

## Country case: Procurement Ombudsman in Canada

### Description

A Procurement Ombudsman was set up in 2008 to increase the effectiveness and transparency of business practices in relation to procurement. This was part of a series of reforms to implement the Federal Accountability Action Plan in order to help strengthen accountability and increase transparency and oversight in federal government operations.

### Objectives

The overall objective of the Office of the Procurement Ombudsman is to promote fairness, openness and transparency in federal government procurement. Its mandate and role are as follows:

1. Review departments' practices for acquiring materials and services to assess their fairness, openness and transparency and make any appropriate recommendations to the relevant department.
2. Review any complaint respecting the award of a contract for the acquisition of goods below the value of CAN 25,000 and services below the value of CAN 100,000, where the criteria of Canada's domestic Agreement on Internal Trade would apply but for the dollar thresholds.
3. Review any complaint respecting the administration of a contract for the acquisition of materials or services by a department or agency, regardless of dollar value.
4. Ensure an alternative dispute resolution process is provided, if all parties to the contract agree to participate.

### Implementation process

The Procurement Ombudsman was created through an amendment to the Department of Public Works and Government Services Act which established the Procurement Ombudsman's authority and activities. The associated Procurement Ombudsman Regulations, which provide specifics on how the Procurement Ombudsman's authority is to be exercised, were developed through a consultative process and pre-published in the Canada Gazette, Part I in December 2007. Comments from industry associations, government departments and the Procurement Ombudsman Designate were received and taken into consideration before being passed and the office became fully operational in May 2008. The Ombudsman reports directly to the Minister of Public Works and Government Services Canada (PWGSC), who is required to submit an annual report to Parliament. While the Office of the Procurement Ombudsman is a federally constituted independent organisation under the portfolio of the Minister of PWGSC, it has a government-wide mandate and operates horizontally in departments and agencies, including PWGSC.

Public Procurement  
Principle: **Accountability**

Procurement Stage:  
**All phases**

Audience: **Policy Maker,  
Procuring Entity, Private  
Sector**

### Impact and monitoring

Between May 2008 and March 2011, the Office of the Procurement Ombudsman: handled more than 1,200 inquiries and complaints and conducted 6 investigations into contract award issues; dealt with 21 requests for an alternative dispute resolution process for contractual disputes; and conducted 12 procurement practice reviews which involved 26 different federal government departments and agencies.

[A formative evaluation of the Office](#) was carried out which highlighted the following results:

1. The Office plays a crucial role in maintaining the credibility and fairness of the procurement process in the federal government.
2. The provision of alternative dispute resolution services by the Office has been able to facilitate settlement of a contractual dispute in almost all instances; the Office is seen by suppliers as an independent party to ensure fairness and avoid abuses in federal procurement as well as to help small businesses by acting as an impartial referee.
3. Not only does the Office help in providing independent investigation and restitution in matters arising from procurement and resolving issues so that the supplier does not have to engage a lawyer, it also enables suppliers to provide feedback on the procurement practices of federal departments for future improvements to the procurement process.

Source: OECD (2014), [“Compendium of Good Practices for Integrity in Public Procurement: Meeting of the Leading Practitioners in Procurement”](#), OECD, Paris.