



## Opinion: Bold government procurement policies can help companies recover from crisis

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The term “government procurement” usually means complex processes, red tape, long delays and high costs.

The COVID-19 pandemic is changing this – and fast. Dramatic increases in global demand for crucial products such as personal protective equipment (PPE) for front-line health care workers have overwhelmed supply chains and created distressing shortages.

In response, governments have streamlined previously complex procedures and many of our country’s entrepreneurs have been able to pivot their business to produce “Made in Canada” PPE such as hand sanitizer, testing kits and ventilators. Their action produced pride and hope.

None of this would have been possible unless our procurement officials across Canada had not innovated as well. What they achieved in weeks is akin to launching a supply chain into a war-zone. Traditional government procurement policy and rules of engagement were replaced by decisive action. In the words of Public Services and Procurement Minister Anita Anand: “This is procurement like it has never been done before. This is not business as usual. This is urgent. This is aggressive.”

Canada is facing two crises right now: the urgent public health crisis and the risks resulting from an expected global economic slowdown. As we look to minimize economic risk, imagine the positive impact of government continuing with the “procurement like it has never been done before” mindset. It would provide economic stimulus to what was previously one of Canada’s fastest growing sectors – technology.

Procurement is one of the biggest and possibly most underrated levers of government, the largest purchaser of goods and services in Canada. Imagine a “new normal” of agile government procurement that integrates cutting-edge innovations into the delivery of public services. That’s the big question: Can Canada use procurement to fuel innovation? Can we empower our most capable innovators to help public servants to find fast and reliable solutions to some of our most challenging problems?

Innovative and agile procurement is not entirely new to Canada. The Build in Canada Innovation Program (BCIP) awarded more than 300 contracts to purchase \$132-million of products and services from Canadian innovators between 2010 and 2018. What was special about the program was that it enabled front-line organizations who best understood the problems to make decisions and purchase solutions from approved vendors.

Traditional government procurement has meant that Canada's most promising technology start-ups and growth companies don't even bother bidding for contracts. They can't afford to bid because the process is too costly, lengthy and unpredictable. Canada's former chief information officer, Alex Benay, was quoted as saying that "it takes three years to create the project requirements and two years to buy the solution."

With billions budgeted to spend on technology to modernize all levels of our government over the next few years, an agile procurement partnership and supply chain will go a long way. It could be the difference between our Canadian innovators and small- and medium-sized enterprises (SME) thriving or struggling. And Canadians would benefit from mobile access to their government.

Government can support the SME technology community by being a smart, prudent customer. Government customers – be they municipal, provincial or federal – provide SMEs with experience and credibility to win other contracts in the \$3.5-trillion global public sector IT market.

The Canadian government has stepped up during the pandemic as never before. As we emerge from the crisis, our economic recovery would benefit sizeably from procurement processes that:

- **Define problems, not solutions:** Change the legacy procurement strategy to empower the problem-solving capacity of the technology sector;
- **Create a joint government-industry marketplace:** Establish a standardized process where government can more easily engage with qualified vendors who specialize in solving the sorts of problems they face; and
- **Leverage our innovation infrastructure:** Procure commercialized innovations through open competitions focused on solving defined problems and using our existing government entrepreneurship and innovation infrastructure in communities across Canada.

Let's continue down this bold path. This crisis creates the conditions for powerful change. Economic recovery of our technology sector can be accelerated by the efforts led by the Ministers of Digital Government, ISED and Procurement. Each has the mandate to drive such change. An approach coordinated by all three ministries is exactly what will advance Canada, buy what we need, and do so in a way that creates jobs and opportunity across the country.

*Angela Mondou is the CEO of TECHNATION and was previously a United Nations logistics officer. Colin Deacon is a member of the Senate of Canada and spent more than 20 years as an entrepreneur.*