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Managing Supplier Relationships: *Turning the Private Sector's Capabilities into the Public Sector's Advantage*

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MANAGING SUPPLIER RELATIONSHIPS

Even if you are on the right track you get run over if you just sit there.

Will Rogers



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MANAGING SUPPLIER RELATIONSHIPS

OUTLINE

- **Client-Supplier Relationship**
- **Procurement Options**
- **Examples of Success**



PREREQUISITES FOR A SUCCESSFUL RELATIONSHIP

- Understanding (of the service requirement)
- Awareness (of private sector perspective)
- Sharing (of objectives)
- Expectation (of mutual success)



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MANAGING SUPPLIER RELATIONSHIPS

THE SUPPLIER'S REALITY

- Resource management
- Utilization/Chargeability
- Performance expectations
- Business changes
- Internal measures of success



**Client-Supplier
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MANAGING SUPPLIER RELATIONSHIPS

SUPPLIER CONTRACT IMPLEMENTATION





THE PUBLIC SECTOR CONTEXT

- Delivering your programs
- Policy compliance
- Managing suppliers
- Audit readiness
- Value for money



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ACHIEVING BEST VALUE

Capability, Capacity, Availability, \$

Get it Right!

- Lessons learned
- Scope of Services (Required Services)
- Evaluation criteria
- Evaluation weighting



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“The impact of low quality persists long after the satisfaction of low price”

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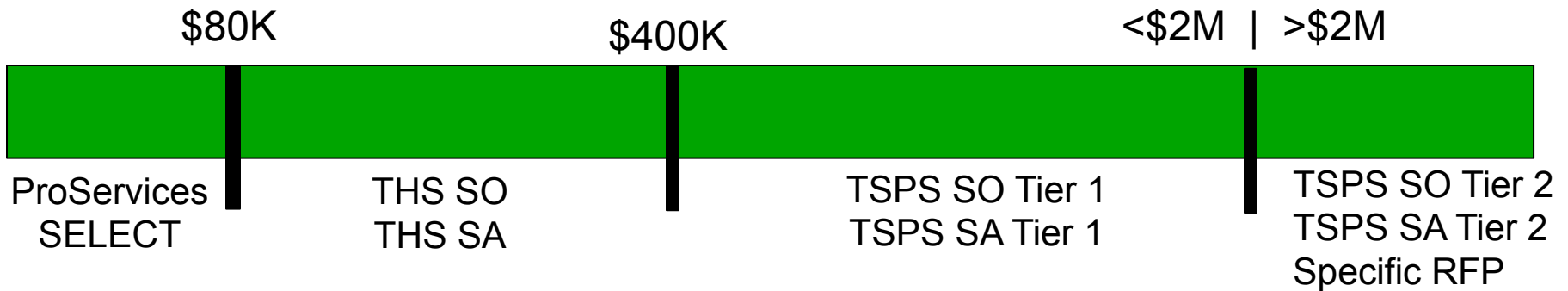
PROCUREMENT VEHICLES

- TSPS SA
- TSPS SO
- THS
- PROSERVICES
- SELECT
- GENERAL SA & SOA
- SET-ASIDES

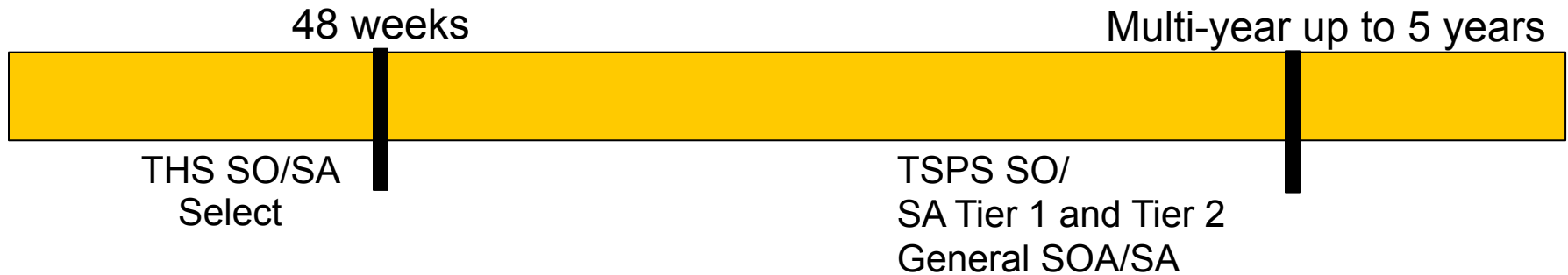
Choosing the right vehicle is prerequisite to success!

COMMON PROCUREMENT VEHICLES

Maximum Value



Maximum Duration



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TASK



Buying Capacity

- Activity based
- Defined responsibilities
- Defined deliverables
- Augment internal resources
- Temporary

vs

SOLUTION



Buying Capability

- Tangible deliverable
- Complete solution
- Risk carried by private sector
- Quality vs. quantity
- Long-term

CSC PRISONS PROGRAM

- \$751M construction program
- 45 new facilities and associated infrastructure
- Variable, long-term project management support
- National capacity and resource flexibility and access to respond to fluctuating supply and demand
- Partnership approach with CSC and PWGSC
- Procured through TSPS SA

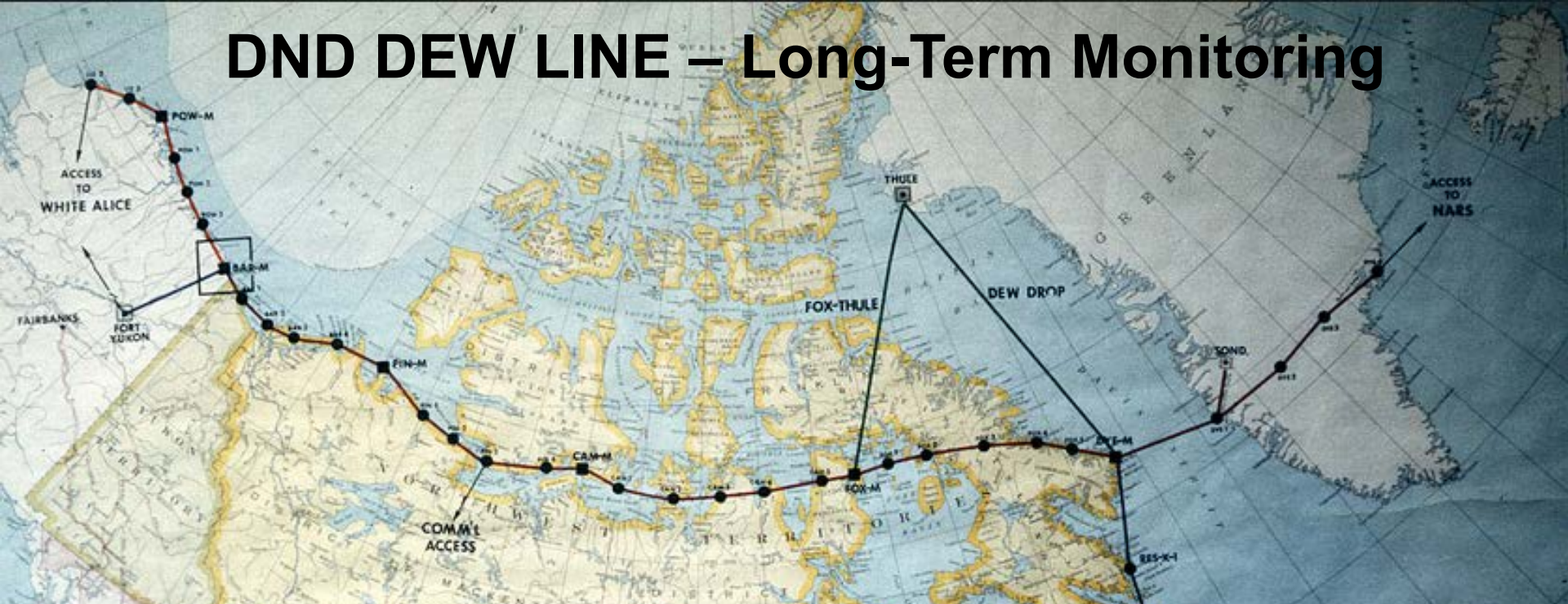


**Client-Supplier
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DND DEW LINE – Long-Term Monitoring



**Client-Supplier
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**Procurement
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MANAGING SUPPLIER RELATIONSHIPS



The totality of characteristics that bear on the project's ability to meet stated and implied needs.



CONCLUDING REMARKS

- Define purchasing requirement
 - Capacity and solution
 - Align procurement accordingly
- Include KPIs within the contract
- Allow and enable flexibility (on both sides)
- Communication
- Fire them!



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QUESTIONS?