



Serving
GOVERNMENT,
Serving
CANADIANS.

Government of Canada

Integrity Regime – 2016-17 Interim Report



TABLE OF CONTENTS

What the Integrity Regime does 3

Application of the Integrity Regime across the Government of Canada..... 3

How Public Services and Procurement Canada responds to integrity verification requests..... 3

Resources and support available for the Regime 4

Determinations of ineligibility..... 4

Revisions to the *Ineligibility and Suspension Policy* and integrity provisions 4

Continued stakeholder engagement and outreach 5

 Supplier outreach 5

 Industry association engagement..... 5

 Regional activities 5

 Civil society and international engagement..... 5

 Third party engagement 5

Performance indicators for the Regime..... 6

Future reporting for the Regime..... 6

This report focuses on the implementation and administration of the Government of Canada's Integrity Regime for the period of April 1, 2016 to November 30, 2016. This report highlights the key activities and achievements of the Regime for the listed period, as well as the work underway to support ongoing enhancements.

WHAT THE INTEGRITY REGIME DOES

The Government of Canada is committed to open, fair and transparent contracts and real property agreements. A strong government-wide Integrity Regime has been put in place to ensure that the government conducts business with ethical suppliers in Canada and abroad.

Introduced in 2015, the Integrity Regime is a key element of the Government of Canada's framework to support accountability and integrity in procurement and real property transactions. The Integrity Regime aims to reduce the risk of the Government of Canada entering into contracts or real property agreements with unethical suppliers, and to foster ethical business practices, ensure due process for suppliers, and uphold the public trust in the procurement process.

The Integrity Regime consists of:

- the [Ineligibility and Suspension Policy](#)
- any [directives](#) issued further to the *Policy*
- any [clauses](#) used in instruments relating to contracts

APPLICATION OF THE INTEGRITY REGIME ACROSS THE GOVERNMENT OF CANADA

The Integrity Regime is centrally administered by Public Services and Procurement Canada (PSPC) through bilateral Memoranda of Understanding (MOU).

To date, 77 MOUs have been signed by federal organizations for the provision of integrity verification services, including two crown corporations. Only three federal organizations required to adopt the Regime have yet to sign a MOU.

Revised MOUs were drafted and distributed across departments to reflect the April 2016 Integrity Regime updates. At this time, all but 15 signatory departments and agencies have signed the revised MOUs.

Work is also underway to engage crown corporations and agents of Parliament to voluntarily opt-in to the Regime. Heads of crown corporations and portfolio departments have been sent a letter from PSPC Associate Deputy Minister to individually encourage the application of the Integrity Regime to their organizations. Outreach and engagement efforts to facilitate the participation of the crown corporations in the Regime are ongoing.

HOW PUBLIC SERVICES AND PROCUREMENT CANADA RESPONDS TO INTEGRITY VERIFICATION REQUESTS

In September 2015, the integrity database services portal was launched, which simplified the process for submitting an integrity verification request to PSPC. To date, since the inception of the portal, a total of 148,289 integrity verifications have been conducted, with 54,139 completed since April 2016.

On October 3, 2016, the final version of the integrity verification portal was launched, with all modules operationally deployed. This enhanced version of the system provides a centralized point of access for procurement officers to submit integrity verification requests and communicate directly with the integrity database team.

Notable statistics for the operation of the integrity verification portal include:

- 98.3% of requests are actioned within four hours
- 2,491 procurement officers government-wide are using the portal
- 40,794 searchable vendors are listed within the portal
- the option is available for emergency verification responses within 30 minutes

Within the last year, fast-track processes were also put into place to assist in the issuing of emergency contracts related to the Syrian refugee crisis and Fort McMurray fires, demonstrating the adaptability and responsiveness of the verification process.

RESOURCES AND SUPPORT AVAILABLE FOR THE REGIME

[Directives](#) continue to be issued that address emerging issues, and [information bulletins](#) continue to be developed that provide greater clarity and guidance for clients and stakeholders on the operation of the Regime. To date, five directives and ten information bulletins have been issued, all of which are available on the public Integrity Regime website.

There has been a consistent demand from client organizations for demonstration sessions for the integrity verification portal, and these sessions continue to be offered. To date, over 78 portal demonstrations were conducted to over 961 employees, government-wide.

A toll free phone line (1-844-705-2084) and a generic email inbox (PWGSC.O.integrity-TPSGC.O.integrite@pwgsc-tpsgc.gc.ca) are also available to clients that have questions regarding the Integrity Regime. Over 121 calls have been fielded on the toll free line, and over 347 emails have been responded to via the generic email inbox.

DETERMINATIONS OF INELIGIBILITY

Since the introduction of the Integrity Regime, 85 determinations of ineligibility have been conducted. One company has entered into an administrative agreement, one company has been suspended, and three companies have been rendered ineligible under the Regime. The list of suppliers who have entered into an [administrative agreement](#) and the [ineligibility and suspension list](#) are both publicly available on the Integrity Regime website.

REVISIONS TO THE *INELIGIBILITY AND SUSPENSION POLICY* AND INTEGRITY PROVISIONS

On April 4, 2016, a revised version of the [Ineligibility and Suspension Policy](#) and [integrity provisions](#) were released. The Integrity Regime itself has not changed, but the revised policy provides additional detail on elements of the Regime in plain language, and the integrity provisions have now been streamlined to incorporate the *Policy* by reference into the solicitation documents and resulting contracts and real property agreements.

Reaction to the revised *Policy* and provisions has generally been positive, as it has reduced redundancy and inconsistencies between some of the documentation, while providing greater clarity to elements of the Regime for stakeholders.

CONTINUED STAKEHOLDER ENGAGEMENT AND OUTREACH

PSPC continues to actively engage with other government departments, suppliers, industry associations, third party service providers and civil society organizations to ensure that the Integrity Regime is well-understood and consistently applied.

Supplier outreach

PSPC continues to work with the Office of Small and Medium Enterprises to engage the supplier community and participate in regional supplier events. Engagement activities undertaken with suppliers have included:

- hosting national webinars to provide supplier-focused information on the Integrity Regime
- participation in government to business information fairs and workshops
- panel discussions and information booths at the Small Business Information Expo
- ongoing in-person meetings with small and medium-sized enterprises across Canada

Industry association engagement

By November 2016, seven engagement sessions were held with the industry association engagement group on the Integrity Regime, which is comprised of ten industry associations and serves as a forum to present and clarify elements of the Regime, and solicit feedback on key implementation issues. A subgroup of the industry association engagement group met twice over the summer to discuss administrative challenges suppliers are experiencing.

Regional activities

PSPC representatives continue to meet with regional executive groups across the country to provide information on the Integrity Regime. Over the fall, representatives met with Ontario region and Western region, with engagement sessions scheduled with Quebec, Pacific and Atlantic regions into the new year.

Civil society and international engagement

Representatives from PSPC have participated in several civil society and international meetings, including notably:

- participation as a panelist at the Organisation for Economic Co-operation and Development (OECD) Public Governance Committee's Symposium on "Building Integrity for Inclusive Growth" event
- participation in a series of discussions on the detection and prevention of fraud and corruption in public procurement with United States Government officials and the World Bank's Integrity Vice-Presidency, in Washington
- participation in Transparency International (TI) Canada Day of Dialogue and TI Canada Vancouver events on integrity and anti-corruption

Third party engagement

PSPC has participated in a number of speaking events and meetings held by professional firms across Canada over the last year, and continues to engage with third party stakeholders.

PERFORMANCE INDICATORS FOR THE REGIME

The development of performance indicators to demonstrate the operational and organizational effectiveness of the Integrity Regime are a priority.

As noted above, one performance indicator currently in effect is the processing time of a verification request, which shows that 98.3% of verification requests in the portal are actioned within four hours. A performance measurement strategy is in the early stages of development to create additional indicators for the Regime.

This fall, client organizations were provided with satisfaction surveys as an opportunity to provide feedback on the integrity database services. Surveys are also provided to participants to solicit feedback on the portal demonstration sessions. The information compiled will be used to inform improvements to the system to ensure that the clients using the services are well-supported.

FUTURE REPORTING FOR THE REGIME

Regular reporting on the activities and achievements of the Integrity Regime will be ongoing, in order to foster continued transparency and accountability.