



CS GROUP  
The Professional Institute of the Public Service of Canada  
**Contracting Out Report – Departmental Focus**  
2020

**Contracting Out of IT Work At  
Shared Services Canada**

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## The CS Group, Article 30 and the Contracting Out Action Team

The CS Group represents approximately 17,319 federal public sector Information Technology (IT) workers employed by the Treasury Board of Canada. There are CS members working in 62 federal departments, in every Canadian Embassy and supporting operational missions worldwide for the Department of National Defence and the Canadian Space Agency.

Information Technology has evolved in the workplace and is required to support all ranges of professions in today's society. The workings of the federal government and all Canadians rely on the systems and software that is researched, managed and maintained by CS members. CS members not only protect the systems but data that they hold as well. The scope and importance of CS work has grown at an exceptional rate; the same rate at which technology changes in our world today. CS members provide support services, architecture and application development, infrastructure operations, database and project management and creation of specialized systems. CS Group members can be found in a variety of places; from IT help desks to artificial intelligence business solutions initiatives.

**Table - Distribution of CS Members by Department – Departments with 300 or more CS employees as of March 31, 2018**

<b>Department/ Ministère</b>	
Shared Services Canada/ Services partagés Canada	<b>3,595</b>
National Defence/ Défense nationale	<b>1,904</b>
Employment and Social Development Canada/ Emploi et Développement social Canada	<b>1,454</b>
Statistics Canada/ Statistique Canada	<b>789</b>
Public Services and Procurement Canada/ Services publics et Approvisionnement Canada	<b>650</b>
Canada Border Services Agency/ Agence des services frontaliers du Canada	<b>624</b>
Global Affairs Canada/ Affaires mondiales Canada	<b>455</b>
Environment and Climate Change Canada/ Environnement et Changement climatique Canada	<b>378</b>
Health Canada/ Santé Canada	<b>371</b>
Correctional Service Canada/ Service correctionnel Canada	<b>352</b>
Innovation, Science and Economic Development Canada/ Innovation, Sciences et Développement économique Canada	<b>342</b>
Immigration, Refugees and Citizenship Canada/ Immigration, Réfugiés et Citoyenneté Canada	<b>327</b>
Fisheries and Oceans Canada/Pêches et Océans Canada	<b>300</b>

During the 2014 round of collective bargaining negotiations, PIPSC focused on improving some issues specific to the CS Group; outsourcing of public service work, the role of CS members to preserve institutional knowledge and skills in technological change and addressing the problem Departments were experiencing in recruiting and retaining qualified IT professionals. [Article 30](#) of the CS Group collective agreement, titled “Contracting Out”, was modified.

## The Contracting Out Action Team

In order to ensure that the new Article 30 language was being respected, the CS Group formed the Contracting Out Action Team (COAT). The COAT reviews every IT-related contract published by departments employing CS Group members. After reviewing and seeking information on whether or not the department followed the requirements of the collective agreement, the COAT decides whether or not a policy grievance should be placed against the Government with regards to each contract. Since launching in January 2018 through to September 2020, the team has looked at over 1850 service offers and contracts.

The PIPSC Computer Systems (CS) Group is working hard to enforce Article 30 of their collective agreement. This article stipulates that the employer must make a reasonable effort to use existing employees or hire new full-time or term employees as needed before contracting out work to private companies or consultants. Hiring consultants to complete government IT work has a high cost and contributes to the erosion of institutional memory. Unfortunately, despite the new collective agreement language, contracting out of important government work is still ongoing at almost all departments in flagrant disregard to Article 30.

The CS Group analyzed a total of 173 tenders or contracts of which 153 were questioned with emails asking the department to describe the reasonable effort that was carried out to respect the outsourcing provisions of the collective agreement.

## A refusal to disclose

The CS Group only received 27 responses out of the 153 inquiries, thus leading to a total of 135 grievances during this timeframe. From the responses that were received, Shared Services Canada stated the following reasons to contract out:

- no skill set in-house to carry out the work;
- there is a recruitment and retention issue within the field of CS work;
- the timeline to staff is too long to meet the deadlines of the work;
- the augmentation of staff with contractors is necessary; and
- the complexity of the staffing process.

Outsourcing means higher cost, lower quality services for Canadians – less transparency, less accountability, and the loss of institutional knowledge and skills. The SSC case study is a stark example of why Article 30 must be upheld.

# Lack of Training – Part of the Problem:

The lack of in-house skill set was the most frequent reason for contracting out. It is PIPSC's position that it is the responsibility of the department to ensure that proper, timely training is received by the CS members in order to meet not only the present requirements, but any future technological demands required to support public services. Investing in employees is a cost-effective way of ensuring institutional knowledge and skills are maintained and the department is able to keep up with the ever-changing demands of technology.

## **High cost of outsourced work**

Of the tenders and contracts examined, 14 had unknown cost values, 56 were described as tier 1 contracts (meaning the cost could be anywhere up to \$3.75 million each) and 12 were described as tier 2 (meaning the value is greater than \$3.75 million). The value of the remaining 80 contracts that we were able to find amongst these tenders totaled over **\$390 million**.

## **Recurring needs should be staffed with permanent positions, not contracted out**

Although 40% of the contracts were for a one year period, a significant number had renewal clauses included which could normally extend anywhere from one more year to up to six years. 20% of the contracts were for 4 to 5 year periods. A fair number of contracts had previously had an incumbent contractor doing the same work. One contract lasted ten years.

## **Far too many contracted out personnel**

779 contractors were sought out in these tenders during this timeframe, or 779 personnel resources. It's very evident that this high number shines a light on SSC's shortage of necessary IT staff to carry out requirements. The types of work most sought after by Shared Services Canada during this period were consultants, analysts, and security. Other types of CS work contracted out were architecture, project managers, programmers, administrative, help desk and web development.

## **Insufficient staffing efforts at SSC**

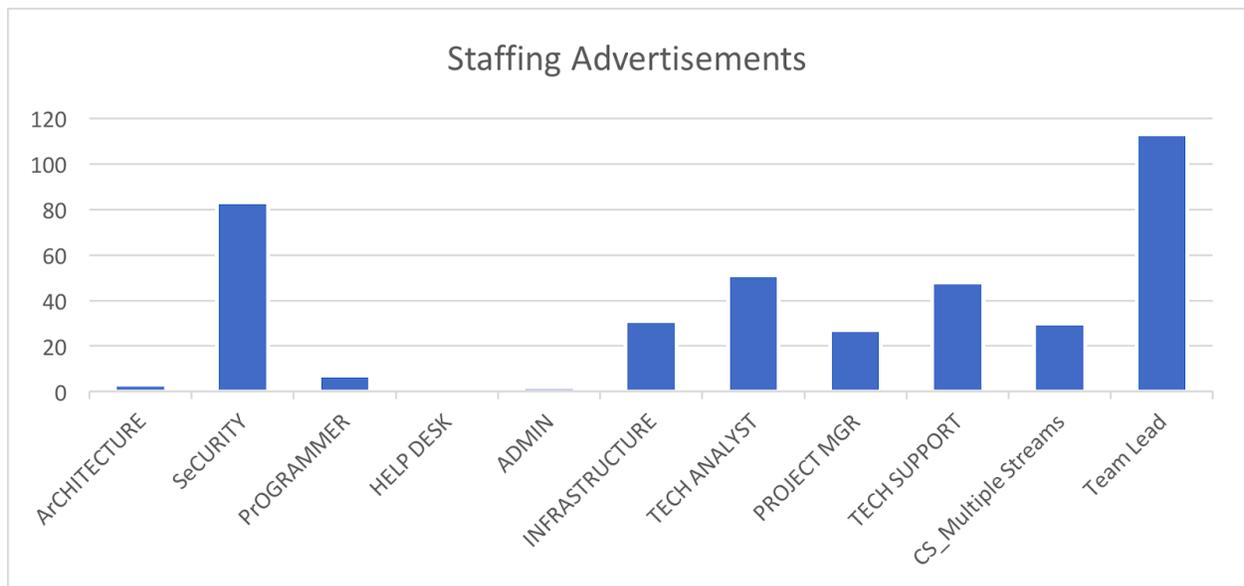
From November 2017 until March 2020, the amount and types of advertising to fill positions within Shared Services Canada were examined on the Government of Canada job site.

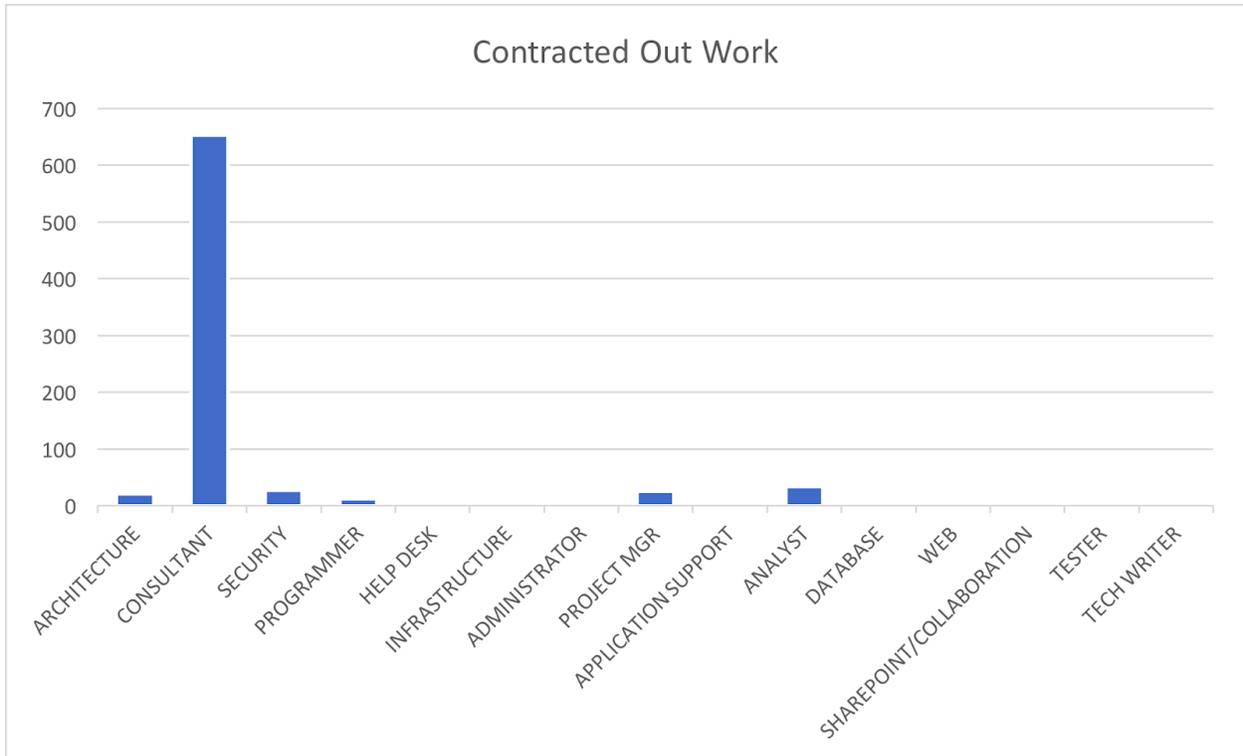
During this timeframe, Shared Services Canada advertised 52 times seeking approximately 389 contracted out personnel in security, infrastructure, technical support, analysts, project managers, help desk and network administration, as well as team leads.

74% of these advertisements were for the CS-02 and CS-03 levels. A large number of the advertisements stated that Shared Services Canada would create a pool of candidates for future use. Although PIPSC is pleased to see that over 50% of the advertisements were advertised to the public, it is still clear that the department is not looking at staffing with regular

permanent or term positions in order to reduce the number of contracted resources and ensure that public service professionals are carrying out the ongoing and recurring work required by SSC.

Unfortunately, the following charts based on the data tables, cannot give us a clear picture of whether attempts were made to staff jobs with permanent or term employees rather than contract out. This is mostly due to the fact that over 80% of SSC's contracted resources were placed under the consultant category --there are no jobs under the public service that are under this title. The consultant category contains a huge range of skill sets and tasks which cannot be measured against public service job descriptions. PIPSC sees the volume of contracted resources that are constantly working for the department as too high. There were 779 contractors during this period while there were only 389 permanent and term job offers.





## The collective agreement must be upheld

PIPSC is very disappointed in the lack of responses to our inquiries. The sheer amount of grievances filed due to no response from Shared Services Canada is very high and causes unnecessary work for both PIPSC and the Treasury Board of Canada Secretariat (TBS).

PIPSC recognizes that Shared Services Canada is a department that would need to ensure new technology is always being embraced, explored and utilized. Most of the time, in order to accomplish this, contracting out is necessary to integrate the skill set necessary to achieve this. Unfortunately, the data shows a clear picture of certain types of work that should be completed by public service professionals is contracted out. One example is the work involving the security of IT systems and the information that it houses. This work should be carried out by public servants. The work is not temporary in nature, it is of high importance, and, if there were a security breach, public service professionals could be held responsible, rather than a contractor who cannot be held accountable.

Although this report does not look at training, PIPSC sees Shared Services Canada as a department that should be training their employees in order to meet the future demands of the government. This may help to reduce its reliance on contracting out.

The result of this internal report solidifies why Shared Services Canada is one of the top departments within the Government of Canada that is not adhering to Article 30 of the Computer Systems Group Collective Agreement. PIPSC is dedicated to bringing these matters to light and using the means necessary to ensure that the collective agreement is adhered to by all departments and agencies.