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Chair

Mr. John Williams

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• (0955)

[English]

The Chair (Mr. John Williams (Edmonton—St. Albert, CPC)): We are convened as a public meeting.

We're dealing with the motion of Mr. Sauvageau:

Pursuant to Standing Order 108(3)(g) and the Public Accounts of Canada, the Standing Committee on Public Accounts requests that the government table, by November 30th, 2005, forthwith with the Committee copies of all internal and external audits (including forensic audits) pertaining to the administration of the Internationaux du sport de Montreal and to the organizing committee of the XI CHAMPIONNATS DU MONDE FINA — MONTREAL 2005.

The speaking list at the time the meeting adjourned the last time was Mr. Sauvageau, Mr. Wrzesnewskij, and Mr. Christopherson, so we'll start in that order.

Mr. Sauvageau, the floor is yours.

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Chairman, I think we've said everything that needs to be said. As far as I'm concerned, we can go ahead and vote right away. The purpose of my motion is simply to ensure that the government's desire for transparency is respected and that the philosophy set out in Mr. Alcock's three reports is respected. We could go ahead and vote immediately so that the government can make these reports public.

[English]

The Chair: We're going to hear from Wrzesnewskij next. You were on the speaking list when the meeting adjourned the last time. That's why you're next.

Did you want to pass?

Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.): I'll have to check my notes.

The Chair: Okay.

Mr. Christopherson.

Mr. David Christopherson (Hamilton Centre, NDP): I'm fine.

The Chair: You're okay.

I'll go to Mr. Lastewka.

Hon. Walt Lastewka (St. Catharines, Lib.): I wanted again to bring to your attention that the firms that have bid to do the forensic audit are only now being selected. I want to make sure it's understood that it will probably not get done by November 30. I don't want people to say the forensic audits are not available because they just got started. The bid process was done and now the winning bidder will start the forensic audit. I wanted to make sure that was on

the record. I'm not saying anybody would manipulate that, but I wanted to make sure it's on the record.

The Chair: Mr. Sauvageau.

[Translation]

Mr. Benoît Sauvageau: In response to Mr. Lastewka's question, I would say that we could bring in an amendment that reads "any copy available as of today or November 30". Clearly, if the government doesn't have certain documents, we can't ask it to produce them. We could ask that it turn over all available copies of all audit reports by November 30.

[English]

The Chair: What will happen is.... Audits that are in preparation are not accessible. You can't get a document that's half-prepared.

[Translation]

Mr. Benoît Sauvageau: I agree.

[English]

The Chair: Therefore, as your motion reads, you will get what is available.

[Translation]

Mr. Benoît Sauvageau: That's not a problem. That would mean all available documents would be produced.

[English]

The Chair: Are we ready for the question?

(Motion agreed to)

• (1000)

The Chair: Mr. Allison, you have a motion, I understand. It's been around for a while:

That, pursuant to the information submitted to this committee by Mr. Bruce Atyeo, the Standing Committee on Public Accounts requests the Auditor General of Canada to conduct an audit of the Integrated Relocation Program (IRP) contracts across the Government of Canada, and to report her findings to Parliament in a subsequent Report of the Auditor General.

Mr. Allison, please speak to your motion.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Thank you, Mr. Chair.

Just in terms of this being one of the larger government contracts in government history, it has been flagged as having some possibility of mismanagement.

Just to review a bit of the history, Royal LePage Relocation Services won this contract originally in 2002. Multiple bidders have had some concerns and made allegations of nepotism in the awarding of the contract. Public Works' investigations of this contract found that senior officials in the judging of the bids went on a Caribbean cruise with Royal LePage executives prior to awarding the contract.

The Canadian International Trade Tribunal recommended that Public Works re-evaluate this contract, as there was a conflict of interest for accepting gifts. Bidding on the contract was reopened in 2004 and again awarded to Royal LePage, with even more complaints. There were some concerns from some of the competing bidders that Royal LePage, in the 2004 bidding process, was actually \$8 million higher than some of the competing contracts. A concern of a competing bidder was that 92% of the criteria set out in the bidding process were met, and even though the bid was lower, it was not accepted.

I know that Mr. Brison has talked about the issue of best value, and best value is not always reflected in the lowest price. So I think it would be good to have a look at it, or at least have the Auditor General look at it, and determine whether something needs to move forward in terms of making sure that we're getting the kind of value for money that we need.

I personally have recorded over ten individual phone calls to Public Works, to which I did not get any kind of response. Then in some of the responses we did get, all kinds of things were whited out and we really didn't get substantial information.

My last comment is that Royal LePage's parent company, Brascan, has provided to the Liberal Party over \$90,000 in the past seven years in campaign contributions, which is obviously a potential issue as well.

Here are just a couple of questions I have. We have two companies that appear to have the same capacity to fulfill this contract, yet the more expensive contract was selected. Then once again, if this is best value versus lowest price, what exactly does this look like in terms of how it should play out for services?

Those are some of the thoughts I have about this contract.

The Chair: How big is the contract? Have you any idea, Mr. Allison?

Mr. Dean Allison: Over \$1 billion.

The Chair: A billion dollars?

Mr. Dean Allison: Yes, \$1 billion.

The Chair: For the entire.... Is it for a number of years?

Mr. Dean Allison: Per year. Sorry, it's over five years.

The Chair: That's \$1 billion over five years. Okay.

Debate?

Hon. Shawn Murphy (Charlottetown, Lib.): We could call Senator Trevor Eyton.

The Chair: Well, we certainly can. We'd get all the information right there.

[Translation]

Go ahead, Mr. Sauvageau.

Mr. Benoît Sauvageau: Like Mr. Allison, I too was apprised of this matter. I met with those concerned, I read the documentation and I want to officially voice my public support for this motion. I do so without any hesitation. I understand that the committee has neither the time, nor the resources to examine all matters raised. A partial examination of a similar file was already carried out by the Office of the Auditor General.

It's entirely appropriate, in my view, that the committee ask the Auditor General whether her Office has the resources to examine this program. As Mr. Allison pointed out, we're talking about \$1 billion over five years — in other words, about a major program.

On reading these documents, it seems apparent that there are, at the very least, problems with the contract awarding and renewal process.

Therefore, it would be entirely fitting for the committee to back this motion calling on the Auditor General, and not the committee, to focus attention specifically on this matter.

[English]

The Chair: Debate?

Mr. Lastewka, Mr. Wrzesnewskyj.

Hon. Walt Lastewka: Despite the fact that it's had some review by the CITT, and the fact that it has been worked on with a third party on the rebidding of the contract, where the government pays a lot of money for a third party to participate in the thing, I would support Mr. Allison on it.

The Chair: Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: I'll be supporting this motion, but I have a series of questions, and perhaps we could get the information from Mr. Allison in regard to the comment he made about a \$90,000 donation.

In what year did Brascan acquire Royal LePage? Over how many years were those donations made, in what years, and in what year was this contract awarded?

• (1005)

The Chair: If we're asking the Auditor General to do an investigation into the contract, I don't think she's going to go down the road of political donations by the parent company. That is a political debate that we can raise any time by ourselves.

Mr. Borys Wrzesnewskyj: It's not for the Auditor General to look into that; they're just questions, because pertinent information was perhaps or perhaps not raised in the context of this. Whether or not that's correct and whether it's relevant is irrelevant to my support of this particular motion. But there's a very clear allegation and attempt at linkage in the way it was brought forward. If that's correct, it's quite serious. I assume that if you're making that sort of linkage you have the background information and will be able to provide it.

So what year did Brascan acquire Royal LePage? Over how many years were those donations made? In what years were they made? In what year was the contract awarded? What other parties received donations from associated companies of Brascan, Royal LePage, etc.?

The Chair: Mr. Allison.

Mr. Dean Allison: Thank you.

I don't have all the exact details with me; they're back in my office. But I do know this has been out in numerous news reports. It was commented on by CTV's *Whistleblower* in one article.

I just know that Royal LePage won this contract in 2002, and the breakdown has been over the past seven years. So I assume that some of it fell into that time and some was previous to that.

Election rules changed in 2004, so there have been no large donations since then, since Mr. Chrétien changed that. So this would all be previous to 2004.

The Chair: Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: I'd just like to make it clear that I am supporting the motion. I think it's important, especially with a contract this size. Perhaps there's something there, but I don't like the fact that we're creating a linkage that may well not be there.

The Chair: Mr. Lastewka.

Hon. Walt Lastewka: At a previous discussion, when there was information that was wanted from Public Works, I offered Mr. Allison that I would be glad to assist. I put that forward again. I know you haven't contacted me since then, but if there is information you want to get, I would appreciate you bringing it up with me and I'd be glad to help out. But if I don't know that you want additional information, then how can I help?

The Chair: I'm going to call the question.

My point on this issue is that it's more than just a \$1-billion contract over five years. The company that has it is in the real estate business. They know who is moving to what town. Therefore are there conflict of interest issues by ensuring that the real estate company in the town where somebody is moving perhaps gets first notification that they may want to buy a house, and therefore commissions are available, and so on? So there are conflict of interest issues around this kind of contract that need to be looked at as well.

Monsieur Sauvageau.

[*Translation*]

Mr. Benoît Sauvageau: Mr. Chairman, I'd like to follow up on Mr. Lastewka's last comments. He has volunteered to get some

information for us. I'd like to ask him to obtain a document that we have been unable to get under the Access to Information Act.

[*English*]

The Chair: That doesn't seem to be relevant to this discussion.

[*Translation*]

Mr. Benoît Sauvageau: Yes, it's highly relevant.

[*English*]

It's relevant to this discussion.

[*Translation*]

Under access to information legislation, we've asked to see documents pertaining to Royal LePage's contract and relocation. Mr. Lastewka has offered to get information. If you prefer, I can speak to him in person or through...

[*English*]

The Chair: I'm going to rule that out of order. You two can deal with that personally at a later time.

Hon. Walt Lastewka: If you want me to clarify it, I will, Mr. Chair.

• (1010)

The Chair: Okay, Mr. Lastewka.

Hon. Walt Lastewka: Mr. Allison made the accusation once before that he made ten calls and didn't get an answer. I asked when those ten calls were made and to whom, and said I would make sure the communication was there. If someone is not returning calls then I can get into it. When it gets to access to information, I'm not allowed, as a parliamentary secretary, to know anything about it via access to information. People know the rules.

The Chair: Okay.

Again, Mr. Allison and Mr. Lastewka, you can resolve that issue yourselves.

The motion is:

Pursuant to information submitted to this committee by Mr. Bruce Atyeo, the Standing Committee on Public Accounts requests the Auditor General of Canada to conduct an audit of the integrated relocation program (IRP) contracts across the Government of Canada, and to report her findings to Parliament in a subsequent report of the Auditor General.

(Motion agreed to: yeas 8; nays 3)

The Chair: There being no further business before this meeting, the meeting is adjourned.

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