Green Procurement Plan's scorecard; and
- Providing government departments the flexibility to introduce greening requirements into their solicitations.

### **Relevant Feedback**

|   |  |  |
|---|--|--|
| <b>TOPIC</b>  | Environmental considerations   |  |
| <b>GOVERNMENT DEPARTMENTS</b>   | <b>SUPPLIERS</b>   |  |
| <p>All respondents indicate environmental considerations are clear and complete.</p> <p>Other environmental considerations include:</p> <ul style="list-style-type: none"> <li>▪ Environmentally-preferred methods to dispose of discontinued / surplus clothing and textiles;</li> <li>▪ Less packaging;</li> <li>▪ Fewer deliveries;</li> <li>▪ Environmental Management System (EMS) certified with the ISO 14001 Standard;</li> <li>▪ Electronic invoicing; and</li> <li>▪ Goods with modular components that could be replaced as required.</li> </ul> | <p>81% (47/58 respondents to the question) indicate environmental considerations are clear and complete.</p> |  |
| <b>OUTCOME</b>  |  |  |
| <p>In general, government department and supplier respondents indicate that environmental considerations are clear and complete.</p>  |  |  |

### New Strategic Direction and Implementation Plan

|  |
|--|
| <b>Direction For Fiscal Years 2013/14 Through 2017/18 Inclusive</b>  |
| <p>PWGSC will continue to incorporate on an incremental basis, appropriate and consistent environmental considerations in the procurement process for clothing and textiles by:</p> <ul style="list-style-type: none"> <li>▪ Demonstrating environmental leadership of influencing suppliers and government departments to use environmentally preferable goods, services and processes while striving for the optimal balance of government department requirements, supplier capacity and ensuring value to Canadians;</li> <li>▪ Integrating its strategic environmental direction for clothing and textiles through a Green</li> </ul> |

Procurement Plan scorecard and publishing and updating it at: <http://www.tpsgc-pwgsc.gc.ca/app-acq/ae-gp/paer-cgpp-eng.html>; and

- Providing government departments the flexibility to introduce greening requirements into their solicitations through green point-rated criteria.

| Activity   | Timeframe  |
|--|------------|
| PWGSC will determine the environmental considerations that exist in the clothing and textile industry.   | FY 2013/14 |
| PWGSC will develop standardized bid evaluation criteria for more complex requirements to ensure environmental considerations are evaluated. Included in this will be examining methods of disposal/recycling of clothing and textiles. | FY 2014/15 |
| PWGSC will implement electronic invoicing.   | FY 2014/15 |
| PWGSC will inform government departments about environmentally preferred products and packaging on Buyandsell.gc.ca.   | FY 2015/16 |