

Vendor Sponsored Travel

Deputy Minister to the Premier Report
February 15, 2019

Introduction:

In response to concerns raised about Government of Saskatchewan employees undertaking vendor sponsored travel that resulted in personal benefits, the Premier directed my office to canvass Ministries, Agencies and Crown Corporations in November 2018 to determine if there were any violations of the *Public Service Act* Conflict of Interest Policy by government employees. For the purposes of gathering this information, Vendor Sponsored Travel is defined as any travel expenses (including flights, hotels, registration fees, per diems) reimbursed or paid directly for a Government of Saskatchewan employee that has been paid directly for by a third-party vendor – a person or company that sells goods or services to Executive Government, Crowns or Agencies.

I am pleased to report that based on responses by Ministries, Agencies and Crowns there has been no reported vendor sponsored travel that did not meet learning and development or procurement requirements. Appendix 1 lists each agency and whether any activity was reported. Further details of reported activity are included in this document.

We are aware of violations of the policy with regard to eHealth in 2015 and the report does not include references to that incident. Although steps were taken to discipline those employees, there is an opportunity to provide clarity on employee behavior as it relates to vendor relationships beyond the Oath of Office and Conflict of Interest policies. I would add that both make explicitly clear an employee's obligation regarding acceptance of gifts and expected behavior, and that violations to those policies are not widespread within the Government of Saskatchewan.

The vendor sponsored travel incidents that were reported to my office are due to necessary knowledge transfer and information sharing often needed to optimize use of goods or services, or to provide input into industry-led consultations, or to inform inspection or testing of on-site goods prior to purchase.

Although the Government of Saskatchewan's Oath of Office and Conflict of Interest policy for public employees is similar to those across the country, there is no clear policy within Executive Government that outlines specifics of employee behavior as it relates to vendor relationships. This report is therefore an opportunity to apply a consistent standard and definition across all Ministries, Crowns and Agencies.

The recommendations in this report take a best practices approach based on standards in public services across the country and within a number of sectors. In addition, the move to a single window procurement within the Government of Saskatchewan and the creation of a single, amalgamated Health Authority also provide a window of opportunity. The recommendations also accommodate the need for compliance with tender specifications as part of open public procurement processes, and allows for knowledge sharing activities.

This report makes several recommendations to strengthen the existing code of conduct framework. They include:

- Expansion of the Conflict of Interest Policy to include clarity on vendor relationship and acceptance of gifts including a definition of permitted vendor sponsor travel.
- Every employee within the Government of Saskatchewan undertake Conflict of Interest Training.

- Updating current travel approval forms to indicate whether the purpose of travel is vendor sponsored.

Background:

There is a lack of clarity around what constitutes both the definition and the conditions for vendor sponsored travel. For example, a number of ministries undertake vendor sponsored travel as a condition of a Request for Proposal (RFP) process including but not limited to, visits to office headquarters, manufacturing sites, show sites or vendor customer sites for the purposes of evaluation, or to qualify vendors and products. These costs are usually recovered indirectly through stipulated service contracts.

There are also activities that promote internal expertise and system wide support and adoption for a product, or provide opportunity for vendor clients to collect feedback and improvement opportunities on its products, initiatives, and customer service.

In other instances, Government of Saskatchewan employees are often invited to participate and present at vendor sponsored conferences or industry-related board representation based on their knowledge and experience.

Other Jurisdictions:

Of the provinces surveyed with information that is publicly available - Ontario, Manitoba, Alberta, British Columbia, New Brunswick and the Federal Government - the most robust framework in place was that of British Columbia and it has established standards of conduct that apply to anyone covered by the *Public Service Act*. ON, MB, AB, have similar policies to the Government of Saskatchewan as it relates to Conflict of Interest and acceptance of gifts, and the Federal Government has a Values and Ethics code. Similar to Saskatchewan, the BC public service employees are required to sign an oath of employment that reference standards of conduct and list responsibilities according to roles within the service.

Findings:

In response to a request made in November 2018 by the Deputy Minister to the Premier, Ministries, Crowns and Agencies were asked to provide any details of incidences of vendor sponsored travel for the last two years – from November 2016 to November 2018. Information provided by the ministries follow. As previously noted these have met the criteria for knowledge transfer and/or procurement purposes.

Crown Investment Corporations and Subsidiary Crown Corporations:

CIC, SaskGaming, SaskWater and SaskEnergy provided nil reports.

A number of Crown Corporations reported incidences of vendor sponsored travel - Saskatchewan Opportunities Corporation (SOCO), SaskPower, and SaskTel.

Saskatchewan Opportunities Corporation (SOCO):

- SOCO reported three instances of vendor sponsored travel over the last two years. These trips were to attend technical training institutes convened by Johnson Controls International (JCI). Air travel, accommodation and tuition cost of training was paid for by JCI.
 - JCI provides SOCO with the technical controllers to manage heating, ventilation and air conditioning (HVAC) systems in their buildings. Many of them are technical and research facilities and therefore have special ventilation requirements. To ensure operators of these systems have capacity that is critical to their equipment and software working properly, JCI holds five-day training institutes annually for all users of their products. SOCO's costs are recovered indirectly through stipulated service contracts with JCI.

SaskPower:

- SaskPower reported examples of officials from the company travelling to be trained on equipment/tools purchased by the company where such travel is part of the package purchased; officials who were asked to speak at industry conferences where flights and accommodations are paid for by the respective conference; and, travel required by officials for industry-related board representation.

Saskatchewan Government Insurance (SGI):

- SGI's Vice President, Infrastructure and Architecture, attended the Enterprise Transformation Canada Exchange from October 23-30, 2018 in Mont-Tremblant, Quebec. Airfare, accommodations and the conference were paid for by nGage events, on behalf of International Data Corporation (IDC) Canada. This corporation is a provider of market intelligence, advisory services and events for the information technology, telecommunications, and consumer technology markets.
 - This exchange summit was focused on attendees gaining insight into how to improve their overall digital strategy. Approximately 60 attendees were present for case study sessions, 1:1 meeting with vendors/sponsors, networking receptions and keynote sessions. Each attendee's agenda was pre-scheduled from 7:30 a.m. - 9:00 p.m. Costs were covered for all attendees, not just SGI's delegate. Sponsors included IBM, Microsoft, Vanti, Intel, Telus, HP, Tangoe and approximately 20 other vendors.

SaskTel:

- Two employees (Electrical Design Engineers) travelled to Burnaby, BC April 17-21, 2017 for "Factory Witness Test of 2 Mega Watt (MW) Uninterruptable Power System (UPS) Equipment."

This is part of the vendor's contractual obligations to SaskTel for testing the new equipment at their facility.

- One employee (Engineer) travelled to Palo Alto, CA to attend Solutions Summit pertaining to SaskTel's use of software used to monitor and report on network elements, provide analytics reports, and assist in troubleshooting and fixing network performance and outages.
- One employee (Network Manager) travelled to Dallas, TX to present and participate in a summit on SaskTel's use of software to manage and troubleshoot network performance and outages.

NOTE: Neither of trips two or three were paid for by a current vendor. SaskTel purchased software applications from MicroFocus and OnX over 20 years ago. Licenses for the software are paid. This is common practice with software companies. None of the employees that attended have any input or participate in the procurement of software vendors.

Vendor Sponsored Travel: Ministries and Treasury Board Crowns

Education:

- The Ministry of Education uses and supports the Blackboard Learn and MoodleRooms Learning Management Systems (LMS) for curriculum and document sharing, sector collaboration and the development and delivery of online resources and courses. In July 2017, three Ministry of Education officials travelled to the BBWorld, DevCon and MoodleMoot conferences in New Orleans, Louisiana. Blackboard Inc. covered the conference registrations, flights, accommodations and meals during the conferences.
 - The Ministry of Education has had a longstanding relationship with Blackboard Inc., licensing Blackboard applications for the provincial education sector since 2001. The systems are available to, and support, the Ministry of Education and the broad education sector, including teachers and students within the provincial and First Nation Pre-K to 12 systems, early childhood educators, the public library system, and their partners.
 - Ministry staff attended the Blackboard hosted event in order to develop and sustain internal expertise and system wide support for Blackboard and Moodle software development, administration and course development/delivery for provincial education system users.

Environment:

- A ministry employee in the Environmental Assessment and Stewardship Branch, attended the NexGen Rook I proposed uranium mine project site tour in June 2018. Transportation to the site (130 km north of La Loche) was sponsored by NexGen (a mineral exploration and development company) via chartered airline.

- The purpose of the trip was to tour the site and get a better understanding of the location and potential for environmental impacts in advance of the environmental impact assessment for the project.

Highways and Infrastructure:

- In 2017, an employee attended the North American Transportation Summit in Huntsville, Alabama. This was a working conference on geo-spatial technology for American and Canadian Power Users of Hexagon GIS (geographic information systems) technology, which is used by the Ministry of Highways and Infrastructure. The employee co-presented a paper on new (GIS) based on SGI's permit routing system.

Health:

The Ministry of Health (Provincial Lab), 3sHealth, eHealth and the Saskatchewan Cancer Agency all reported instances of vendor sponsored travel. The Health Quality Council and Saskatchewan Association of Health Organizations (SAHO) returned nil reports.

- Provincial Lab:
In 2017, two of the Clinical Directors undertook vendor sponsored travel on three occasions (one each and two together) for the purposes of educational opportunities for content relevant to programs offered to Saskatchewan patients. They included:
 - An invitation only trip to Barcelona, Spain, sponsored by Hologic, a medical imaging company to learn about the latest automated platform for molecular diagnosis of sexually transmitted infections and viral load testing which is essential to the management of blood borne viruses such as HIV and hepatitis C;
 - A visit to Rochester, New York, sponsored by Ortho Clinical Diagnostics to see Ortho's core lab high volume instrumentation and automation, analyzers, and to discuss proposed menu assays and;
 - A visit to Penzburg, Germany sponsored by Roche Diagnostics to attend seminars and workshops on new analytical approaches to detection of biomarkers for kidney function, cardiomyopathies, anemia and tumor detection. The visit included a specific look at using "active B12" as a replacement for current B12 testing.
- eHealth:
In 2017, there were three instances of vendor sponsored travel. They included:
 - One employee attended the Health Care Information Management Systems Society (HMISS) conference in Orlando, FL from February 19-23, 2017 sponsored by Powerland, an IT infrastructure provider.
 - One employee attended the Microsoft conference in Seattle, WA from November 30-December 2, 2017 sponsored by Microsoft.
 - Two employees attended Vitalware (a health information management and billing software company) user meeting in Toronto from September 13-14, 2017, sponsored by Axiell (an IT and web solutions company).

In 2018, there were two instances of vendor sponsored travel. They included:

- Two employees attended the Health Care Information Management Systems Society – (HMISS) 2018 conference in Las Vegas, NV from March 4-7, 2018 sponsored by Powerland.
 - Two employees attended the Vitalware 2018 User Meeting in Toronto from September 19-21, 2018 sponsored by Axiell.
- 3sHealth:
 - In 2017, one employee of 3sHealth travelled to Winnipeg, sponsored by Great West Life.
 - Great-West Life (GWL) is a major Canadian insurer and partner with 3sHealth in the delivery of health, dental, flexible spending account, and life insurance benefits to over 44,000 health-care employees in Saskatchewan. Each year, GWL invites some of its largest clients to attend its annual advisory meeting. The meeting allows GWL to collect feedback and improvement opportunities on its products, initiatives, and customer service.
 - In April 2017, one employee travelled to Baltimore, Maryland to attend the Global Healthcare Exchange (GHX) HealthCare Supply Chain Summit, sponsored by GHX. GHX is a data automation company used across Saskatchewan healthcare primarily as a way to send automated purchase orders to vendors, track spending information, and ensure purchases are made at the contracted prices. GHX North America holds a summit annually for all stakeholders and vendors to learn about new modules and upgrades to the system, as well as to address education and areas of interest from both parties.
 - Between March 2017 and July 2018, six employees attended HealthPRO committee meetings in Toronto. HealthPRO is a member-based organization that represents the purchasing interests of health-care facilities, shared service organizations, and provincial authorities across Canada. 3sHealth is a shareholder along with over 800 other health-care facilities across Canada. 3sHealth attends HealthPRO committee meetings and product evaluations, providing valuable feedback and on contracting strategies, clinical criteria for specific contracts, and prequalification of products. 3sHealth does not consider HealthPRO to be a vendor. Rather, HealthPRO runs request for proposal (RFP) processes, and negotiate contracts with vendors that each of its shareholders then has access to. In doing so, Canadian healthcare organizations can leverage their collective buying power to get better pricing.
 - Saskatchewan Cancer Agency:
 - From September 7-13, 2017, three physicians traveled to Madrid, Spain to attend the European Society of Medical Oncology Annual Congress. The cost of the travel and accommodations was covered by pharmaceutical companies.

- In 2017 one employee travelled to Boston, MA to attend a cancer clinical trials investigation meeting. Travel costs were provided by a pharmaceutical company.
- In 2018, three physicians traveled to Munich, Germany to attend the European Society of Medical Oncology Annual Congress from October 19-23. The cost of the travel was covered by pharmaceutical companies.
- From May 11-12, 2018, one physician traveled to Toronto to attend a Myeloproliferative Neoplasms Preceptorship Program. Travel and accommodations were covered by pharmaceutical companies.
- From October 3-5, 2018, one physician attended an educational event in Seattle, WA. The cost of the travel was covered by pharmaceutical companies.
- In December 2018 one physician attended the American Society of Hematology Conference in Atlanta, GA. The cost of the travel was covered by pharmaceutical companies.
- Saskatchewan Health Authority:
 - In February 2017, there were two vendor sponsored trips to Nanaimo, BC and Toronto, ON for the purpose of assessing of Medical Imaging equipment (CT Scanners) for best applicability for usage in a facility. Costs were covered by the respective vendors, Siemens Healthcare Limited and Toshiba Medical. Similarly, a trip to Moose Jaw, SK and Cold Lake, AB was sponsored by Philips Healthcare in 2017 for assessing of Medical Imaging equipment for applicability of usage/setup in a Northern/Remote SK facility.
 - In 2017, Global/Bee J's Office Plus sponsored a tour of a factory facility and Corporate display location for healthcare furniture in Vaughn, ON. In addition, Herman Miller Allspace sponsored a visit to Milwaukee, Wisconsin and Grand Rapids, Michigan. The purpose of both trips was to understand best options for framing, upholstery, and design availability for the rigors of the new Saskatchewan Hospital North Battleford. The tour possibility was a provision in the request for expressions of interest (REOI)/request for information (RFI) process for interested vendors to display their wares by paying for this travel.
 - In 2017 Delco Automation Inc. a provider of hospital security systems sponsored employee attendance at the Health Care Information Management Systems Society (HMISS) Annual Conference and Exhibition in Orlando, FL.
 - In 2017 Edwards Life Sciences sponsored an employee's attendance in Toronto to undertake Transcatheter aortic valve implantation (TAVI) training.

- In 2017 Leica, Dako, Roche, and Powerland computers sponsored visits to Kingston ON, Munster IN, Vancouver BC, and Orlando FL respectively as part of a request for proposal (RFP) process to see equipment prior to purchase.
- In 2017, Cellavision, a company that provides online testing tools for laboratory managers, sponsored two attendees at their user group meeting in Victoria, BC. This was part of the existing equipment contract with the Saskatchewan Health Authority.
- In 2017, Braun sponsored two staff to travel to Germany for training on Hemodialysis machines.
- In 2017, an employee attended a Global Healthcare Exchange (GHX) conference in Toronto. Employee was asked to present on a panel on the use and implementation of "Round Trip" by vendor (GHX).
- In June and December 2017, Uniprint, a healthcare printing software used in health applications, sponsored an employee to speak at an eHealth conference in Toronto and a Citrix Synergy conference in Las Vegas. Citrix is a company that specializes in Electronic Health Records applications and data management.
- In 2017, Baxter/Gambro sponsored travel to Montreal for training on Gambro Hemodialysis.
- In 2017, Baxter Healthcare Canada provided vendor sponsored travel for training for two employees for dialysis reverse osmosis systems in Mississauga, Ontario. These were included in the Purchase Order.
- Also included in purchase orders were:
 - vendor sponsored travel in 2017 by Cantel Medical to Markham, ON for Biomedical Engineering training for Endoscopy Reprocessing System.
 - vendor sponsored travel in 2017 and 2018 by Phillips Medical in Orlando, FL for Biomedical Engineering training for Philips physiological monitors and Biomedical Engineering training for Philips Wireless Telemetry and central station at St. Paul's Hospital.
 - vendor sponsored travel in 2018 by Phillips Medical to Irvine, CA for Biomedical Engineering training for Philips physiological monitors at Royal University Hospital; travel to Phillips Medical in Raleigh, NC for Biomedical Engineering training for Philips physiological monitors at St. Paul's Hospital.
- In 2017 and 2018 there were two vendor sponsored travel visits to Florida and Quebec for the purpose of equipment training. Costs were covered by the respective vendors Beckman, and Roche.

- In 2018, partial costs were covered by Cisco to attend a Cisco conference in Orlando, FL. The Saskatchewan Cancer Agency has a pool of learning credits from Cisco that they've received as part of various equipment orders that they've done in the past.
- In 2018, one employee went to Richmond, BC for advanced bracing certification. The costs were covered by the vendor, Ossur, a company that manufactures and sells orthopedic equipment.
- In 2018, Apotex pharmaceuticals sponsored employees to attend medication and treatment overview/training in Regina. Staff were from the former Prairie North Health Region (PHNR).

Recommendation 1:

Expansion of the Conflict of Interest Policy to include clarity on vendor relationship and acceptance of gifts including and a definition of permitted vendor sponsor travel.

- Vendor Sponsored Travel is defined as any travel expense (including flights, hotels, registration fees, per diems) reimbursed or paid directly for a Government of Saskatchewan employee that has been paid directly for by a third-party vendor – a person or company that sells goods or services to Executive Government, Crowns or Agencies.
- Vendor sponsored travel can and should be approved in situations for activities relating to inspection, testing, training, contractual obligations, conference presentations, emergency assistance, panels, committees, regulatory standards, roundtables, task forces, or membership meetings.

The current policy (see Appendix 2) states that:

An employee should never accept any gift or service that could be viewed as a payment for services rendered through his/her employment in the public service.

a) A public employee may accept any gift that represents the normal exchange of gifts between friends; the normal exchange of hospitality between persons doing business together; or tokens exchanged as part of protocol;

b) Public employees accepting any payment, gift, honorarium or gratuity, in addition to their salary paid by the government, which is actually or may be viewed as payment for services provided through their employment, would be in conflict with this guideline.

Recommended changes (noted in red) include:

An employee nor an employee's family member should never **solicit or** accept any gift or service of **anything of value – whether money, service, travel, entertainment, hospitality, an item or a personal benefit – without compensation, that could be viewed as a payment for services rendered through his/her employment in the public service.**

a) A public employee may accept any gift that represents the normal exchange of gifts between friends; the normal exchange of hospitality between persons doing business together; or **tokens of nominal value** exchanged as part of protocol;

b) Public employees accepting any payment, gift, honorarium or gratuity, in addition to their salary paid by the government, which is actually or may be viewed as payment for services provided through their employment, would be in conflict with this guideline. **Employees must report to their Deputy Minister or CEO the receipt of any gift with a value in excess of \$200, or any gifts received directly or indirectly from one source where the total cumulative value received in any fiscal year exceeds \$200.**

c) **Failure to comply with the policy will result in disciplinary action.**

d) **While travelling on government business, employees continue to be bound by the Conflict of Interest Policy.**

Recommendation 2:

Every employee within the Government of Saskatchewan undertake mandatory Conflict of Interest Training and expand the content to include procurement, gifts and vendor sponsored travel. The Government of Saskatchewan does have Conflict of Interest Training in the form of a 20-minute e-Learning Module. Currently, it is a requirement for supervisors, managers and some other relevant roles and there are 1266 current employees of the executive government who have completed this training. The recommendation is that all employees undertake conflict of interest training to provide further guidance as it relates to relationships with individuals to relationships with individuals and entities that supply goods and services to their organization.

Recommendation 3:

Updating current travel approval forms to indicate whether purpose of travel is vendor sponsored and establishing the following criteria for approval:

- Whether the purpose of the travel is for professional and/or educational development and forms the majority of attendance.
- Whether travel expenses are limited to those necessary for attendance at the event or site – meals and social functions that are part of a legitimate program are acceptable provided the knowledge transfer component is the primary objective.
- If vendor sponsorship of the event is fully disclosed and open to all participants/speakers.
- Confirmation that attendance is not tied to any commitment to the vendor; and
- There is no personal benefit, including expenses for a spouse or other travel companion.

Implementation Timelines:

To be implemented immediately:

- Expansion of the Conflict of Interest Policy to include clarity on vendor relationship and acceptance of gifts including and definition of permitted vendor sponsor.
- Updating current travel approval forms.

Within 19/20 Fiscal Year:

- Development of content and begin implementation of mandatory Conflict of Interest training for all employees.

Appendix 1:

Instances of Vendor Sponsored Travel by the Government of Saskatchewan:

In response to a request made in November 2018 by the Deputy Minister to the Premier, Ministries, Crowns and Agencies were asked to provide any details of incidences of vendor sponsored travel i.e. any travel expenses (including flights, hotels, registration fees, per diems) reimbursed or paid directly for a Government of Saskatchewan employee that has been paid directly for by a third-party vendor – a person or company that sells goods or services to Executive Government, Crowns or Agencies, for the last two years – from November 2016 to November 2018.

Ministry /Agency	Y/N
Advanced Education	No
Agriculture	No
Central Services	No
Corrections and Policing	No
Education	Yes
Energy and Resources	No
Environment	Yes
Finance	No
Government Relations	No
Global Transportation Hub	No
Health	Yes
Highways and Infrastructure	Yes
Immigration and Career Training	No
Innovation Saskatchewan	No
Justice, Integrated Justice Services, or FCAA	No
Labour Relations and Workplace Safety	No
Parks, Culture and Sport	No
Public Service Commission	No
SaskBuilds	No
Sask Liquor and Gaming Authority	No
Social Services	No
Sask Crop Insurance Corporation	No

Tourism Saskatchewan	No
Trade and Export Development	No
Water Security Agency	No
Sask Research Council	No
Crown Investment Corporation and Subsidiary Crown Corporations	
CIC	No
SaskGaming	No
SaskTel	Yes
SaskWater	No
SaskEnergy	No
SaskPower	Yes
SOCO	Yes
SGI	Yes

Appendix 2:

Government of Saskatchewan: *The Public Service Act* and Conflict of Interest Guidelines

All employees who work for the Government of Saskatchewan are subject to the Conflict of Interest guidelines. The purpose of these guidelines is "to protect the public interest by outlining guidelines for public employees which ensure that a conflict of interest does not or does not appear to exist".

In the Government of Saskatchewan, employees are bound by *The Public Service Act, 1998* which states:

14 (1) Subject to the approval of the Lieutenant Governor in Council, the commission may make regulations:

(g) prescribing a code of conduct and ethical behaviour for employees in the public service.

In *The Public Service Regulations, 1999*, it is stated that:

95 (1) All employees shall comply with the conflict of interest policy established by the commission.

Also contained in the regulations is the *Oath or Declaration of Office (Subsection 96(2))* (Excerpt) that employees sign upon commencement of employment with the Government of Saskatchewan stating:

2. That I will not ask or received any sum of money, services, recompense or matter or thing whatsoever, directly or indirectly, in return for what I have done or may do in the discharge of any of my duties as an employee, except my salary of what may be allowed me by law or by an order of the Lieutenant Governor in Council.

Section 801 of the Human Resources Manual administered by The Public Service Commission and available on its TaskRoom intranet site¹ addresses conflict of interest and defines it accordingly:

Conflict of interest

Is a situation in which a public employee, either for himself/herself or some other person(s), attempts to promote a private or personal interest which results or appears to result in:

- An interference with the objective exercise of public service duties
- A gain or an advantage by virtue of his/her position in the public service

Policy Section: PS 801-A Conflict of Interest General Guidelines Appendix A specifically addresses acceptance of gifts in Section 3²:

¹ <https://taskroom.sp.saskatchewan.ca/Pages/Public%20Service%20Commission/Service%20Pages/Section-801-Conflict-of-interest.aspx>

² <https://taskroom.sp.saskatchewan.ca/Documents/801-A%20Conflict%20of%20interest%20general%20guidelines%20Appendix%20A.pdf>

An employee should never accept any gift or service that could be viewed as a payment for services rendered through his/her employment in the public service.

a) A public employee may accept any gift that represents the normal exchange of gifts between friends; the normal exchange of hospitality between persons doing business together; or tokens exchanged as part of protocol;

b) Public employees accepting any payment, gift, honorarium or gratuity, in addition to their salary paid by the government, which is actually or may be viewed as payment for services provided through their employment, would be in conflict with this guideline.