



On-Time and On-Budget

How Commerce Decisions is helping procure complex projects in Canada

*Many large projects run into trouble as a result of or during procurement. With Canada expecting to spend up to C\$800 billion on public infrastructure projects over the next decade it is critical to get procurement right or risk delays and cost overruns. **Commerce Decisions** has a strong record of helping organisations successfully deliver complex, high-risk procurements on over 12,000 projects in the UK and Australia and is now using its technology and expertise to transform procurement for organizations in Canada.*

Major infrastructure projects around the world often have two commonalities: they cost more than anticipated; and they take longer than expected. When the dust settles several factors are often cited, but flawed procurement is regularly identified as the prime culprit. This is a global phenomenon, but a challenge that procurement experts Commerce Decisions is tackling head on.

Commerce Decisions has built a reputation of delivering complex, high-risk procurements and has worked on projects totalling a worth of over USD\$400 billion - in the defence, health, IT, and infrastructure sectors. Their portfolio of high profile projects includes the London Olympics, Crossrail, and the Mersey Gateway Bridge. The company also count numerous organisations as regular customers including the BBC, Transport for London, the UK's Ministry of Defence, and the National Health Service.

Unprecedented Infrastructure Investments in Canada

Canada is a global leader in infrastructure investment, with an estimated C\$800 billion committed from all levels of government to deliver hospitals, schools, roads, power, and transit systems. The largest 100 projects in the 2018 pipeline add up to C\$199 billion in value according to Renew Canada magazine. Larger projects are riskier because more organizations are involved, there is more scrutiny, and more elements that can go wrong - especially in the procurement phase. With such a solid pipeline of complex projects on the horizon, Commerce Decisions is ready to help transform the procurement stage of these projects.

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Canadian Projects

To help mitigate procurement risk around its project portfolio, Commerce Decisions was selected by Infrastructure Ontario, the government agency responsible for major public infrastructure projects in Canada's largest province. The first project Commerce Decisions worked on with Infrastructure Ontario was the C\$2.5 billion Finch West Light Rail Transit (LRT) project. The line will stretch 11km across the northwest of Toronto and weave together three regional transit systems, with trains expected to be running in 2023.

Procuring all the parts for a project like the Finch West LRT is very complicated. According to research from Oxford University, large projects in the rail sector typically see cost overruns of almost 45 percent.¹ To help mitigate this risk, Commerce Decisions introduced its unique AWARD software platform to digitise the procurement process around supplier engagement and selection for the project. This solution has been proven to take 15% less time to manage procurements, and significantly reduce the risk of delays, cost overruns and subsequent legal challenges.

For a project of this size there are lots of contracts and subcontracts. Having a digital hub ensures that the information is more easily managed and accessible. The level of complexity around a major rail project is daunting and any flaws in the procurement process can undermine the project from the start and lead to costly legal challenges. So far, the solution has proved popular with Infrastructure Ontario and bidders, who appreciate the transparency and coordination the system provides.

Before being selected by Infrastructure Ontario, Commerce Decisions had already assisted with two of the biggest defence procurements in Canadian history: the purchase of 88 advanced fighter jets; and 15 defence vessels under the C\$38 billion shipbuilding programme to replace Canada's surface combatant fleet. To be selected for these two highly complex, high profile projects is testament to Commerce Decisions' unique capacity and technology.

Growth Ahead

Since opening its first Canada based office in Ottawa in 2017 the company has found that there is no shortage of complex projects that would benefit from Commerce Decisions' solutions. With this in mind - Commerce Decisions is poised to expand in to more provinces in Canada.

Moving forward there are two factors that will likely see greater demand for Commerce Decisions' solutions: a growing shift towards value-based bidding for major projects (where more factors are considered than cost); and the entry into force of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union. This agreement opens up Canada's large provincial and municipal market for the first time, ensuring that European companies receive equal treatment to Canadian companies. Effective record keeping, and robust evaluation will be a necessity to avoid legal risk as more European companies bid on Canadian projects.

Role of the UK's Department of International Trade (DIT) and High Commission of Canada in the UK (HCC)

Support from DIT and HCC has helped Commerce Decisions to navigate the Canadian market and accelerate its growth. Commerce Decisions participated in many delegation visits to Canada which provided a good overview of the market opportunity and useful introductions with potential customers and industry peers. DIT and the High Commission of Canada also brought major Canadian government agencies to the UK to share experiences on major projects. This helped these agencies to see firsthand where solutions like Commerce Decisions' play a role.

¹ <https://arxiv.org/ftp/arxiv/papers/1409/1409.0003.pdf>

