

**TSB Management Response and Action Plan
Internal Audit on the Use of Mandatory Standing Offers
November 2006**

TSB management accepts the findings of this audit and generally agrees with the recommendations made by auditors. The detailed management responses and action plans are described in the following tables.

Recommendation #1	All necessary documentation to demonstrate that the acquisition process has been followed should be maintained on file. This includes verification that the vendor is an authorized reseller.
Management Response	Management agrees with the auditor's recommendation.
Actions Planned	This topic will be addressed with administrative officers at the Annual Admin Officers Conference. A reminder of the procedural requirements will be provided at that time.
OPI	Coordinator Materiel Management and Accommodation
Timeline	Completed by November 2006

Recommendation #2	All supporting documentation for supplier selection should be maintained on file. This includes the initial estimate of the requirement, a statement of work, the security level required, the basis and method of payment, evaluation criteria, basis of selection, bidding period and RFP. For requirements under \$89,000 the search criteria and the search results from the IPS marketplace should also be put on file. Proof that at least three Supply Arrangement holders were invited to bid and the signed summary sheet of the evaluation of the proposals should also be on file.
Management Response	Management agrees with the need for good recordkeeping. Records currently exist but could be improved.
Actions Planned	This topic will be addressed with administrative officers at the Annual Admin Officers Conference. A reminder of the procedural requirements and a checklist of required documentation will be provided at that time.
OPI	Coordinator Materiel Management and Accommodation
Timeline	Completed by November 2006

Recommendation #3	For all evaluation processes a minimum score should be established to ensure that the eventual supplier is 'technically acceptable'.
Management	Management agrees with the auditor's recommendation.

Response	
Actions Planned	1 - All managers will be reminded of policy requirements. 2 - This topic will be addressed with administrative officers at the Annual Admin Officers Conference. A reminder of the procedural requirements will be provided at that time.
OPI	1 - Manager Finance and Administration 2 - Coordinator Materiel Management and Accommodation
Timeline	Completed by December 2006

Recommendation #4	All documentation should be on file. A copy of the temporary help call-up form (8251 – S) and a copy of the Search / Call-up – Search Results screen, printed immediately after the search was conducted, should be on file. Justification for why the lowest supplier has been by-passed, if applicable, should also be on file.
Management Response	Management agrees with the need for good recordkeeping. Records currently exist but could be improved.
Actions Planned	1 - All managers will be reminded of policy requirements. 2 - This topic will be addressed with administrative officers at the Annual Admin Officers Conference. A reminder of the procedural requirements will be provided at that time.
OPI	1 - Manager Finance and Administration 2 - Coordinator Materiel Management and Accommodation
Timeline	Completed by December 2006

Recommendation #5	Rates should not be negotiated when utilizing the Standing Offer call-up process.
Management Response	Management agrees with the auditor's recommendation.
Actions Planned	This topic will be addressed with administrative officers at the Annual Admin Officers Conference. A reminder of the policy requirements will be provided at that time.
OPI	Coordinator Materiel Management and Accommodation
Timeline	Completed by November 2006

Recommendation #6	That TSB provide training on the appropriate process to the small number of administrative officers and managers who make the majority of call-ups against Standing Offers for temporary help.
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Management Response	Management agrees with the auditor's recommendation that training should be provided to those who make call-ups. Some training on this topic was provided at the Annual Admin Officers Conference in November 2005.
Actions Planned	Further training on the use of temporary help standing offers will be organized in conjunction with PWGSC as part of the implementation of the Government of Canada Marketplace System.
OPI	Coordinator Materiel Management and Accommodation
Timeline	Completed by March 2007

Recommendation #7	Copies of all call-ups for temporary help should be provided to the Coordinator, Materiel and Facility Services, for ongoing monitoring and continuous process improvement.
Management Response	Management agrees with the auditor's recommendation.
Actions Planned	A new requirement to provide copies of all call-ups to the Materiel Management Group will be added to current procedures. This topic will be addressed with administrative officers at the Annual Admin Officers Conference and all managers will be informed about this new requirement.
OPI	Coordinator Materiel Management and Accommodation
Timeline	Completed by December 2006

Recommendation #8	In order to facilitate the tracking of Standing Offer call-ups, a field should be added to the purchasing officer's Excel Spreadsheet, to identify the type of transaction.
Management Response	Management agrees with the auditor's recommendation.
Actions Planned	1 - A new requirement to provide copies of all call-ups to the Materiel Management Group will be added to current procedures. This topic will be addressed with administrative officers at the Annual Admin Officers Conference. 2 - A new field will be added to the tracking spreadsheets to identify the type of transaction.
OPI	Coordinator Materiel Management and Accommodation
Timeline	Completed by November 2006