# Contracting for IT shared services

## The Government of Canada is ready to do business with industry partners

**M**ARCH 4, 2008. AT what seemed the crack of dawn during one of Ottawa's snowiest mornings, Steven Poole, CEO of the Information Technology Service Branch at PWGSC, took the podium to address a packed room on the federal government's journey towards a shared services environment for IT services.

In its write up for the speaking engagement, OCRI – the Ottawa-based organization that sponsored the event – said, "IT Shared Services (ITSS) is recognized as an opportunity for the Government of Canada to create efficiencies and improve interoperability across departments and as a means of delivering programs and services to Canadians. Moving from concept to reality is a challenge, one that requires consultation, cooperation and collaboration with government departments, IT professionals and industry. It involves determining the priorities, the needs of the government and the products or services that can best be delivered in a shared services environment to create economies of scale. Four key areas have been identified where, through industry collaboration, there are opportunities for real savings and efficiency gains – network services, data centre services, distributed computing environment and IT security services." Steven Poole elaborated on the government's progress to date and its plans for the future.

First and foremost he believes that the federal government is on the right track. When they get there seems not to be particularly important to Poole – what is important is that the government continue to take steps in what he sees as the right direction. What he is looking for in consultation with industry is how they get there, saying, "there is a lot of devil in the details." He says the changes being made "need industry support."

IT is pervasive throughout government, with each department typically spending a significant amount of its budget and staff time on its IT, rather than being able to focus on their core program delivery. According to Poole, IT should be just like any other utility – heat, light, power; you come in and expect it to be there and ready to use when you need it. It can be a service you do not need to provide yourself for yourself.

To offer a reliable and robust shared service, the IT infrastructure needs to be consolidated and staff needs to be found to manage and support it. The news that there are now as many people over 40 as under 40 was resonating in the room because most there knew that fewer young people are choosing to look at IT core infrastructure as a potential career. IT Shared Services is developing a "workplace of choice" program that will make that career more appealing and an HR strategy and opportunities framework has been established and is supported by the Professional Institute of the Public Service of Canada.

IT Shared Services will work on a cost recovery basis encouraging federal departments to take up their services. ITSS has developed a product and service catalogue, but ordering online is not yet possible. It has developed a strong governance program and will have a transparent pricing policy. Management board members will actively support the shared service through their influence and ability to "speak" for their department.

The government spends a lot of money with industry in the four key areas being targeted for consolidation and delivery:
- $55M on distributed computing;
- $195M on telecom;
- $110M on data centre services; and
- $100M on IT security services.

Consolidating supply and demand in each of those areas will converge the current multiple contracts into four large ones. Through its contracting strategy, the government has issued RFIs, which are currently being evaluated, and will eventually issue the RPFs. Its intent is to work with one industry partner in each of those areas and to issue long-term contracts – 15 to 20 years. According to Poole, efficiencies lie in integration and consolidation and the ability to be more flexible as the IT world changes. The success of the long-term contracts lies in relationship management. Naturally the plan to work with only 4 industry partners raised the question of where small business fits in. Poole says he thinks consortiums will be the answer, but is consulting with industry representatives. In response to some articulated scepticism about the nature of that "industry consultation," he stressed that he personally will meet with anyone and that he and his team are accessible and will listen. He says he does not want to dictate the solution for the federal government, but is looking to industry for ideas and innovative ways to keep moving forward step-by-step in a common sense manner.

Poole closed by saying that "once the RFPs have provided the capacity on demand at a good price," the take up by departments of the IT Shared Services package will be good. ⋀⋀