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Making the invisible public service visible? Exploring data on the supply of policy and management consultancies in Canada

Abstract: The use of external policy and management consultants in government has been receiving increasing attention in many countries, including Canada. We explore new data on management consulting compiled from information released since the creation of the Federal Accountability Act to address the supply side of contracting. We find several large multi-year contracts have taken up a larger percentage of contracting activity while the number of smaller contracts has declined. The data suggest a pattern of oligopsonic demand concentrated mostly in a handful of very heavy users and an increasingly oligopolistic supply pattern where less than 5% of companies accounted for 80% of total contract values and where repeat contracts are the norm. Measures of accountability and transparency need to extend to the “invisible” public service of contract consultants.

Sommaire : Le recours par le gouvernement à des conseillers externes en politique et en gestion fait l’objet d’une attention croissante de la part de nombreux pays, y compris le Canada. Nous examinons de nouvelles données sur les services consultatifs de gestion compilées à partir des renseignements divulgués depuis la mise en œuvre de la *Loi fédérale sur la responsabilité* au Canada afin de traiter l’aspect offre de la passation de contrats. Nous découvrons que plusieurs gros contrats pluriannuels représentent un plus grand pourcentage de l’activité de passation de contrats aux dépens du nombre de plus petits contrats qui a baissé. Les données laissent entendre qu’il existe un modèle de demande en situation d’oligopsone concentré principalement entre les mains d’une poignée de très grands utilisateurs et un modèle d’offre de plus en plus oligopolistique où moins de 5 % des sociétés représentent 80 % de la valeur totale des contrats et où les contrats renouvelés sont la norme. Il faut étendre les mesures de responsabilité et de transparence à la fonction publique « invisible » des conseillers sous contrat.

The field of government contracting has a very complex and broad scope and constitutes what has been termed the “shadow,” “hidden” or “invisible”

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public services (Guttman and Willner 1976; Speers 2007; MacDonald 2011; McKeown and Lindorff 2011). The subset of policy and management consulting activities within this category of government expenditure is a very active one and a very broad range of questions can be asked not only about the costs involved in the use of consultants in these areas and the capacity of consulting firms to provide contracted-for goods and services, but also what effects these have on government policy-making processes, their content and effectiveness (Howlett 2009; Howlett and Newman 2010).

In most existing studies, however, this discussion has been framed in terms of answering questions about whether or not “value-for-money” is being achieved in expenditures made on contracts in this area (Di Francesco 1999; Scott 2005). That is, what quality of advice is being offered compared to internal sources and at what cost (Howlett and Migone 2013c). Policy and management consulting, however, also brings to the forefront of inquiry other, larger questions about the unbiased nature of consultant’s advice and the extent to which such activities evade traditional mechanisms of civil service recruitment, expenditure control and norms of democratic accountability in government (van Damme, Brans, and Fobé 2011; Raudla 2013; Howlett and Migone 2013b). Unfortunately much less work exists in this area (for notable exceptions see Saint-Martin 1998a; 1998b; 2005; 2006).

This article addresses these larger issues through a case study of consulting contracting by the federal government of Canada. Answering these questions, it is argued, ultimately helps us answer the most important question of all, whether or not citizens should be concerned about whatever trends exist in this little-known and underinvestigated area of government spending. That is, is this just a case of “business as usual” in the policy, management and administrative fields—albeit through different methods from traditional public service expenditures—or does the increased use of outside sources of advice and expertise constitute a “consultocracy” operating largely outside the bounds of traditional rules and means of accountability, oversight and responsibility (Howlett and Migone 2012)?

As the data presented here suggest, the answer in the case of the federal government of Canada¹ is a qualified “yes.” That is, trends at the federal level towards the use of large contracts extended on a repeat basis to a small group of favoured companies are and should be a concern to both Canadian governments and citizens. These expenditures are quite large and involve outside actors in policy and managerial decision deliberations who are not only unelected but also unappointed. They evade scrutiny at the polls but also by civil service commissions and escape the rigours of public service recruitment processes. Their advice may be biased or of questionable quality, and there is little, if any, transparency allowing this advice to be judged. It is a slightly qualified “yes,” however, because the use of large numbers of policy and

management consultants is not a government-wide concern, but rather is focused on several departments that use these kinds of contracts much more frequently than others.

The demand and supply of consulting services in Canadian government

This article follows our September 2013 article published in *Canadian Public Administration*, which examined the “demand” side of government contracting in the management and policy areas (Howlett and Migone 2013a). In this article we re-trace some of this data on the demand side of the contracting equation before examining currently available data to assess questions of supply. As will be shown, the demand for contracting work in this area among government departments has grown substantially in recent years, although not at as high a rate as some have suggested. Moreover, over the most recent five-year period, the actual amount of contracting has decreased; although several departments do not display this general trend including most notably those dealing with foreign and aboriginal affairs.

This demand-side analysis, of course, begs the question of what is actually being contracted and from whom, subjects which the supply side analysis contained here investigates. As we will show, on the supply side, contracts have tended to go to a few large firms for multi-year periods, while the number of small contracts has decreased. Both trends showcase the “permanent” nature of these “temporary” services both from the demand side (Howlett and Migone 2013a) and on the part of contractors providing these services.

Such data help answer the ultimate question—should Canadians care about these trends—but in a different way than is usually posed by auditors and others. *That is, it is less the rapid growth in expenditures in these areas, which is worrisome but rather their permanent and oligopolistic status.* As MacDonald (2011) and others have pointed out, the permanent nature of these “temporary” services reinforces the need for them to be fully budgeted and accounted for in as fully transparent a fashion as more “visible” government expenditures, something only the federal government of Canada has attempted to do, and succeeded in doing only partially, in recent years.

In the next section, we provide a description of the data sources available for this study and their relative strengths and limitations. Section three then briefly deals with both the supply and demand for management consulting services in the federal government. We first present general trends for management consulting as a whole and then some reflections on policy and management consulting themselves.

The available datasets for Canadian federal contracting

The use of external consultants by governments has become an increasingly important focus of concern. This is true not just in Canada, but in many countries where in recent years studies and parliamentary inquiries into the subject have been undertaken at both the national and sub-national levels (ANAO 2001; House of Commons Committee of Public Accounts (UK) 2010; Howlett and Migone 2013b).

Areas of concern in internal studies in an age of increased spending on outsourcing have included such subjects as the potential negative effects of poor contract design on both government finances and program efficiency (Amey 2012; Woon Kim and Brown 2012), contract management capacity in government (Joaquin and Greitens 2012), and the nature of competition within the scope of contracting (Girth et al 2012; Woon Kim and Brown 2012). Government concerns with this phenomena have hinged on two broad questions: how to control costs and ensure value-for-money is attained, and how to assess the effect that employing consultants has on the efficiency and effectiveness of government activities.²

This dual focus applies both to the use of consultants generally throughout government but also more specifically in their use in policy and management capacities. The private sector sometimes can be a cheaper and more efficient agent for the delivery of services and goods than government employees. However, the questions of whether the use of contractors should extend, and to what degree, to providing policy advice are contentious ones (Boston 1994).

In Canada, beyond a few early articles on policy and management contracting from the 1960s and 1970s (see for example Deutsch 1973 and Meredith and Martin 1970), interest in contracting-out policy and management-related activity has grown among both the scholarly community and governments. This interest, however, has clashed repeatedly with the limited usefulness of available data on the subject. Studies of the policy and management consultant contracting situation have required authors to mine relatively unspecified and undetailed public accounts dealing with “professional services” in general for statistics on the cost and pervasiveness of policy and management consultants at both the federal and provincial level (Bakvis 1997; Saint-Martin 1998a, 1998b; Perl and White 2002).³

Perl and White (2002: 52) in their seminal 2002 study, for example, found that the “evidence for a growing role played by policy consultants at the national government level is compelling in Canada.” They noted that annual, government-wide, expenditure on “other professional services” reported in the Public Accounts of Canada for fiscal years 1981-82 through

2000-01 increased from C\$239 million to C\$1.55 billion (a 647% increase) “almost tripling Ottawa’s budgetary allocation to policy consulting” (Perl and White 2002: 53). However, the authors also noted the aggregate nature of the data they were forced to use, and the difficulties this created when analyzing specific types of consulting. As noted previously, the Treasury Board and Public Accounts data they used at the time combined together all kinds of professional services many of which, for example, in the information technology or geological services or environmental areas, had little direct impact or influence on public policy decision-making.

Fortunately in recent years several changes took place in Canada which have greatly improved the amount and quality of information available on contracting. Changes in reporting practices linked to government efforts at furthering cost efficiency and especially to contracting scandals and their aftermath have affected positively the availability, reliability and accuracy of contract data, at least at the federal level (MacDonald 2011).

The first step in this process was an internal bid on the part of lead federal government agencies to rationalize and streamline the process of government procuring.⁴ Between April 2008 and January 2009, Public Works and Government Services Canada (PWGSC), the main contractor for federal government contracts, consulted with industry actors within the scope of the “Task and Solutions Based Professional Services” (TSBPS) project to generate a more defined and uniform process of data collection on outside goods and services contracts. This process helped develop a set of shared rules controlling reporting across government agencies (Office of Audit and Evaluations 2012).

The second step was access to more and better data about federal government contract expenditures which was dramatically improved in the aftermath of the 2004 scandal surrounding advertising contract kick-backs to the Quebec wing of the Liberal Party of Canada (Canada, Commission of Inquiry into the Sponsorship Program and Advertising Activities 2005; 2006). In response to this scandal, first, on March 23, 2004, the federal government introduced rules of “proactive disclosure” according to which, beginning in October 2004 details on all contracts above \$10,000 would need to be published on government websites. This increased the number of contracts reported in detail, lowering the old limit of \$100,000 used in the Public Accounts. A second tool created in the aftermath of the scandal was the Federal Accountability Act, which came into effect on December 12, 2006, and which has legislative, procedural and institutional facets designed to increase the transparency and accountability of all government spending including contracting. The new Act, along with a new framework for procurement accounting procedures and the requirement for each agency to table an annual report dramatically improved the availability and transparency of many contracting arrange-

ments. The act also introduced other important changes related to contracting, for example, the creation of the Office of the Procurement Ombudsman, which was tasked with addressing perceived fairness issues in the procurement area. The federal government also created a new Management Accountability Framework that laid out the Treasury Board's expectations of management best practices across all areas of government including contracting.

Thanks to these changes, the available datasets for the analysis of federal government contracting in Canada now include three different and non-homologous sources: (1) the MERX database (a database for public tendering of government contracts) which is used by the Public Service Commission (PSC). This database is updated on a continuous basis but only shows contracts over \$25,000, but uses different categories than the other two databases; (2) the Public Accounts; and (3) Proactive Disclosure.

The categories used in MERX are defined by Goods and Services Identification Numbers (GSIN), which can be used to find some policy and management-related accounts but not all. The relevant categories here are R123AB (Organization Planning/Analysis), R123AD (Policy Analysis/Evaluation), and R123AE (Policy Development/Research). The Public Accounts of Canada, published every year by Public Works and Government Services Canada, which were used by Perl and White (2002) in their study, provide a complete record of governmental spending on outsourced contracts but offer the least detailed image of this spending as data is only provided on individual contracts exceeding \$100,000. The new Proactive Disclosure data set details every contract above \$10,000 along with individual amendments to contracts in a keyword searchable on-line format.

In both the Public Accounts and Proactive Disclosure datasets "policy" consultants are listed as part of the 0491 Management Consulting category.⁵ This is not quite as disaggregated as one might wish as policy and management consultants make up only a part of the latter category, although it is a much larger part than they make up of the "Scientific and Professional Services" category in the Public Accounts used by Perl and White in their path-breaking 2002 study (Howlett and Migone 2013b).

The use of policy and management consultants in Canada: Trends and issues

Current data on the consulting industry as a whole (Table 1) shows the use of consultants in a broad spectrum of policy and management activities in Canada has become common in both business and government and indicates that this activity has been growing overall at a rapid pace with

Table 1. *Sales by type of client for the consulting services industry, Canada*

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Percent									
<i>Individuals and households</i>	2.2%	2.7%	3.1%	2.8%	2.3%	1.4%	1.6%	2.5%	2.0%	2.3%
<i>Governments and public institutions</i>	17.1%	17.7%	19.5%	16.7%	16.0%	13.4%	15.7%	17.2%	17.8%	15.6%
<i>Businesses</i>	70.4%	69.6%	69.6%	71.4%	73.7%	77.7%	74.7%	71.6%	73.1%	72.8%
<i>Clients outside Canada (exports)</i>	10.4%	9.9%	7.8%	9.1%	8.0%	7.6%	8.0%	8.8%	7.1%	9.3%
<i>Total</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 5416.

Source: Statistics Canada Bulletin 63-259-X; various years.

high rates of returns to participating firms. Statistics Canada figures show spending for all management consulting (private sector, government, and individuals) increased from \$6.5 billion in 2001 to \$8.7 billion in 2010 (an increase of 25.3%) and the operating profit margin went from 19.0% to 22.4% (Statistics Canada Various Years). Over 90% of business done by Canadian management consulting firms is done with Canadian clients.

However, public institutions account for less than 20% of the overall clients of the industry, and the percentage of business that these companies do with all levels of government declined from 17.1% of their total to 15.6% over the same period (Statistics Canada, various years). The amounts spent by government on management consulting also declined from 7.5% of all federal expenditures in 2006–2007 to 4.9% in 2010–2011 (Public Accounts of Canada, various years). This decline does not mean that the actual amounts have dropped dramatically: rather expenditures per year have remained relatively stable while overall expenditures have grown more rapidly.

In practice, however, government units have used consultants in a much broader manner than in the past. This is true both as far as ease of hiring is concerned and as far as what roles consultants now cover (MacDonald 2011; Public Service Commission 2010). MacDonald (2011), for example, utilized early results from the new federal databases to argue convincingly that expansive trends in contracting were intensifying as federal departments initiated contracting-out measures in order to “cut expenditures in an age of austerity” (MacDonald 2011: 5).

Unlike previous studies, the new, more precise data available after 2004 allowed MacDonald to distinguish between several different types of smaller contracts and to extract specific kinds of consulting services from

Table 2. *Top 10 federal government contract areas 2005-2010*

<i>Description</i>	<i>Total (April 2005 to June 2010)</i>
Other Professional Services	\$3,833,835,461
Architectural and Engineering Services	\$3,629,932,477
Computer Equipment	\$3,319,088,496
Management Consulting	\$2,422,039,296
IT	\$2,179,246,399
Business Services	\$1,329,298,953
Telephone and Voice Services	\$1,085,863,138
Software	\$988,382,443
Temporary Help	\$845,899,781
International Development Goods & Services	\$697,115,212

Source: MacDonald 2011: 8.

more general “temporary help” categories. He found the cost of federal personnel outsourcing of temporary help, IT consultants and management consultants since 2005–2006 had ballooned by almost 80%, to nearly \$5.5 billion. He also identified the ten top contract areas in a range of professional and other services (see Table 2). Several of these areas are not policy related and therefore of less interest in our study, but “Management Consulting” is one of the largest and does have large policy effects and attributes (Perl and White 2002; Saint Martin 1998).

As Howlett and Migone (2013a) argued on the basis of a detailed examination of federal departmental expenditure trends in this specific area, a pattern has emerged where, generally, a small number of heavy users interact frequently with a small number of large providers in a symbiotic oligopoly-oligopsony relationship. Among government agencies, Public Works and Government Services Canada, National Defence and Canadian Forces, Human Resources and Skills Development, and Public Safety and Emergency Preparedness accounted for half of all federal personnel outsourcing. And contracting out dramatically overtook internal goods and service provision in terms of relative increases in these areas in recent years. Their payrolls, for example, increased by only 9% since 2005–06, while their personnel outsourcing costs rose by 100% (MacDonald 2011: 5).

In order to examine this pattern in more detail, data was collected by the authors at the individual department and agency level on the amounts spent year over year for the period between 2003–2004 and 2013–2014. Because of the high level of aggregation in Public Accounts data, this information was combined with information from the Proactive Disclosure

Table 3. *Policy and management consulting total expenditures in the Government of Canada*

<i>Fiscal Year</i>	<i>Proactive Disclosure Policy and Management Contract Amounts – Distributed</i>	<i>Public Accounts Policy and Management Contract Amounts – As voted in budgets</i>	<i>Public Accounts Total Federal Contract Budget</i>
2006–2007	\$261	\$555	\$7,477
2007–2008	\$347	\$567	\$7,923
2008–2009	\$414	\$586	\$9,041
2009–2010	\$448	\$596	\$9,899
2010–2011	\$429	\$525	\$10,334
2011–2012	\$359	\$503	\$10,552
<i>Change over the period</i>	37.68%	–9.36%	41.13%

Source: Proactive Disclosure (various websites); Public Accounts of Canada, various years. Figures in millions.

Table 4. *Management consulting expenses as a percentage of total contract spending*

<i>Fiscal Year</i>	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
Percentage	7.43%	7.16%	6.48%	6.02%	5.09%	4.77%

Source: Public Accounts of Canada, various years.

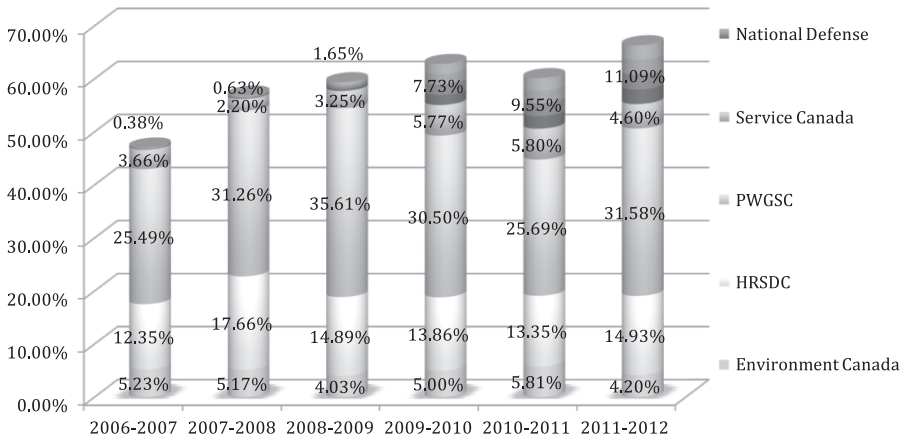
database to provide an inventory of contracts in the 0491 category over the period 2003–2013.⁶

Tables 3 and 4 detail changes in the total spending on the 0491 management consulting category and as a percentage of total federal contract spending for 2005–2012.

The demand side oligopsony

On the demand side at the federal level, the data show that the top 16 users accounted for over 80% of yearly expenditures in the management consulting category. As MacDonald (2011) suggested was also the general case, a few historically dominant actors are key users of management consulting services: Service Canada, Environment Canada, Human Resources and Development Canada, DND, and Public Works and Government Services Canada. Among them PWGSC accounted for about 30% of all policy and management related contracts and HRSDC for approximately 15%. These five departments accounted for as much as 75% of expenditures on policy

Figure 1. *Management consulting spending by five major departmental users – percentage of total*



Source: Proactive Disclosure (various websites).

and management consultants in the entire federal government over this period (Figure 1).

However, demand has neither been constant nor evenly distributed across agencies, and various departments have followed different patterns over time, and the overall sums expended have also varied greatly from year to year.⁷ Management consulting as a percentage of total governmental expenses as reported in the Public Accounts of Canada, as noted previously, has generally declined since the 2006–2007 fiscal year. As Table 5 shows, however, there are some notable exceptions.

The supply side oligopoly

On the supply side, studies tackling the outsourcing process have also found a pattern of increasing concentration in the supply chain with a relatively small group of key suppliers capturing a large share of government outsourcing (MacDonald 2011; Howlett and Migone 2013a; 2013c). MacDonald (2011) detailed the major suppliers of all outsourced contracts (Table 6) at the federal level and found this area to be heavily oligopolized as the “top 10 outsourcing companies received almost 40 cents of every outsourced dollar from the federal government” (Macdonald 2011: 15).

This status, MacDonald noted (2011:15) was institutionalized because the top companies are favoured by the nature of “standing offers” for services from major department buyers, which are too complex for smaller

Table 5. *Management consulting as a percentage of departmental spending – select units*

<i>Department</i>	<i>2006–2007</i>	<i>2007–2008</i>	<i>2008–2009</i>	<i>2009–2010</i>	<i>2010–2011</i>	<i>Percentage Change</i>
<i>Agriculture And Agri-Food</i>	7.63%	6.82%	4.74%	4.48%	3.46%	–54.62%
<i>Foreign Affairs And International Trade</i>	2.72%	6.23%	7.19%	7.49%	8.56%	214.24%
<i>Human Resources And Skills Development</i>	20.62%	20.94%	15.92%	11.33%	8.51%	–58.75%
<i>Indian Affairs And Northern Development</i>	16.95%	7.84%	11.42%	13.71%	9.75%	–42.51%
<i>Parliament</i>	4.87%	8.26%	5.15%	7.67%	8.36%	71.71%
<i>Public Works And Government Services</i>	16.51%	14.08%	13.52%	11.96%	9.28%	–43.78%

Source: Public Accounts of Canada; various years.

Table 6. *Top 10 outsourcing companies (\$millions)*

<i>Company Name</i>	<i>Total FY2005</i>	<i>IT</i>	<i>Management</i>	<i>Temporary Help</i>	<i>Departmental Focus (% of outsourcing)</i>
CGI Information Systems	\$549.5	\$531.3	\$16.5	\$1.7	CRA (45.2%)
Calian Ltd.	\$450.0	\$11.5	\$427.8	\$10.7	DND (95.5%)
Resolve Corporation	\$270.4	–	\$270.4	–	HRSDC (100%)
IBM Canada	\$230.7	\$202.3	\$27.9	\$470.5	PWGSC (45%)
Altis Human Resources Inc.	\$120.6	\$2.0	\$5.7	\$112.8	Transport Canada (39.5%)
Brainhunter Ottawa	\$116.8	\$96.2	\$13.5	\$7.1	
Excel Human Resources	\$111.4	\$18.3	\$7.2	\$85.9	
Coradix Technology Consulting	\$86.7	\$68.9	\$11.5	\$6.4	
Oracle Corporation Canada	\$85.0	\$84.7	\$200.2	–	PWGSC (88.9%)
Ajilon Canada	\$83.0	\$66.4	\$12.0	\$4.6	

Source: MacDonald 2011: 15.

actors to tackle, and which focus on specific core businesses in which these companies specialize and which represents their main revenue source.

While informative of the general picture with respect to contractors, MacDonald's analysis does not answer other questions raised about the supply side of the consulting equation, such as those surrounding the number and type of companies offering services, their size, and the size of contracts. Saint-Martin (2005; 2006) noted company size is relevant to the nature of the contract system as is the size of the contracts and their continuous (or discontinuous) nature. In particular, the size of the contracting units and the continuous use of specific companies to fill particular areas of demand are both issues about which the Public Service of Canada and similar agencies in other countries have been concerned given their impact on traditional means of controlling and monitoring government expenditures and ensuring probity and compliance with norms of democratic governance (Howlett and Migone 2014).

The new Proactive Disclosure dataset compiled for this study reveals that contracting in this area has developed in a way which leads a few individual companies to establish a strong relationship with specific department purchasers in an oligopsony-oligopolistic relationship. That is, a high level of concentration exists in the top echelon of government demand for contracting with a few companies also dominating the supply of consulting services to government. This happens either through multiple repeat contracts or through the award of very large contracts. The data show that some departments have very large percentages of repeat contractors (DND, Service Canada, PWGSC), and that among the top 21 departments for expenditure (those that billed over \$15M), the average percentage of repeat contracts was 66.5%—although it ranged between a low of 26.3% for HRSDC (the second largest department by expenditure) and a high of 95.8% for DND.

The concentration of contracts

An initial inventory of the Proactive Disclosure data in the 0491 category yielded approximately 10,550 companies that had been awarded at least one contract for a total of over \$3 billion between 2003–2004 and 2013–2014.⁸ The range of payments for these contracts went from a low of \$6,300 to a high of \$420.5 million. However, only 31 companies billed a total above \$10 million and only 65 billed above \$5 million. Table 7 shows the companies billing over \$10 million during this period, while Table 8 and Figure 2 presents aggregate data for the whole set.

As these data show, a handful of companies dominate the financial landscape of policy and management consulting expenditures for the federal administration.⁹ In particular, the top four companies billed over \$1 billion or about one third of the total. The 31 companies that billed over \$10 million accounted for over \$1.5 billion, or 51% of total billings but were less than 0.3% of the total number of contracting companies. The 293 companies that billed more than \$1 million over the whole period accounted for over \$2.3 billion (75% of the total billed) but represented only 2.8% of the companies that received a contract. Overall, less than 5% of all companies account for over 80% of the money paid out in this category of contracts.

The size distribution of contracts

Not all of the companies that have billed large amounts have done so by winning large numbers of contracts. The number of contracts awarded to a company does have some connection to the amounts billed, but it is not a strong indicator of a company's capacity for accessing the top tier of government contracting. The type of work performed and the capacity to bid for department-wide contracts (as is the case for example with IT and Technology contracts, but also for Human Resources to an extent) is a

Table 7. *Select companies by amounts billed (2003/2004 to 2013/2014)*

<i>Company</i>	<i>Area of Operations</i>	<i>Company Amounts</i>
Bell Canada	Technology	\$420,596,187.15
Resolve Corporation	Outsourced Business Resources	\$270,659,325.04
Hewlett-Packard	Technology	\$178,873,871.92
Calian Ltd.	Technology	\$136,694,487.89
Quantum Management Services Ltd.	Human Resources	\$70,763,263.22
IBM Business Consulting Services	Technology	\$46,786,023.03
EDS Canada Inc.	Technology/ Business Process	\$45,709,296.41
Corporate Research Group (CRG)	Project Management	\$37,627,572.17
Deloitte & Touche Consulting Group	Accounting	\$31,723,713.39
Interis Consulting Inc.	Project Management	\$27,600,246.01
Price Waterhouse Coopers	Accounting	\$24,983,887.21
KPMG Consulting	Accounting	\$24,951,184.30
CGI Information Systems & Management Consultants Inc.	Technology	\$20,045,718.19
MapleSoft Consulting Inc.	Technology	\$19,144,230.55
IT/NET Consultants Inc.	Technology	\$18,591,563.62
Brainhunter (Ottawa) Inc.	Human Resources	\$17,748,172.47
Coradix Technology Consulting Ltd.	Technology	\$15,795,102.59
Veritaq Technology House Inc.	Technology	\$14,141,690.92
DAMA Consulting Services Ltd.	Project Management	\$13,942,338.17
Systematix IT Solutions Inc.	Technology	\$13,057,437.43
Goss Gilroy Inc.	Project Management	\$12,505,817.84
QMR Staffing Solutions Inc.	Human Resources	\$12,403,236.79
DARE Human Resources Corporation	Human Resources	\$12,400,201.57
Valcom Consulting Group Inc.	Project Management	\$12,257,517.63
Ajilon Consulting	Technology	\$11,374,111.11
Delta Partners (168446 Canada Inc.)	Project Management	\$11,368,789.58
Excel Human Resources Inc.	Human Resources	\$11,081,068.24
R.A. Malatest and Associates Ltd	Market Research, Program evaluation	\$11,074,695.50
Artemp Personnel Services Inc.	Human Resources	\$10,417,619.62
ADGA Group Consultants Inc.	Technology	\$10,332,360.59
Fujitsu Consulting	Technology	\$10,031,667.44

Source: Proactive Disclosure (various websites).

much better predictor in this area. Many of the top 31 companies were not awarded large numbers of contracts. However, the average value of their contracts is much higher than the norm. CRG received the most contracts (537), but the average for the sample is 150. The top five companies have very small numbers of contracts but very high average values.

In terms of these, the average value of a contract for the entire sample is over \$10 million. Even when we eliminate the top three companies, as outliers, the average value is above \$447,000. This is a far cry from the average for the entire federal administration, which is approximately \$55,000.

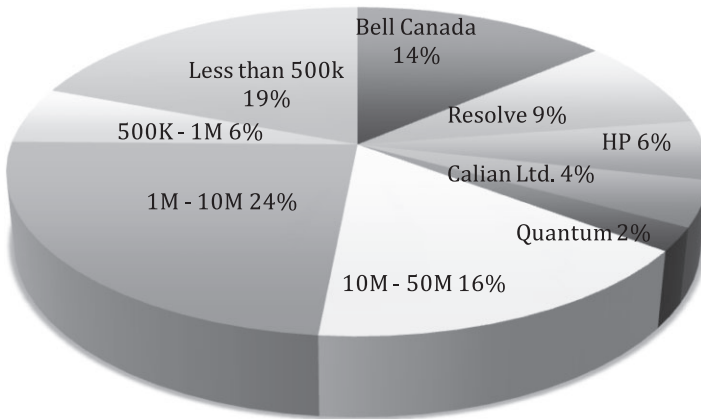
In general, the number of small contracts follows a parabolic trend, peaking in 2007–2008 and then declining to the levels of 2004–2005 by

Table 8. *Distribution of contract values by dollar amount and percentage*

<i>Contracts" Values</i>	<i>Total money</i>	<i>Number of Companies</i>	<i>Percentage of Total (\$ Value)</i>	<i>Percentage of Total (Companies)</i>
Above 100M	\$1,006	4	32.93%	0.038%
50M – 100M	\$71	1	2.31%	0.009%
10M – 50M	\$497	26	16.26%	0.246%
1M – 10M	\$727	262	23.77%	2.479%
500K – 1M	\$169	245	5.54%	2.318%
100k to 500k	\$309	1,479	10.12%	13.992%
Less than 100k	\$277	8,553	9.06%	80.918%
Total	\$3,057	10,570	100.00%	100.000%

(figures in \$millions)

Figure 2. *Distribution of contracts by value awarded to individual companies*



Source: Proactive Disclosure (various websites).

2010–2011. For larger contracts the pattern is different. Medium-sized contracts peak in 2005–2006 and then keep declining. Large contracts reach a plateau in the same year and remain stable until 2008–2009, after which they decline. Very large contracts increase until 2009–2010 and then begin a marginal decrease.¹⁰

Areas of contract activity

There are also significant differences within the various companies in terms of their areas of specialization. If we aggregate the top 31 companies by the activity they predominantly undertake (Table 9), we can observe some

Table 9. *Averages of contract distribution by company's predominant activity*

	<i>Small</i>	<i>Medium</i>	<i>Large</i>	<i>Very Large</i>
Technology	32.6%	15.8%	20.5%	29.2%
Project Management	37.7%	23.1%	28.7%	10.4%
Human Resources	40.2%	19.7%	19.2%	20.8%
Accounting	48.6%	16.4%	16.5%	18.4%
Other	20.8%	7.5%	10.4%	61.3%
Top 31 Companies	38.4%	20.7%	24.6%	16.3%
Entire Sample	66.6%	14.6%	12.0%	6.7%

The Other Category contains Resolve Corporation and R.A. Malatest only. The former provides outsourced business services, and the latter market research and project evaluation.

interesting variance from the general sample. About 50% of the top 31 companies by billing (Table 7) are active in the technology sector, six companies each provide either project management or human resources services, while three are well-established accountancy and consulting entities (KPMG, Price Waterhouse Coopers and Deloitte & Touche Consulting Group). Finally we have a market research and program evaluation company (R.A. Malatest) and a company delivering outsourced business resources (Resolve Corporation).

If we set aside the "other" category we can see how technology oriented companies tend to have larger contracts and receive 13% more very large contracts than the average for the top 31 companies and over 22% more than the general sample.

Policy-related contracting

The general data on contract activity presented previously are relatively poorly disaggregated across various management consulting activities, and the details of what a company was actually contracted to do are often missing from the databases, with the only indication being that activities occurred in the general 0491 "management consulting" category.

The Public Accounts reporting in particular is not designed to provide any kind of readily available information on specific kinds of contract activity leaving the only recourse to look at individual contract descriptions in the MERX and Proactive Disclosure websites. In most cases, however, the reporting in the Proactive Disclosure database is no more detailed, and only a handful of administrative units provided (and even then only quite sporadically) any kind of extra information about the nature of a contract besides its title. Hence, for about 34,000 individual contracts for which we collected data, only about 850 contained any

additional kind of description of contract activity. Among these contracts, only 25 mentioned activities with any kind of policy relevance, and these accounted for only \$831,000. The highest amount (\$175,700) was billed by Stratos Inc. for a process of evaluation of a cabinet directive on implementing the Canadian Environmental Assessment Act. Without this outlier contract, the average value of the other policy contracts is only \$27,800.

To expand the sample of companies that could have provided policy-related services, we examined the type of work firms that had previously received federal contracts advertised for on their websites. In our database we have records for a little over 10,550 companies and individuals recorded in the Proactive Disclosure databases as having received contracts. An initial survey identified 122 companies that were likely to be able to provide or had provided policy services to the federal government (Appendix 1). Overall these companies billed a total of \$212.6 million in the 0491 category according to the Proactive Disclosure data (Table 10).

This number, of course, does not represent the actual amount that was billed for policy-related work. For example, the top companies in this sample are likely to have billed very large percentages of their total activity with the federal government for non-policy-related consulting. Therefore, we weighted in a conservative fashion the type of billing that was reported by these companies.¹¹ We assigned to firms and individuals that provided primarily policy-related services (for example, the Institute on Governance or the Public Policy Forum) a 50% chance that the amounts billed actually involved policy work. The companies noted in Table 10 were assessed as having a 5% chance of providing policy work, while all others were assessed at 20%. While conservatively calculated and open to debate, this approach allows us to put forward some general statements about the policy advice field. The calculations in Appendix 1 lead us to estimate that an amount of at least \$31 million could be assessed as belonging to policy-related activity in the Proactive Disclosure dataset.

In a bid to increase the number of contracts for which we had a policy-related connection, we also ran searches in the MERX database for

Table 10. *Top billing companies with policy-related operations*

<i>Company Name</i>	<i>Total Billing (Proactive Disclosure)</i>
Delta Partners (168446 Canada Inc.)	\$11,368,789.58
QMR Staffing Solutions Inc.	\$12,403,236.79
KPMG Consulting	\$24,951,184.30
Deloitte & Touche Consulting Group	\$31,723,713.39
Corporate Research Group (CRG)	\$37,627,572.17
<i>Total</i>	<i>\$118,074,496.23</i>

Source: Proactive Disclosure.

awarded contracts and collected the results from both the MERX and Proactive Disclosure databases into a single table (Appendix 2).¹² While it is true that the categories used by the two databases are different, with the MERX one being more detailed, merging the two also generates a total amount of \$31 million. It should be noted that we also have a few very large contracts, especially from the Canadian International Development Agency included in this amount that are about the development of projects abroad, which include some policy elements, but are too large to be only policy related.

Once we eliminate the large contracts from the extended sample, we have a total of 61 policy-related contracts, which were awarded to a total of 47 companies. The average size of these contracts is larger than in the Proactive Disclosure sample (\$92.6 thousand) and they are relatively evenly distributed in terms of size (Table 11).

The image changes, however, when we look at the billing by company. In total, 19 companies (over 40% of the sample) billed over \$100,000 since 2006 in policy-related projects. While contract size is relatively evenly distributed, over time we find the same pattern of concentration in which a small number of companies receive large total amounts. The companies receiving these contracts range from large consulting firms like KPMG and Deloitte & Touche, to specialized ones like The Sussex Circle, Prairie Research Associates, or Advanced Policy Concepts Inc. to individuals and research entities like universities or the Institute in Governance.¹³

Collating together all companies that either have, or are likely to have, provided some kind of policy-related services for the federal government, we obtained 149 companies from our preliminary analysis (Appendix 3). In the sample there are 127 (85.2%) companies or individuals operating as private entities, 13 university related suppliers (schools of public policy or university personnel) accounting for 8.7% of the total, and finally nine suppliers (6.0%) represent think tanks.

In terms of size, an initial analysis of available data found that the companies engaged in this field are predominantly small or very small, often composed in fact of an individual or a very small groups.¹⁴ In some

Table 11. *Size distribution of policy-related contracts*

<i>Contract Size</i>	<i>Less then \$25k</i>	<i>\$25k to \$50k</i>	<i>\$50 to \$100k</i>	<i>More than \$100k</i>
<i>Number of Contracts</i>	17	11	17	16
<i>Percentage of Total</i>	18.03%	27.87%	27.87%	26.23%
<i>Companies in Billing Range</i>	14	3	11	19
<i>Percentage of Total</i>	29.79%	6.38%	23.40%	40.43%

cases, because the companies had ceased to exist or did not provide clear information about their size, we could not provide a categorization at this point (Table 12).

As a third step after this general analysis of the structure and numbers of the actors involved in policy-related work, we explored the type of activities these companies advertised through their websites. We divided these activities into seven categories (document management, policy services, research [non-policy], management consulting, economic and financial services, communication, and security)¹⁵ and analyzed the most common specialization for the actors present in the sample (Table 13 and Table 14).

Ultimately, policy work and general management consulting remain the most common activities performed by these actors followed by general

Table 12. *Company size in policy sample*

<i>Company Size</i>	<i>Frequency</i>	<i>Percentage</i>
Micro	52	34.90%
Small	35	23.49%
Medium	10	6.71%
Large	10	6.71%
Very Large	9	6.04%
N/A	33	22.15%

Table 13. *Combination of activities by sample companies*

<i>Activity combinations</i>	<i>Frequency</i>	<i>Activity combinations</i>	<i>Frequency</i>
POL	22	MC SEC	2
POL RES	20	MC ECON SEC	2
MC	20	SEC	1
N/A	18	RES MC ECON	1
MC ECON	11	RES ECON	1
POL MC	10	POL RES ECON COM	1
ECON	7	POL MC ECON SEC	1
POL MC ECON	6	POL MC ECON COM	1
POL RES MC	4	POL MC COM	1
POL RES ECON	4	MC COM	1
RES	3	DM POL RES MC ECON	1
POL RES MC ECON	3	DM ECON COM	1
POL ECON	3	COM	1
POL COM	3		

Table 14. *Frequency of individual work specialization*

<i>Specialization</i>	<i>POL</i>	<i>MC</i>	<i>ECON</i>	<i>RES</i>	<i>COM</i>	<i>SEC</i>	<i>DM</i>
Frequency	80	64	43	38	9	6	2

research services. While policy services are the ones most commonly offered by these actors, we also find that many companies combine different area of expertise.

Conclusion

In this article we provide an assessment of the nature of the supply of policy and management consultants in Canada using procurement information for the federal government in the area of management consulting in general, and of policy consulting in particular, made available only very recently.

The data confirm already noted tendencies for contracts to become semi-permanent arrangements but also reveal a pattern of oligopsonistic demand in the policy and management consulting areas concentrated mostly in a handful of very heavy user departments and also an increasingly oligopolistic supply pattern where less than 5% of companies accounted for 80% of total contract values and where repeat contracts are the norm.

Traditionally, concern about this kind of outsourcing has hinged on its costs and benefits or its efficiency as a source of government expenditure vis a vis the utilization of existing internal sources of supply. Here we argue that while these are important issues, attention should be paid not only to the “permanence” of outsourced services but also to its oligopolistic nature. Increasingly we find evidence of a long-term external “invisible public service” operating alongside the traditional “internal” one.

In keeping with previous research on the demand side of the policy and management contracting equation (Howlett and Migone 2013a), we mapped a pattern of oligopolistic supply. In terms of concentration and potential impact, of the over 10,500 companies that successfully bid for contracts with the federal government over the period considered in this study, 31 billed over \$10 million. That is to say 0.3% of the companies awarded contracts obtained 51.5% of the overall amount let by the federal government while 95% of companies billed the government for less than \$500,000, and as a whole, this group of over 10,000 companies and individuals was awarded only 19% of the money spent. Furthermore, we have found that in general the pattern has been towards fewer contracts in most size categories except for the very large category (over \$100,000).

We also found that some companies receive very large multi-year contracts, skewing at times entire departmental expense patterns. This type

of very large contract has been noted in the literature before (Macdonald 2011). While there may be very good reasons in terms of economies of scale and firm capacity to allow such very large contracts, this reduces the pool of potential bidders and limits the capacity of government to exploit the benefits of competition (Woon Kim and Brown 2012). In addition, these larger contracts are multi-year or department-wide ones that “lock in” the relationship between purchaser and supplier without many of the usual safeguards which come with internal spending of this kind and duration.

These findings suggest existing measures of accountability and transparency focused on traditional civil service hiring and financial practices are in need of reform if they are to successfully extend to the “invisible” public service of contract consultants.

Although the federal government did implement a variety of changes in the area of contract reporting in the early 2000s, and the current situation is much better than when Perl and White (2002) undertook their study, in most respects the specific nature of the policy advice services remains broadly hidden from us because of lack of detail and comprehensiveness in the data sources. Thus, much of the needed analysis regarding government outsourced contracts in the area remains either speculative or must be developed through surveys and ad hoc analyses. Of the three databases readily available for our analysis (Public Accounts, Proactive Disclosure and MERX) the first two have either a very low level of disaggregation (Public Accounts) or provide us with very little detailed information on actual contract activity (Proactive Disclosure and Public Accounts). Additional and more precise information can be glimpsed by using the MERX database and some entries from the Proactive Disclosure, but this still remains a relatively limited tool.

These results indicate that it remains critical that better measurements of the extent of policy and management consultants be developed in order to provide more readily accessible, increased detail regarding the type of contract activity that occurs with each contract. Although recent reform efforts at the federal level are important, and the situation in Ottawa is much better than that at the provincial level, we find that the new data are limited to areas related to the “governance” of federal procurement and to the financial auditing of outsourced activity rather than towards larger questions relating to the purposes of such expenditures and their impact on the traditional civil service and traditional measures of accountability and responsibility in government. These questions, however, continue to warrant in-depth analysis and study of the activity of both suppliers and government purchasers and their effects, not just on finances, but on the content of decisions and activities influenced by this heretofore almost completely “invisible public service” (Speers 2007).

Notes

- 1 Virtually no reliable data exists at all on the situation at the provincial and local levels where contracting practices are also quite prevalent, and this lack of data, in itself, is also worrisome (Office of the Auditor-General of British Columbia 2001; Howlett and Migone 2013b).
- 2 The increased use of external consultants, for example, has been correlated to the emergence of New Public Management (NPM) practices in many jurisdictions, which increasingly shifted the public service away from administering programs to managing them. The “service” or contract state needed a variety of external “contractees” who would actually deliver goods and services on government behalf rather than have these delivered by government employees (Freeman 2000; Vincent-Jones 2006; Butcher, Freyens, and Wanna 2009; DiFrancesco, Uhr, and Mackay 1996; Weller and Stevens 1998; DiFrancesco 2000; Tiernan 2011).
- 3 This data problem was not limited to Canada and was particularly noticeable in the early stages of the research with either very high levels of aggregation or very different methods of collecting information marring both individual country studies and comparative treatments of the subject (New Zealand 1994; Boston 1994; Perl and White 2002; Howlett and Migone 2013c). In many cases, decisions about reporting contracts were left up to individual administrative units, meaning whatever data existed was often idiosyncratic, and it was very difficult to arrive at an accurate assessment of the scope and use of any kind of consultants, including policy ones, across government (Howard 1996; Perl and White 2002). This is still the case in many countries and at the provincial level in Canada itself (Howlett and Migone 2013b).
- 4 The situation remains very poor at the provincial level where reporting is rudimentary although still a concern and subject of investigation (Office of the Auditor General of British Columbia 2001).
- 5 The individual contracts appear in individual webpages generally detailing the name of the company or vendor to whom it was awarded, the contract’s reference number, the contract date and contract period and whether or not the contract was amended at any point in time. In general, however, these pages do not specify the type of work actually performed besides indicating whether or not it did fit within the 0491 category, therefore providing very little indication of its content.
- 6 However, the last full set of contract data available at the time of writing was for 2011–2012. Data past this date contains only adjusted figures for multiple year contracts that extend into future years. A new definition of the category “Other Professional Services – Management Consulting (0491)” was introduced in 2006 meaning consistent data is only available since 2006–2007 and hence truly comparable data span only the five-year period between 2006–2007 and 2011–2012. Various departments and agencies provide data for previous years under the 0491 category but it is unclear (and unlikely) that these were reconciled with the new definition. A third caveat is that National Defence and the Canadian Forces do not use the 0491 code, and the numbers presented here are a proxy. Finally, multi-year contracts were distributed annually according to the number of months that the contract covered, which may not correspond to the way in which the money was actually paid out. For example, if a contract covered two fiscal years and was awarded for a sum of \$100,000, each year was assigned \$50,000 allowing a more “normalized” map of this spending. The most significant remaining data-related problem, however, is the continuing classification of policy-related contracts as part of the larger category of management consulting. A survey of federal agencies and departments found that most contract data is kept for a limited period of time and that specific contracts have to be analyzed individually by staff to assess whether, and the degree to which, they contain policy elements. This imposes a focus in this paper on

both management and policy consulting rather than just policy consulting, per se. However, given the richer databases that now exist, we can discern some patterns in policy consulting from this larger category of activities, which, in itself also remains a subject of interest among scholars and practitioners (Saint-Martin 2005; 2006, Speers 2007).

- 7 Only seven departments increased their spending on Management Consulting—Citizenship and Immigration, the Economic Development Agency for Quebec, Environment Canada, Foreign Affairs and International Trade, Parliament, the Privy Council, and Western Economic Diversification.
- 8 The Proactive Disclosure websites also featured about 80 companies that had been awarded standing offers for which no amount had been expended.
- 9 We should also note that among contracts awarded to companies that billed more than \$15 million for 0491 services, just over half of all contracts were awarded to companies that already had worked for the federal government. This meant that 68.30% of the funds expended over the period we considered went to companies with two or more contracts. This is similar to the US where Woon Kim and Brown (2012: 692–693) found that the US Department of Defence tended to have higher average contract lengths and contract values than other departments.
- 10 We have created four categories based on the value of the contracts: (1) “small,” which is lower than \$25,000, (2) “medium” between \$25,000 and \$50,000, (3) a “large” between \$50,000 and \$100,000 and finally a (4) “very large” category for contracts averaging above \$100,000.
- 11 Relying on a survey recently completed by Howlett and Migone (2013a) on the activity of policy consultants we have utilized the results in one of the questions there to guide our calculations (Table 11).
- 12 In our searches we also found various contracts that we did not include and contracts that did not have an amount associated with them. Among these are 17 INAC standing offers (Research Analysis, Policy Development and Research Support Services – Standing Offer) for a total of \$7.5 million. Among the three areas covered here it is unclear how to split the various amounts, but we estimate the Policy Development component to be below 10%. Among the contracts without a dollar amount, there are 22 supply arrangements with Western Economic Diversification Canada (Corporate Policy Research Services Supply Arrangement, Western Canada).
- 13 While a more detailed analysis of the nature of the consulting workforce is currently being undertaken, preliminary results show there is a fair amount of personnel in these companies who had previous experience working for the federal government and who are applying their previous expertise in their outsourcing work (Howlett et al 2013 and 2014; Howlett and Migone 2013a).
- 14 We designed four separate categories for the supplying companies based on the number of people working there: micro companies (less than 10), small (between 10 and 25), medium (between 26 and 75), large (between 76 and 100), and very large (over 100).
- 15 The categories were organized as follows:
 1. Policy Services: policy research, policy drafting, policy evaluation, policy advice, environmental scanning, strategic advice, governance, accountability, law, regulation.
 2. Economic and Financial Services: financial services, auditing, accounting, procurement strategies, human resources work.
 3. Management Consulting: management consulting, change management, organizational change, facilitation, project management, risk management (non-physical).
 4. Research (Non-Policy): data collection, general research services, conference services, instructional services.

5. Communication: Communication, surveys, stakeholder engagement, public opinion, media relations.
6. Security: security, physical risk management.
7. Document Management: web content creation or management; document management.

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Appendix 1. List of companies advertising policy services

<i>Company Name</i>	<i>Total Billing (Proactive Disclosure)</i>	<i>Estimated Policy Percentage</i>	<i>Estimated Policy Billing</i>	<i>Ascertained Policy Billing</i>
Policy and Management Consultants I	\$10,000.00	0.5	\$5,000.00	
Mcdavid, Dr. Jim	\$12,000.00	0.2	\$2,400.00	\$12,000.00
BNMD Public Policy Inc.	\$12,084.00	0.5	\$6,042.00	
Institute of Intergovernmental Relations (Queen's University)	\$12,170.76	0.5	\$6,085.38	
Policy Research International	\$12,438.75	0.5	\$6,219.38	
Institute for Security Studies	\$12,500.00	0.5	\$6,250.00	
AMD Consultancy	\$14,951.30	0.2	\$2,990.26	
School of Policy Studies	\$15,750.00	0.5	\$7,875.00	
Senior Research Fellow – Institute For Public Policy Research	\$16,930.00	0.5	\$8,465.00	
Ray Tomalty Co-Operative Research & Policy	\$18,444.00	0.5	\$9,222.00	
GPT Management Ltd.	\$20,000.00	0.2	\$4,000.00	\$20,000.00
Institute of the North	\$20,076.00	0.2	\$4,015.20	
Brown Governance Inc	\$20,212.50	0.5	\$10,106.25	
Brown Public Affairs	\$20,888.00	0.2	\$4,177.60	
Atlantic Policy Congress Of First Nation Chiefs Secretariat Inc	\$21,000.00	0.5	\$10,500.00	
International Centre For Criminal Law Reform And Criminal Justice Policy	\$21,296.25	0.2	\$4,259.25	
Wolf Policy Network	\$23,100.00	0.5	\$11,550.00	
Policy Assessment Corp.	\$23,200.00	0.5	\$11,600.00	
Public Policy Consulting	\$23,400.00	0.5	\$11,700.00	
Ottawa Policy Research Associates	\$24,075.00	0.5	\$12,037.50	
Protectcan Consultants Corp.	\$24,357.00	0.2	\$4,871.40	
Hall, Daniel	\$24,480.00	0.2	\$4,896.00	
Women's Health Research And Policy Of C.E.W.H. Society	\$24,598.00	0.5	\$12,299.00	
Empirical Policy and Analysis	\$24,973.00	0.5	\$12,486.50	
J-M Associates	\$24,973.80	0.2	\$4,994.76	
Rowan Health Policy Consulting	\$24,975.00	0.5	\$12,487.50	
Fischer, Carolyn Ph.D.	\$25,000.00	0.2	\$5,000.00	
Governance Research Innovation Development (GRID)	\$25,000.00	0.5	\$12,500.00	
Low, John – Senior Policy Writer	\$25,000.00	0.5	\$12,500.00	\$25,000.00
Data Angel Policy Research Inc.	\$29,944.50	0.5	\$14,972.25	
Open Policy	\$34,840.00	0.5	\$17,420.00	
Technopolicy Network	\$35,852.46	0.2	\$7,170.49	
Media Policy and Strategy Ltd	\$38,160.00	0.5	\$19,080.00	
Link HR Systems Inc.	\$38,520.00	0.2	\$7,704.00	
Hossack, Emmett P.	\$47,080.00	0.2	\$9,416.00	
Cooperative Research and Policy Services	\$49,035.00	0.5	\$24,517.50	

<i>Company Name</i>	<i>Total Billing (Proactive Disclosure)</i>	<i>Estimated Policy Percentage</i>	<i>Estimated Policy Billing</i>	<i>Ascertained Policy Billing</i>
Paton & Associates Management	\$49,300.20	0.2	\$9,860.04	
Center For Clean Air Policy	\$50,000.00	0.5	\$25,000.00	
Fox Consulting Ltd.	\$54,370.00	0.2	\$10,874.00	\$10,000.00
Levac, Odette	\$57,200.00	0.2	\$11,440.00	
C3I Group (The)	\$58,152.00	0.2	\$11,630.40	
Leslie Harris Centre Of Regional Policy And Development	\$60,904.89	0.5	\$30,452.45	
Maeander Enterprises Ltd.	\$64,200.00	0.2	\$12,840.00	
Centre For Trade Policy And Law	\$66,660.00	0.5	\$33,330.00	
Caledon Institute of Social Policy	\$74,330.00	0.5	\$37,165.00	
JUA Management Consulting	\$81,112.50	0.2	\$16,222.50	
Wells, David	\$88,000.00	0.2	\$17,600.00	
Hall, Jenna	\$89,414.75	0.2	\$17,882.95	
Flaman Management Partners Ltd.	\$93,438.00	0.2	\$18,687.60	
Educational Policy Research Inc.	\$103,110.00	0.5	\$51,555.00	
Hillbrooke Group (The)	\$103,820.00	0.2	\$20,764.00	
Public Policy and Management Inc.	\$105,043.00	0.5	\$52,521.50	
PPM Public Policy Management Limited	\$106,370.00	0.5	\$53,185.00	
Kernaghan Kenneth Professor Department Of Political Science And Management	\$110,345.00	0.5	\$55,172.50	
Maga Policy Consultants Ltd	\$113,692.00	0.5	\$56,846.00	
Entrans Policy Research Group Inc.	\$152,240.00	0.5	\$76,120.00	
Policyworks Inc.	\$158,082.00	0.5	\$79,041.00	
Aura Environmental Research And Consulting Ltd.	\$167,659.23	0.2	\$33,531.85	\$49,932.00
Canadian Policy Research Networks	\$175,403.00	0.5	\$87,701.50	
Rideau Strategy Consultants Ltd.	\$183,434.85	0.5	\$91,717.43	
NRG Research Group	\$190,399.13	0.5	\$95,199.57	
Doern, Bruce (Dr.)	\$195,180.00	0.5	\$97,590.00	
Parr Johnston Economic & Policy Consultants	\$208,650.00	0.5	\$104,325.00	
Compliance Strategy Group	\$219,344.50	0.2	\$43,868.90	\$23,625.00
Shillington & Burns Consultants Inc.	\$225,497.53	0.2	\$45,099.51	\$23,800.00
Educational Policy Institute (EPI)	\$236,490.04	0.5	\$118,245.02	
A Hundred Answers Ottawa Ont	\$255,874.50	0.2	\$51,174.90	
Perrier Consultants	\$261,228.00	0.2	\$52,245.60	
Weippert HR Solutions	\$273,756.89	0.2	\$54,751.38	
Compass Resource Management Ltd.	\$290,046.00	0.2	\$58,009.20	
Interface Strategies Inc.	\$306,556.75	0.2	\$61,311.35	
Institute For Research On Public Policy (IRPP)	\$314,458.50	0.5	\$157,229.25	
G.A. Packman & Associates Inc.	\$318,417.04	0.2	\$63,683.41	\$17,800.00

<i>Company Name</i>	<i>Total Billing (Proactive Disclosure)</i>	<i>Estimated Policy Percentage</i>	<i>Estimated Policy Billing</i>	<i>Ascertained Policy Billing</i>
Hopkins Stewart Associates Inc.	\$346,805.00	0.2	\$69,361.00	
International Institute for Sustainable Development (IISD)	\$420,703.92	0.2	\$84,140.78	
Portage Personnel Inc.	\$457,635.81	0.2	\$91,527.16	
Advanced Policy Concepts Inc.	\$488,747.00	0.5	\$244,373.50	\$24,717.00
Marsh Canada Limited	\$555,666.86	0.2	\$111,133.37	
Governance Network (The)	\$590,906.91	0.5	\$295,453.46	
J. Phillip Nicholson Policy & Management Consultants Inc.	\$618,861.00	0.5	\$309,430.50	
Rawson Group Initiatives Inc.	\$654,694.50	0.2	\$130,938.90	
David Swayze & Associates Inc.	\$769,094.37	0.2	\$153,818.87	
Bell Browne Molnar & Delicate Consulting Services Inc.	\$787,774.72	0.2	\$157,554.94	
Regulatory Consulting Group Inc.	\$791,879.26	0.5	\$395,939.63	
DBS International	\$796,333.25	0.2	\$159,266.65	
Lnw Consulting Inc.	\$797,004.95	0.2	\$159,400.99	
Research And Traffic Group	\$851,845.58	0.2	\$170,369.12	
HLB Decision Economics Inc.	\$895,369.68	0.2	\$179,073.94	
Public Policy Forum	\$1,020,461.15	0.5	\$510,230.58	\$23,994.75
Gartner Lee Limited	\$1,049,910.04	0.2	\$209,982.01	
New Economy Development Group Inc.	\$1,051,450.68	0.2	\$210,290.14	
Eco Ressources Consultants	\$1,080,390.22	0.2	\$216,078.04	
JLS Management Consulting Inc.	\$1,089,775.45	0.2	\$217,955.09	
Gardner Pinfold Consulting Economist Ltd.	\$1,138,201.37	0.2	\$227,640.27	
Environics Research Group	\$1,312,539.17	0.2	\$262,507.83	
Senes Consultants Limited	\$1,364,842.55	0.2	\$272,968.51	
CPCS Transcom Ltd.	\$1,427,257.27	0.2	\$285,451.45	
Global Advantage Consulting Group	\$1,570,203.21	0.2	\$314,040.64	\$67,838.23
Institute On Governance	\$1,643,450.59	0.5	\$821,725.30	
Blue Drop Inc.	\$1,788,467.71	0.2	\$357,693.54	
Ference Weicker & Company Management Consultants	\$2,081,600.05	0.2	\$416,320.01	\$85,465.00
Delsys Research Group Inc.	\$2,124,129.14	0.2	\$424,825.83	
Lumina It Inc.	\$2,132,384.70	0.2	\$426,476.94	\$9,630.00
Conference Board Of Canada	\$2,262,482.10	0.2	\$452,496.42	
Bmci Consulting Inc.	\$2,302,094.24	0.2	\$460,418.85	\$11,550.00
Quintet Consulting Corporation	\$2,321,602.06	0.2	\$464,320.41	\$22,900.00
ICF Consulting Canada Inc.	\$2,363,619.39	0.2	\$472,723.88	
Lannick Contract Solutions Inc.	\$2,424,034.73	0.2	\$484,806.95	\$112,125.00
Marbek Resource Consultants Ltd.	\$2,441,027.04	0.2	\$488,205.41	
Terriplan Consultants	\$2,987,887.15	0.2	\$597,577.43	
Bronson Consulting Group Inc.	\$3,170,163.81	0.2	\$634,032.76	
HDP Group Inc.	\$3,769,817.46	0.2	\$753,963.49	
Lansdowne Technologies Inc.	\$4,615,637.36	0.2	\$923,127.47	\$12,127.50
Stratos Inc. – Strategies to Sustainability	\$5,185,146.84	0.2	\$1,037,029.37	\$175,693.00

<i>Company Name</i>	<i>Total Billing (Proactive Disclosure)</i>	<i>Estimated Policy Percentage</i>	<i>Estimated Policy Billing</i>	<i>Ascertained Policy Billing</i>
Sussex Circle Inc.	\$5,859,855.00	0.5	\$2,929,927.50	\$49,222.50
Centre For Public Management	\$7,622,606.63	0.5	\$3,811,303.32	
Samson & Associates (175213 Canada Inc.)	\$8,965,743.69	0.2	\$1,793,148.74	
Delta Partners (168446 Canada Inc.)	\$11,368,789.58	0.05	\$568,439.48	
QMR Staffing Solutions Inc.	\$12,403,236.79	0.05	\$620,161.84	
KPMG Consulting	\$24,951,184.30	0.05	\$1,247,559.22	\$53,500.00
Deloitte & Touche Consulting Group	\$31,723,713.39	0.05	\$1,586,185.67	
Corporate Research Group (CRG)	\$37,627,572.17	0.05	\$1,881,378.61	
Total	\$212,681,195.46		\$31,333,459.80	\$830,919.98
<i>Estimated Policy 33%</i>	<i>\$70,184,794.50</i>			

Appendix 2. Policy-related contracts – proactive disclosure and MERX databases

<i>Company</i>	<i>Contract Amount</i>	<i>Total Amount Billed by Company</i>	<i>Source Database</i>
Advanced Chippewa Technologies Inc. (*)	\$914,814.08	\$914,814.08	MERX
Advanced Policy Concepts Inc.	\$24,717.00	\$24,717.00	Proactive Disclosure
Auguste Solutions & Associates Inc.	\$81,612.50	\$81,612.50	MERX
Aura Environmental Research And Consulting Ltd.	\$49,932.00	\$49,932.00	Proactive Disclosure
BMCI Investigations & Security Ltd.	\$11,550.00	\$11,550.00	Proactive Disclosure
Brattle Street Round Table	\$45,313.00		MERX
Brattle Street Round Table	\$46,895.00	\$92,208.00	MERX
Cambria Associates	\$108,727.50	\$108,727.50	MERX
Canadian Centre On Substance Abuse (CCSA)	\$468,915.73	\$468,915.73	MERX
Canadian Institute For Research On Public Policy And Public Administration	\$186,395.00	\$186,395.00	MERX
Christopher Beaton	\$96,300.00	\$96,300.00	MERX
Compliance Strategy Group	\$23,625.00	\$23,625.00	Proactive Disclosure
Consortium-Canadian Society For International Health / World University Service Of Canada (*)	\$7,490,000.00	\$7,490,000.00	MERX
Deloitte & Touche	\$399,699.50		MERX
Deloitte & Touche	\$54,296.50	\$453,996.00	MERX
Estelle Carrière	\$62,000.00	\$62,000.00	MERX

<i>Company</i>	<i>Contract Amount</i>	<i>Total Amount Billed by Company</i>	<i>Source Database</i>
Experco-Stikeman & Elliott International Ltd. (*)	\$10,597,889.00	\$10,597,889.00	MERX
Ference Weicker & Company Management Consultants	\$99,680.00		MERX
Ference Weicker & Company Management Consultants	\$25,000.00		MERX
Ference Weicker & Company Management Consultants	\$25,725.00		Proactive Disclosure
Ference Weicker & Company Management Consultants	\$59,740.00	\$210,145.00	Proactive Disclosure
Fox Consulting Ltd.	\$10,000.00	\$10,000.00	Proactive Disclosure
G.A. Packman & Associates Inc.	\$17,800.00	\$17,800.00	Proactive Disclosure
Gardner Pinfold Consulting Economists Ltd.	\$59,735.00	\$59,735.00	MERX
Gartner Lee Limited	\$117,018.75	\$117,018.75	MERX
Global Advantage Consulting Group Inc.	\$24,989.85		Proactive Disclosure
Global Advantage Consulting Group Inc.	\$42,848.38	\$67,838.23	Proactive Disclosure
Goss Gilroy Inc	\$574,550.00	\$574,550.00	MERX
GPT Management Ltd.	\$20,000.00	\$20,000.00	Proactive Disclosure
Hickling Arthur Lows Corporation	\$225,000.00	\$225,000.00	MERX
IBM Global Business Services	\$57,650.00		MERX
IBM Global Business Services	\$70,925.00	\$128,575.00	MERX
Institute On Governance	\$29,094.00		MERX
Institute On Governance	\$200,000.00	\$229,094.00	MERX
IPS (Integrated Planning Services) Ltd.	\$102,000.00	\$102,000.00	MERX
J. & C. Nyboer Inc.	\$91,700.00	\$91,700.00	MERX
Jacobson Consulting Inc.	\$69,229.00	\$69,229.00	MERX
John Low – Senior Policy Writer	\$25,000.00	\$25,000.00	Proactive Disclosure
Joint Venture Canadian Society For International Health/Queen's University (*)	\$7,000,000.00	\$7,000,000.00	MERX
KPMG Consulting	\$109,662.00		MERX
KPMG Consulting	\$53,500.00	\$163,162.00	Proactive Disclosure
Lannick Contract Solutions Inc.	\$34,500.00		Proactive Disclosure
Lannick Contract Solutions Inc.	\$77,625.00	\$112,125.00	Proactive Disclosure
Lansdowne Technologies Inc	\$12,127.50	\$12,127.50	Proactive Disclosure
Lumina It Inc.	\$9,630.00	\$9,630.00	Proactive Disclosure
Mcdavid, Jim (Dr.)	\$12,000.00	\$12,000.00	Proactive Disclosure
Memorial University Of Newfoundland	\$226,000.00	\$226,000.00	MERX
Peter Gusen	\$300,000.00	\$300,000.00	MERX
Prairie Research Associates (PRA) Inc.	\$204,304.00		MERX
Prairie Research Associates (PRA) Inc.	\$123,461.95	\$327,765.95	MERX
Public Policy Forum	\$23,994.75	\$23,994.75	Proactive Disclosure
Quintet Consulting Corporation	\$22,900.00	\$22,900.00	Proactive Disclosure
R.E. Gilmore Investments Corp.	\$54,266.93	\$54,266.93	MERX
Regulatory Consulting Group	\$79,757.00	\$79,757.00	MERX

<i>Company</i>	<i>Contract Amount</i>	<i>Total Amount Billed by Company</i>	<i>Source Database</i>
Shillington & Burns Consultants Inc.	\$23,800.00	\$23,800.00	Proactive Disclosure
SJT Solutions	\$15,000.00	\$15,000.00	MERX
Stratos Inc.	\$38,787.50		MERX
Stratos Inc.	\$175,693.00	\$214,480.50	Proactive Disclosure
Sussex Circle Inc.	\$85,004.00		MERX
Sussex Circle Inc.	\$24,570.00		Proactive Disclosure
Sussex Circle Inc.	\$24,652.50	\$134,226.50	Proactive Disclosure
TNS Canadian Facts Inc.	\$223,000.00	\$223,000.00	MERX
TRM Technologies Inc.	\$50,350.00	\$50,350.00	MERX
University Of Victoria	\$11,025.00	\$11,025.00	Proactive Disclosure
URS Corporation (USA)	\$29,750.00	\$29,750.00	MERX
Total Billed	\$31,655,727.92		
(*) <i>Total spending in large contracts with policy facets</i>	<i>\$26,002,703.08</i>		
Policy Spending	\$5,653,024.84		

Appendix 3. Company activity

<i>Company Name</i>	<i>Company Activity</i>	<i>Company Size</i>
A Hundred Answers Ottawa Ont	DM ECON COM	Micro
Advanced Chippewa Technologies Inc. (*)	ECON	N/A
Advanced Policy Concepts Inc.	MC	Small
AMD Consultancy	MC ECON	Small
Atlantic Policy Congress Of First Nation Chiefs Secretariat Inc	POL	Medium
Auguste Solutions & Associates Inc.	MC	N/A
Aura Environmental Research And Consulting Ltd.	RES	Micro
Bell Browne Molnar & Delicate Consulting Services Inc.	POL MC ECON	Large
Blue Drop Inc.	MC	Large
Bmci Consulting Inc.	POL MC ECON SEC	Small
BNMD Public Policy Inc.	MC	Small
Brattle Street Round Table	POL	Micro
Bronson Consulting Group Inc.	POL MC ECON	Small
Brown Governance Inc	POL	Micro
Brown Public Affairs	POL COM	Micro
C3I Group (The)	MC SEC	N/A
Caledon Institute of Social Policy	POL	Micro
Cambria Associates	POL ECON	Large
Canadian Centre On Substance Abuse (CCSA)	POL	Medium
Canadian Institute For Research On Public Policy And Public Administration	POL	N/A
Canadian Policy Research Networks	POL	N/A
Center For Clean Air Policy	POL RES	Medium
Centre For Public Management – John Burns Centre for Public Management	POL MC	Small
Centre For Trade Policy And Law	POL	Small

<i>Company Name</i>	<i>Company Activity</i>	<i>Company Size</i>
Christopher Beaton	N/A	Micro
Compass Resource Management Ltd.	POL MC	Small
Compliance Strategy Group	POL	Micro
Conference Board Of Canada	POL RES MC ECON	Large
Consortium-Canadian Society For International Health / World University Service Of Canada (*)	N/A	N/A
Cooperative Research and Policy Services	POL RES	N/A
Corporate Research Group (CRG)	POL RES MC ECON	Very Large
CPCS Transcom Ltd.	POL MC	Medium
Data Angel Policy Research Inc.	POL RES	Small
David Swayze & Associates Inc.	MC	Small
DBS International	POL MC ECON COM	N/A
Deloitte & Touche Consulting Group	POL MC ECON	Very Large
Delsys Research Group Inc.	POL MC	Micro
Delta Partners (168446 Canada Inc.)	MC ECON	Medium
Doern, Bruce (Dr.)	POL	Micro
Eco Ressources Consultants	MC ECON	Small
Educational Policy Institute (EPI)	POL RES	N/A
Educational Policy Research Inc.	POL	Small
Empirical Policy and Analysis	POL	N/A
Entrans Policy Research Group Inc.	POL RES	Micro
Environics Research Group	RES	Large
Estelle Carrière	N/A	Micro
Expenco-Stikeman & Elliott International Ltd. (*)	N/A	N/A
Ference Weicker & Company Management Consultants	MC ECON	Small
Fischer, Carolyn Ph.D.	POL RES	Micro
Flaman Management Partners Ltd.	MC	Small
Fox Consulting Ltd.	N/A	N/A
G.A. Packman & Associates Inc.	MC	Micro
Gardner Pinfold Consulting Economist Ltd.	ECON	Micro
Gartner Lee Limited (Now AECOM Technology Corporation – Since 2007)	MC ECON	Very Large
Global Advantage Consulting Group Inc.	MC ECON	Micro
Goss Gilroy Inc	MC ECON	Small
Governance Network (The)	POL MC ECON	Very Large
Governance Research Innovation Development (GRID) Corp.	N/A	N/A
GPT Management Ltd.	N/A	Micro
Hall, Daniel	N/A	Micro
Hall, Jenna	N/A	Micro
HDP Group Inc.	POL MC ECON	Micro
Hickling Arthur Lows Corporation	POL RES	Small
Hillbrooke Group (The)	MC COM	Micro
HLB Decision Economics Inc.	ECON	Very Large
Hopkins Stewart Associates Inc.	MC ECON	Micro
Hossack, Emmett P.	N/A	Micro
IBM Global Business Services	RES MC ECON	Very Large
ICF Consulting Canada Inc./Marbeck	MC	Large
Institute For Research On Public Policy (IRPP)	POL RES	Small
Institute For Security Studies	POL	N/A
Institute of Intergovernmental Relations (Queen's University)	RES	Small

<i>Company Name</i>	<i>Company Activity</i>	<i>Company Size</i>
Institute of the North	POL RES	Small
Institute On Governance	POL RES	Medium
Interface Strategies Inc.	POL COM	Small
International Centre For Criminal Law Reform And Criminal Justice Policy	POL RES	Small
International Institute for Sustainable Development (IISD)	POL RES	Very Large
IPS (Integrated Planning Services) Ltd.	N/A	Small
J-M Associates	N/A	N/A
J. & C. Nyboer Inc.	N/A	N/A
J. Phillip Nicholson Policy & Management Consultants Inc.	POL MC COM	Micro
Jacobson Consulting Inc.	POL ECON	Micro
JLS Management Consulting Inc. (Now Interge Consulting Group Inc.)	POL MC	Small
Joint Venture Canadian Society For Interna- tional Health/Queen's University (*)	N/A	N/A
JUA Management Consulting	MC	Micro
Kernaghan Kenneth Professor Department Of Political Science And Management	POL	Micro
KPMG Consulting	MC ECON	Very Large
Lannick Contract Solutions Inc.	ECON	Large
Lansdowne Technologies Inc.	MC ECON SEC	Small
Leslie Harris Centre Of Regional Policy And Development	POL RES ECON	Small
Levac, Odette	POL MC	Micro
Link HR Systems Inc.	ECON	N/A
LNW Consulting Inc.	MC	N/A
Low, John – Senior Policy Writer	POL	Micro
Lumina It Inc.	POL MC ECON	Small
Maeander Enterprises Ltd.	N/A	Small
Maga Policy Consultants Ltd	POL	Micro
Marbek Resource Consultants Ltd.	MC	Medium
Marsh Canada Limited	MC ECON SEC	Very Large
Mcdavid, Dr. Jim	POL	Micro
Media Policy and Strategy Ltd	POL COM	Micro
Memorial University Of Newfoundland	N/A	N/A
New Economy Development Group Inc.	POL RES MC	Small
NRG Research Group	COM	Small
Open Policy	POL RES	Micro
Ottawa Policy Research Associates	POL	N/A
Parr Johnston Economic & Policy Consultants	POL	Micro
Paton & Associates Management	MC	Micro
Peck & Associates, a division of the Cardinal Group Inc	POL RES MC	Micro
Perrier Consultants	MC	Small
Peter Gusen	POL MC	Micro
Policy and Management Consultants I	POL MC	N/A
Policy Assessment Corp.	ECON	N/A
Policy Research International	POL RES ECON	Micro
Policyworks Inc.	MC	N/A
Portage Personnel Inc.	MC	N/A
PPM Public Policy Management Limited	POL RES ECON COM	Micro

<i>Company Name</i>	<i>Company Activity</i>	<i>Company Size</i>
Prairie Research Associates (PRA) Inc.	DM POL RES MC ECON	Medium
Protectcan Consultants Corp.	SEC	N/A
Public Policy and Management Inc.	POL MC	N/A
Public Policy Consulting	POL	N/A
Public Policy Forum	POL	Small
QMR Staffing Solutions Inc.	POL ECON	Small
Quintet Consulting Corporation	MC	N/A
R.E. Gilmore Investments Corp.	MC	N/A
Rawson Group Initiatives Inc.	ECON	Micro
Ray Tomalty Co-Operative Research & Policy	POL RES	Micro
Regulatory Consulting Group Inc.	POL RES	Micro
Research And Traffic Group	POL RES ECON	Micro
Rideau Strategy Consultants Ltd.	POL RES MC	Micro
Rowan Health Policy Consulting	POL RES	Micro
Samson & Associates (175213 Canada Inc.)	MC ECON	Micro
School of Policy Studies	POL	N/A
Senes Consultants Limited	POL MC	Large
Senior Research Fellow – Institute For Public Policy Research	POL RES	Micro
Shillington & Burns Consultants Inc.	MC	Small
SJT Solutions	POL RES ECON	Micro
Stratos Inc. – Strategies to Sustainability	POL RES	Micro
Sussex Circle Inc.	POL RES MC ECON	Small
Technopolicy Network	POL RES	Micro
Terriplan Consultants (Now DPRA?)	POL RES MC	Medium
TNS Canadian Facts Inc.	RES ECON	Large
TRM Technologies Inc.	MC SEC	Medium
University Of Victoria	N/A	N/A
URS Corporation (USA)	MC	Large
Weippert HR Solutions	MC ECON	Micro
Wells, David	N/A	Micro
Wolf Policy Network	MC	Small
Women's Health Research And Policy Of C.E.W.H. Society	POL RES	N/A