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Chair

Ms. Yasmin Ratansi

Standing Committee on Government Operations and Estimates

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●(1530)

[*English*]

The Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): We would like to commence.

As you know, the first hour, from 3:30 to 4:30, we will be studying the large IT projects. We have before us, from the Treasury Board Secretariat, Madam Charette, the chief information officer, and Valerie Wutti, the executive director. And from Public Works we have Mr. John Rath-Wilson and Christine Payant.

I understand, Ms. Charette, that you have opening remarks. So we will start off with you.

[*Translation*]

Ms. Corinne Charette (Chief Information Officer, Treasury Board Secretariat): Thank you.

Good afternoon, Madam Chair.

Thank you for inviting us again to appear before your committee. With me again today is Ms. Wutti.

Following our appearance on October 20, we provided the committee with information on three items regarding large IT projects in the government, including the parameters used to define a large IT project; an explanation of the process to be followed for IT projects that require Treasury Board approval, including the Secretariat's challenge and oversight functions; and a copy of the business case template and guidelines we ask institutions to use in defining a project. In addition, we were pleased to provide other tools that have been developed to strengthen project management and oversight of IT projects along with the costs incurred in developing these tools.

[*English*]

I would like to take this opportunity to briefly highlight the materials and comment on each one.

First, in the parameters used to define large IT projects, it is important to note that the government does not categorize IT projects by size. This classification was recommended by the Office of the Auditor General in the context of chapter 3 of her November 2006 report. However, according to Treasury Board policy on the management of major crown projects, a project is considered to be a major crown project when its estimated cost will exceed \$100 million and the project is assessed as high risk.

Thus, the following parameters would be considered in defining a large IT project: projects that are \$100 million or over; in addition to

that, projects with multi-stakeholder governance and/or delivery that spans more than one department; projects of significant complexity and risk, and these may be under \$100 million but still present significant complexity and risk; and projects with significant public, policy, and/or national interests.

[*Translation*]

The other materials included in the package are the "Guide to Preparing Treasury Board Submissions" which assists departments in preparing their Treasury Board submissions.

It also includes the "Business Case Guide and Template", which helps departments to summarize valuable solution options which have been considered and retained and which develop strong business cases or a specific project or program. Business cases help to link proposed investments with the strategic outcomes of the department.

The package also contains the "Project Charter", which is an agreement between the project's sponsor and the project manager that formally authorizes the existence of a project, and provides the project manager with the authority to apply resources to project activities. We have developed a guide and a template to help the partners create their project charters.

●(1535)

[*English*]

We've also provided an example of the executive dashboard. A dashboard is a concise visual representation of key project indicators, including cost, schedule, risk, and changes in issues that will assist executives and sponsors in understanding their projects and having regular dialogues to monitor the status of these with their project managers.

The supporting executive dashboard guide helps departments create these dashboards.

There is the independent reviewers handbook, which is an instruction manual for independent reviewers to use when conducting independent reviews of projects.

There is a "Review Topics of Inquiry" document, which is a framework that covers the types of things that independent reviewers should look for when conducting an independent review.

[Translation]

Through these guidance documents and tools, the Treasury Board Secretariat continues to work closely with departments in providing the advice they need to make sound management decisions regarding their IT projects. Departments are aware of the IT project management guidance and tools that are available—this is reinforced regularly through meetings with the community of chief information officers.

Whether to adopt these or adapt other leading practices remains a departmental decision. Project management and oversight processes are described in the Policy on the Management of Projects for which implementation roll out to government departments is currently planned to continue until 2011. However, we are very pleased to see that departments are already taking action in applying these tools and guidelines.

Madam Chair, thank you.

[English]

These are our initial comments. We would be very pleased to answer any questions.

The Chair: Thank you.

Madame Bourgeois, before I let you speak, we had requested guidelines from the Treasury Board on how they do the parameters, etc. Yesterday afternoon the clerk received this binder and then sent out notices. As you can see, this is a huge binder; it will take some time to read. So just for your information, this is the binder that came.

Madame Bourgeois, you are the first to go.

A voice: There were two binders.

The Chair: There were two binders. Sorry, the second binder has a guide for preparing Treasury Board submissions.

Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Madam Chair.

To be clear, the documents you have beside you are those referred to in madam's presentation, is that correct?

The Chair: Yes, thank you.

[English]

Since there are no opening remarks from Mr. Rath-Wilson, we will start with our round of questions.

Madame Hall Findlay, you have eight minutes.

Ms. Martha Hall Findlay (Willowdale, Lib.): Thank you, Madam Chair.

Thank you very much, everyone, for being here this afternoon.

We've been looking at this issue for a very long time, and we've had a number of questions over a number of months about the business case, the business rationale. I'm not sure exactly what's in this binder, not having had much time to actually have a look at it.

But what I'd like to have a sense of now is timeframes. We've been asking questions for quite a long time. We've had some answers and I think we're moving along in the right direction. But I'm still unclear in my mind where the GENS project is, how it is moving forward, and on what basis.

I usually like to have tighter questions, but I want to leave that open. Where are we in this whole project, and what are we looking at as timeframes?

I'll leave it open to whoever feels most....

Mr. John Rath-Wilson (Chief Operating Officer, Information Technology Services Branch, Department of Public Works and Government Services): Thank you, Madam Chair, for that question.

As you may be aware, we've testified before this committee in the past as to the process of consultation that has been undertaken as part of the GENS project. And we have recently gathered information from a draft statement of solicitation of interest to qualify for this particular procurement vehicle.

We are at this moment finalizing the review of the feedback we received from that draft solicitation. And within the next two months, I would think, we will be in a position to actually post this solicitation formally on the street. So that's the timeframe we're talking about. Between now and the end of January, we expect to have our solicitation on the street for the GENS initiative.

• (1540)

Ms. Martha Hall Findlay: Madame Charette.

Ms. Corinne Charette: Let me just add to that, Madam Hall Findlay.

First, GENS is not a project. It is really a supply arrangement that will result in a number of projects going forward.

Today there are 124—and correct me, John, if I'm wrong—telecommunications networks in use by the federal government, through that many and more independent contracts. Many of these are very old and are at end of life. And there are more modern and cost-effective capabilities available in the marketplace.

So GENS, as it is articulated, is a supply arrangement looking to come up with vendors that qualify to be used by departments and agencies to renew the telecommunications services they are already running.

Once the procurement process is complete—and in fact in parallel with that—initial departments and agencies that plan to renew their telecommunications facilities and services are building their specific business cases. And they would use our business case template to say this is what they're doing today and why, what programs and services their networks are supporting in this department or agency, this is why they believe they need to renew these, and given the results of the procurement process and the costs that will come back, here is the relative comparison of today, tomorrow, transition, and so on. So they'll be able to finalize their business cases.

And then, if they have the authority within their department to proceed, they could call up against that procurement arrangement and immediately initiate a project to transition from their existing networks to the new, using the new supply arrangements.

If the project within their department were to exceed their individual departmental authority, depending on the amount of money in question, then they would come to the board with a request, an EPA for the approval to proceed on that migration or transition project.

Ms. Martha Hall Findlay: Thank you.

To the extent that you have these expressions, that you have sent this out now and expect this process over the next couple of months, the other thing at issue has been the whole question of using only large players to actually coordinate all these various 124 networks now. Can you just give a summary of what you have now sent out on that basis? Is it really just to a few large players? What kind of feedback are you getting, and if we have enough time, is the business case that you're asking from each department that they're then going to be dependent on the procurement commitments made at that higher level?

Mr. John Rath-Wilson: At the moment, the process is still in a pre-release stage. We haven't issued the solicitation of interest at this point. That will be happening in the course of the next eight or ten weeks. To address your issue around whether other departments will be specifically using the large integrators or suppliers or not, in fact it will be a mix. There will be opportunities within these contracts that are eventually put in place for small and medium-sized enterprises to play.

The professional services component will be available through TBIPS—that is, task-based informatics professional services—but as we discussed in the past, the ability to put in place an infrastructure for telecommunications that is required by the Government of Canada is a national requirement, and the small and medium-sized enterprises are not in a position to provide that infrastructure. So there will be a place for both elements—the large companies as well as the small companies—to play, but the main infrastructure elements will most likely be provided through this process by a larger company.

• (1545)

Ms. Martha Hall Findlay: You haven't sent out the solicitation of interest, but to whom will that solicitation be sent?

Mr. John Rath-Wilson: It will be posted on MERX.

Ms. Martha Hall Findlay: So it will be just to anybody.

You don't have specific criteria—obviously you will have some—but ballpark, how many entities do you expect would respond to that solicitation?

Mr. John Rath-Wilson: It's difficult for us to know, but in our draft SOIQ that was published recently, I believe we had 11 companies—Is that correct, Christine?—that actually requested it and expressed an interest and from whom we've received comments. We're reviewing and studying those comments now to put in place the final one that we'd like to issue.

Ms. Martha Hall Findlay: When you say it is a national requirement and therefore the smaller players will not be able to satisfy that, I'm assuming, though, there is an understanding that the smaller players can participate either jointly or with some of the larger players to satisfy those requirements.

Mr. John Rath-Wilson: Indeed, and we're hoping we'll see combination teams put together that will satisfy the requirements for professional services through small and medium-sized enterprises but also the larger elements from one of the bigger companies.

Ms. Martha Hall Findlay: Thank you very much.

The Chair: Merci.

Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois: Thank you, Madam Chair.

Ladies, gentlemen, good afternoon.

If I understood the answers you gave my colleague correctly, the business case will be made by each of the departments. Is that right?

Ms. Corinne Charette: Yes.

Ms. Diane Bourgeois: Each department will decide and demonstrate through its own analysis that it is good business.

Ms. Corinne Charette: Yes, but I would add one nuance. It is possible that two departments in the same building could decide to have a single project, essentially because they are co-tenants. In that case, it could be an analysis for two departments.

Ms. Diane Bourgeois: Fine.

As a result, the business cases have not yet been made.

[English]

Mr. John Rath-Wilson: The logic behind our business rationale was based on an initial business case developed by HRSDC about three or four years ago. As we move towards putting this contract in place, once a contract is established, we will have firm numbers that will be used to update that business case, which will also probably be used as other departments look to join that particular service.

[Translation]

Ms. Diane Bourgeois: It is hard for us to understand. You are saying that your business cases date back two or three years, analyses that we have asked for on many occasions and which have never been sent to the committee.

First of all, I would appreciate your tabling those with the committee. If you require a motion in order to do so, we will pass one.

Furthermore, a technology strategies manager at Treasury Board Canada said on January 15, 2009, during a meeting with the industry, that he did not know if there would be any real potential savings. He presumed that they would be in the range of 20%, but he did not know because there had not been any tests. You are telling me that the departments must make business cases, but that they have not already done so.

You are moving forward. To date, \$1.5 million has been spent on the implementation of GENS. In the budget, I see that you are asking for \$20 million more to carry on with the implementation of new information technologies. I'm sorry if those are not the correct terms. I'm under the impression that the departments will have no choice, they will have to move forward. It also seems to me that you do not know how many departments will follow you in this initiative and what the result of the business cases will be.

If we provide you with \$20 million on top of the \$1.5 million, that makes \$21.5 million, without knowing what that will result in. Could you explain to us how this came about?

•(1550)

[English]

Mr. John Rath-Wilson: Thank you for the question, Madam Chair.

What I would like to start off with is that I must apologize, but I don't understand your reference to \$20 million. It is true that we've spent approximately \$1.2 million on the work that's gone into creating the procurement vehicle that we call GENS.

I'd like to also add that in fact departments are using procurement vehicles today to obtain these services. What we are doing is renewing the procurement vehicles that are currently in place. The money is being spent today. What we're doing is offering another procurement vehicle, another choice, if you will, for departments to use to provide these telecom and telecommunications services in their departments.

I think we've mentioned in the past, and I'll repeat again today, that these services are optional. The use of the procurement vehicle we are putting in place, called GENS, is optional for departments. It is in parallel with several others, and others remain, and for that reason it's difficult for us to give you firm numbers on how many departments would use this particular vehicle. And that's why each department needs to go through a process of establishing their own business case to use the tool we're putting in place.

[Translation]

Ms. Diane Bourgeois: Would it not seem logical for you to go to the departments concerned, to take note of the improvements they're requesting and, at the same time, given that the problems are widespread, to tell them that you are going to solve these problems by regrouping the contracts? That would be logical.

Currently, you are ahead of the process and you are asking departments to establish their own business cases. It really is rather odd.

[English]

Mr. John Rath-Wilson: Madam Chair, I guess I would respond by saying that the process is an established process within procurement, within the federal government, where the public works organization puts in place procurement vehicles for departments to use and, in particular, in telecommunications services. It's one that's had a well-established pedigree—for more than 40 years we've been doing this—so this is not new. This is something we continually do, it's been refreshed, and the method of supply, which is again optional by departments, is something that is at the preference of the departments.

There has been no direction from any policy or centre to make these services mandatory by departments and therefore it's difficult for us to put together a solid business case, not knowing what numbers might eventually appear. Not only that, it's also difficult, as I understand, for vendors to respond without knowing. So when we go out with a solicitation of interest we will provide parameters for the vendors to use, knowing what potential volume will be used through this particular vehicle, and they'll be able to price their

products in that way. And departments, based on the prices that are provided, will be able to do their own business case to determine if that's the solution they're seeking.

The Chair: Madame Bourgeois, a brief question.

[Translation]

Ms. Diane Bourgeois: You are having trouble specifying what the costs will be. In fact, you are asking us to write you a blank cheque. You are not giving us any figures. Show me, in black and white, here and now, that your project makes sense. That is what we have been asking for for several months. It seems to me that as parliamentarians, we are entitled to that information.

Can you table figures that unequivocally demonstrate that this new entity will make sense, on the one hand, and that its potential impact on small- and medium-sized businesses will be taken into account, on the other? That is all I'm asking for.

Thank you.

[English]

The Chair: Mr. Rath-Wilson, would you be able to do it? I think we have received a lot of information—what we received last time, what the Auditor General told us, and what we have reviewed. And when we asked for a business case, you did send us a template, and the French version I've left on Madame Bourgeois' desk. But I guess that's not the template they were looking for. They are looking for an exact business case that justifies going with GENS rather than anywhere else, despite the fact that the Auditor General has kept on saying that large projects are not the way to go, that they should be broken down into different components. She has been saying that for 12 years.

That's where the frustration of the committee comes from. We're not doing your work. We do not want to do your work. We do not want to get into the operational issue. All we know is we're being bombarded by small and medium-sized enterprise, saying this is what the Auditor General says. So if you have a business case that justifies that GENS is the way to go, that your RFP took into consideration the number of users—remember, you gave us a process flow, and I'm sorry the committee did not have a look at the process flow because the binder is so big—but your RFP chooses contractors without finding users.... If you can explain that to us in the next round of questions, in your final remarks, and submit to the committee the business case you prepared, it would be very much appreciated.

Thank you.

•(1555)

[Translation]

Mr. Gourde, you have eight minutes.

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Madam Chair.

I would like to welcome our witnesses.

In your presentation, Ms. Charette, you spoke about the "Executive Dashboard Guide". Could you explain to me what that is?

Ms. Corinne Charette: It is a tool that sums up the status of a project on a single page. A project is defined by the scope of its functions, its estimated or approved budget, the approved schedule for the completion or the implementation and the completion, the series of risks identified during the project analysis and other factors that could come into play over the course of completion and that may have a material impact on the project as approved. The dashboard is a tool that consolidates variables that are essential for the proper unfolding and progress of a project.

This tool is also intended for the department's senior management that has approved a project and assigned it to a project manager. It allows them to maintain a dialogue regularly, and to use a pre-defined and consistent formula. This formula corresponds to best industry practices in terms of project management.

Mr. Jacques Gourde: Does this tool serve as an intermediary between the managers and those carrying out the projects? Is it a way of overseeing it?

Ms. Corinne Charette: It is prepared by the project manager and his team. It is then presented to senior executives, sponsors and those who approved the project. It provides evidence as to the status of a project at any given moment in time.

Mr. Jacques Gourde: You also spoke of the Independent Reviewer's Handbook. Who prepares that and what is its purpose?

Ms. Corinne Charette: Independent project reviews are a new practice that we have adopted. A manager may ask that an independent review be done of a project according to the project charter that was given to you, and which explains such things as the anticipated outcomes, as based on the business case guide. We basically rely on a pool of experienced staff. The work is done by a team, individual or other persons who are not part of the organization and project team. As such, they can take a fresh and independent look at the status of a project and report back to the whole team as well as the sponsor or senior executive concerned.

This type of external, periodic review can truly help to properly develop a project, whether in government or the industry as a whole. It is a way to quickly detect potential problems or difficulties that could arise sooner or later and to take the measures to eliminate or avoid them.

•(1600)

Mr. Jacques Gourde: By whom and for whom is the project charter prepared?

Ms. Corinne Charette: Generally speaking, it is prepared by the project team and is intended for both the team and sponsor. It clearly sets out the work schedule, expected outcomes and the roles of each stakeholder. It is a kind of internal contract that allows everyone to properly understand their roles as well as project estimates, resources and expected timelines. Everyone can therefore move forward with the same clear understanding of the project.

Mr. Jacques Gourde: Earlier, there was talk of the Business Case Guide and Template. Do you have anything to add about that?

Ms. Corinne Charette: Not for the time being, unless you have a specific question about the issue. We believe it is a good working tool. It imposes a very strict discipline on departments. It requires them to specify which options they considered and justify those that

they retained. It is an assessment tool that supports the retained option.

Mr. Jacques Gourde: What are the next steps that you will undertake as part of your current work?

Ms. Corinne Charette: I will ask Valerie to tell us whether we are planning to develop other project instruments to support the community.

[English]

Ms. Valerie Wutti (Executive Director, Information Technology (IT) Project Review and Oversight, Chief Information Officer Branch, Treasury Board Secretariat): Yes, we continue to work with the departments to find the types of things they need to help improve their projects. We're currently working with a group of representatives to improve how they do cost estimates, because that is one area that needs strengthening, and smaller organizations can benefit from what larger organizations are doing and their experience.

So those are the types of ways we continue to work with departments to find out what their needs are, bring the community together, and create tools they can find effective across the spectrum of project needs.

[Translation]

Mr. Jacques Gourde: Thank you very much.

[English]

The Chair: I have a couple of questions that might help clarify the process.

In your last appearance you talked about a training program. So if small and medium-sized enterprises wished to bid, now we have to remember that sometimes they do not have the capacity to bid, so have they got the ability to go on the MERX system? Is there a dollar value? Is there a \$250,000 value? On the provincial side there is—if you want to bid, you have to be a company of a certain size and put a deposit of a certain nature, because IT projects are difficult and it's very dangerous for government to go into places where sometimes the provider cannot provide the service. So for MERX is there any framework, any parameter, for an independent bidder?

Mr. John Rath-Wilson: I'll take that question, Madam Chair, but I'm afraid that, as it is a procurement question, I'll have to answer that question in writing later.

The Chair: Fair enough.

Mr. John Rath-Wilson: Thank you.

The Chair: There is another....

Yes?

Mr. Ed Holder (London West, CPC): Madam Chair, I want to be exceptionally respectful to the chair.

I know that you've taken the position that if you feel there are questions that have not been asked, you would take it as your prerogative to ask those questions. I think we've gone through some of the dialogue on whether that's appropriate or not.

Could I ask if it might be possible to go through our rounds first, and then if those questions aren't answered, I'd certainly invite the chair to go through that? Is that reasonable?

•(1605)

The Chair: Thank you.

It's very reasonable. But the NDP member is missing, and that's why—

Mr. Ed Holder: So you're taking the NDP member's spot.

The Chair: I'm going to take his time for a little while.

Mr. Ed Holder: Are you taking the Lib—

The Chair: I'm not taking anybody else's time.

If you waste your time, you will not be able to get it. The standing order—

Mr. Ed Holder: It was my time I wasn't trying to waste, Madam Chair.

The Chair: Standing Order 117.... I have to ask the questions. I'm going to ask.

I was expecting Monsieur Gourde to ask the training question because he was in that line of thinking, and he didn't, so that's why I posed the question. I am going to ask the question because it's my prerogative.

So I have another question on the training aspect. Do you have a training manual for IT—small and medium-sized enterprises?

Mr. John Rath-Wilson: Again, this is a question I would like to answer in writing for you.

The Chair: Fair enough, okay. Thank you.

I will now go to the second round of questions.

Madame Foote, for five minutes.

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Thank you, Madam Chair.

I find this whole line of questioning around the GENS—

Mr. Rob Anders (Calgary West, CPC): Point of order.

The Chair: Yes.

Mr. Rob Anders: Madam Chair, we've had a brief discussion with some committee members. We were particularly unimpressed with the take by your chair on what your prerogative is with regard to questions.

I've served as a committee chair myself. I think we're going to ask for a question to challenge the chair.

I don't understand why you wouldn't be gracious enough to allow the committee members their right to ask questions before you and when they're done with their questions, it would be at your discretion to ask yours. Frankly, it just doesn't seem gracious, given your position, Madam Chair.

The Chair: So you are questioning what?

Mr. Rob Anders: I'm saying there's a better way for you to go about conducting your business as chair.

The Chair: Thank you.

Mr. Rob Anders: Do you want to take a vote on that to determine if you should allow the committee members to ask their questions before you have your—

The Chair: I'm standing by Standing Order 117, which says that I can ask the question, and I took the right to ask the question because—

Mr. Rob Anders: We're overruling your interpretation of that, Madam Chair.

The Chair: You can't overrule my interpretation. It's a standing order. Go look it up. I am sorry, if you do not know your Standing Orders, I can't help you there, and that's it.

I'm going to continue on with Madame Judy Foote for five minutes.

Thank you.

Ms. Judy Foote: Thank you again, Madam Chair.

I just want to delve a little more into GENS—just looking at the whole outline here with respect to designing the RFP, choosing the contractor, and then selecting the departments.

Can you or Mr. Rath-Wilson just take me through that process in terms of how you are designing the request for proposals? What is the contractor expected to do if we engage the department at the end of the process?

Mr. John Rath-Wilson: Thank you for the question.

In fact, the departments are engaged throughout the process. The consultations we've been talking about mostly at this committee are external-based consultations, where we've consulted with industry. As we go through the process of eliciting requirements for a particular contract, we have engaged in very deep consultation with departments within the federal family. Internally, the development of the statement of requirements has been a consultative process. This includes our colleagues at Treasury Board as well as the departments who have expressed an interest in using this service once it's mature.

So my answer would be that we do consult with departments in putting together their statement of requirements.

Ms. Judy Foote: How many departments have expressed an interest to date?

Mr. John Rath-Wilson: We started with a family of five departments. I'm going to ask my colleague, Christine Payant, to go into more detail on the departments themselves. If you have further questions on the process for the consultations, she'll be able to answer you there as well.

Ms. Christine Payant (Director General, Product Management, Information Technology Services Branch, Department of Public Works and Government Services): Thank you very much.

First of all, on the process to select, and in the end—

Ms. Judy Foote: I'm sorry, could I go back to how many departments to date have expressed an interest in GENS?

Ms. Christine Payant: A number of departments have expressed interest. There are three departments whose contracts are currently at the stage at which they would be in a position to use the GENS service once the solicitation process is complete. Those departments are Human Resources and Skills Development Canada, Citizenship and Immigration Canada, and Public Works and Government Services Canada. Other departments as well have expressed interest in GENS, but it will depend on the timing and their specific requirements. There would potentially be additional departments beyond those three.

•(1610)

Ms. Judy Foote: At this point in time you have no commitment beyond those three departments you've mentioned.

Ms. Christine Payant: That's correct.

Ms. Judy Foote: There is a possibility that it will be limited to those three, and that's it.

Ms. Christine Payant: That could be.

Other contracts within the telecommunications area may expire in the future, contracts in which other departments are using telecommunication services from other existing contracts. It's an optional service, so departments could opt to choose a portion of the GENS service to replace their expiring contracts in the future.

Ms. Judy Foote: How many of the 124 contracts are involved with the three departments that have indicated an interest?

Ms. Christine Payant: Let me clarify. There aren't 124 contracts; a number of different contracts across the Government of Canada support telecommunication services, and there are 124 departments that could potentially use those contracts.

Ms. Judy Foote: You're referring to the networks.

Ms. Christine Payant: I'm referring to the networks, yes, exactly, but there are not 124 separate contracts.

Ms. Judy Foote: No, but of the 124 networks, how many are taken up by the three departments?

Ms. Christine Payant: There would probably be just those three departments, so three networks would essentially cover those three departments.

Ms. Judy Foote: That's of the 124.

Ms. Christine Payant: That's correct.

Ms. Judy Foote: What's the cost, again, for the implementation and what you're doing in terms of the design and the work on the GENS itself? What's the cost to date?

Ms. Christine Payant: The cost to date, which we provided in our response to committee, shows \$1.2 million over three fiscal years. That is the cost to develop and prepare the requirements for the GENS initiative.

The work happened over a period of three years. It involved working with our primary partner department, Human Resources and Skills Development Canada, to gather the specifications and requirements. It also included an extensive consultation process with industry, through which we sought input and feedback on the GENS approach and made some adjustments. It included also the process of posting our draft solicitation of interest and qualification

for feedback from industry. It's was a very lengthy, very structured process.

Ms. Judy Foote: I have a concluding question, Madam Chair.

The Chair: Could you keep it for a later time, please?

[Translation]

Mr. Nadeau, the floor is yours.

Mr. Richard Nadeau (Gatineau, BQ): Thank you, Madam Chair.

Good afternoon to you all.

On October 20, during your previous appearance before the committee, a document on large projects was handed out to us by Maurice Chénier. In response to a question, Mr. Chénier said that the next step of the Government Enterprise Network Services was to develop the solicitation of interest. According to this document, you are not in the process of preparing that.

What are some of the industry's comments on that process?

[English]

Mr. John Rath-Wilson: Thank you for the question.

I would ask Christine, who is more familiar with this content, to respond to the question.

[Translation]

Ms. Christine Payant: Thank you.

Eleven companies shared with us their comments on the draft that was sent regarding the MERX service. They underscored certain things that they are asking us to consider as part of the next stages of GENS.

[English]

Let me summarize the feedback that we've received from industry in that draft solicitation process.

The majority of industry commented that the GENS approach was sound and that they were interested in our proceeding with the next phase. There were comments on the professional services component of GENS, and they felt that we needed to clarify and to remove professional services. This was a point that small and medium-sized enterprises were quite interested in and had brought to our attention. Other industry responses indicated that they wanted the process to be clear and they wanted more opportunity to essentially provide input into the next steps.

We received 11 responses. We've taken those responses into consideration and we've made significant adjustments in our approach. Those were documented in our response and essentially provided to—

•(1615)

[Translation]

Mr. Richard Nadeau: In fact, if I am not mistaken, follow-up was done.

Ms. Christine Payant: Indeed.

Mr. Richard Nadeau: You say that you received 11 responses. Could you table with the committee the responses that you received in that regard?

Ms. Christine Payant: Yes, we can make the request.

Mr. Richard Nadeau: We would like to have the requests, responses and the way in which the responses were given. Thank you.

As for the small and medium enterprises that are affected or, rather, are interested, have there been many requests from Gatineau? Is the process open to companies from across Canada? How does it all work?

[English]

Mr. John Rath-Wilson: May I clarify? Is it concerning a request for the solicitation of interest?

[Translation]

Mr. Richard Nadeau: Yes, among other things, since the industry was consulted. Responses were therefore received.

As you know, there is a debate underway in the region, and it has been said that 98.4% of federal government contracts for the region of Ottawa-Gatineau are awarded to Ottawa, and that Gatineau companies received only 1.6%.

Have all small and medium enterprises in Gatineau been approached in a consistent manner in the various IT solicitation areas?

Perhaps Ms. Payant could respond to that. My time for asking questions is being eaten up.

[English]

Mr. John Rath-Wilson: Madam Chair, the solicitation was open to all sizes of organization, and therefore it is difficult for us to give you a response concerning what percentage of those small and medium-sized enterprises may have expressed an interest.

[Translation]

Mr. Richard Nadeau: I assume that, if you can give us the reports, you can also tell us whether SMEs from Outaouais and Ottawa are involved.

[English]

Mr. John Rath-Wilson: We could undertake to review that question and get back to you.

[Translation]

Mr. Richard Nadeau: Very well. Do I still have some time left?

When Public Works and Government Services Canada launches the competitive bidding process, which is referred to as stage 24 in the 2010 chart, how much will the total cost of that operation come out to?

[English]

Mr. John Rath-Wilson: Let me clarify, Madam Chair.

Are you referring to the GENS solicitation that we are applying to put on the street in the next two months?

[Translation]

Mr. Richard Nadeau: I am talking about what you refer to as stage 24 in your chart for 2010, which includes all of the stages from 1 to 24. It is the cost of the operation.

[English]

Mr. John Rath-Wilson: Anticipating that the organization that has expressed an interest in taking this up, which is HRSD and Immigration Canada.... The total implementation cost over a period of eight years is estimated to be in the range of \$83 million.

The Chair: Thank you.

Mr. Holder, please; you may have five minutes.

Mr. Ed Holder: Thank you, Madam Chair.

I sometimes want to call this the book report committee. It strikes me that for all the various requests for information—which it is our privilege to make, of course—when we get the information, whoever has requested it should do a book report to show that they've actually read it, as distinct to just asked for it. But I certainly do not want to stop any member from having the privilege of asking. I would only ask that we be sensitive to our officials. Reports for valid merit, we all accept. In the case of asking for reports so as to say that we've asked for a report, but which we never read, I'd be quite troubled.

I may say that again at a future committee meeting.

I'd like to thank our guests for being back. It's great to have you here, and thank you for the hard work you do.

Could you please take me back a little to the logic, because I think it may have been lost in some of the questions I've heard. Just briefly, why are we doing this? That is, not why are you doing more reports and why did you come back, but what was the intent and why did we decide to undertake GENS? I would ask Madame Charette.

Ms. Corinne Charette: It's an excellent question: why does the government need a new procurement vehicle for telecommunications?

I will answer in part and then pass it on to my colleague at Public Works.

Fundamentally, telecommunications is a key component of the IM/IT operation of government, supporting program delivery in just about all agencies and ministries. It has been there and in use for many years, and like any technology and any asset, its current generation has a useful life. In the case of HRSD and Immigration Canada, they are really at the end of the useful life of their telecommunications services, have requirements that they are unable to meet with their current facilities, and in consultation with Public Works have concluded that there are better alternatives available to them. The genesis is really maintaining infrastructure in the most cost-effective, efficient way.

John, you might want to add to that.

• (1620)

Mr. John Rath-Wilson: Certainly. Thank you for the question.

Having myself been part of the line department, HRSD, I would add that the initial genesis for looking at this converged technology that we call GENS occurred because the service providers are providing it to us in converged form. In fact, we are dismantling it when it comes through our door to separate out data streams, video streams, and voice streams.

You may also, Madam Chair, find in your own home that you have service provided by one supplier, as opposed to three or four. The reason we're moving down this road is to keep up with technology, as my colleague suggests. It is to take advantage of what we believe are some significant cost savings that we believe we'll be able to achieve by putting in place one contract with the services that we've identified through the documentation that we provided to you, which will avoid having maybe 10 or 12, as is the case in HRSD. Currently at HRSD I believe they have 11 contracts to provide telecommunication services.

Mr. Ed Holder: So what you're really saying is rationalize and modernize. As a business person, frankly, I understand.

I have a question for you, Madam Payant. I thought I heard you say in some of the comments you've made that SMEs wanted to handle the service aspects of this business. Do you have any concerns about consistent service for SMEs to be able to handle very large projects, or are you reasonably comfortable with those who are interested in such a service to be able to provide this that they're capable of doing so?

Ms. Christine Payant: Let me say that SMEs are a key component of all of government IT business. They provide a wide variety of services. We use a number of procurement vehicles to engage SMEs, not just within the telecommunications domain to support departments and agencies, but within all the domains of IT. We use a task-based informatics professional services vehicle to acquire professional services, primarily SMEs, to assist departments and agencies implementing, for example, some of their telecommunications components. They are a key component of all the IT services across the Government of Canada. We continue to do business with SMEs through those procurement vehicles. Those procurement vehicles will continue to be used with GENS to support departments in their specific implementation and in supporting them in their specific requirements.

Mr. Ed Holder: I appreciate that.

I'm not sure you had an opportunity to respond, but a member opposite asked earlier whether you are ultimately asking for a blank cheque. I wasn't sure that you were given an opportunity to respond. That's not what I heard you ask for. Could you clarify whether that's what you're asking for?

Mr. John Rath-Wilson: Thank you for that question.

The procurement process that we are following is one that is well entrenched and one that is used for the procurement of any service that's provided to the federal government. The services offered through this vehicle are optional, and, as we say, the departments that choose to use these services must go through a business case on their own to determine whether it's feasible for them to use those services. We believe, in fact, Madam Chair, that the vehicle we're going to put in place will be more cost-effective for departments.

They are spending this money today through other vehicles. We're putting one in place that we think rationalizes the services we're giving and at the same time provides a wider range of technologies and services to their departments.

• (1625)

The Chair: Go ahead, Ms. Hall Findlay.

Ms. Martha Hall Findlay: Thank you very much.

I have to say I understand the business reason for rationalization. I get it. When we're told there are 124 networks, that sounds like a lot, and the idea of rationalizing and having a procurement process make a lot of sense. I have to say I've been quite taken aback to learn that there are only three departments; you've only actually referred to HRSDC and immigration, so that's two, and I don't even know what the third one is.

This whole thing seems backwards. If the owners of those networks haven't been asking for this rationalization and there doesn't seem to be interest on their part, and there seems to be no corresponding ability on your part, or on the part of whoever would actually be the entity to do this, to then enforce this rationalization onto those other departments.... I'm questioning now why this is even happening.

Whose idea was it? How do you reconcile the fact that the purpose is to rationalize 124 networks, but you only have a few that are either interested or may ultimately participate in it, because you can't force the other ones to do it? There's a huge amount of money involved and, I have to say, a huge amount of time on behalf of committee members. Help me with this. This came as a bit of a shock to us.

Mr. John Rath-Wilson: The intent has always been for us to put in place a vehicle for organizations that are needing it as soon as possible. That's the nature of—

Ms. Martha Hall Findlay: But who needs it? If only two departments, HRSD and Immigration, need it, and it sounds like that only involves a few of those 124 networks, why has this become such a huge process that may or may not—it sounds like it may not—end up being used for the majority of those 124 networks?

Mr. John Rath-Wilson: We anticipate that with the provision of a contract, which we've been talking about in terms of GENS, with the value added that it can provide to departments, other departments will want to use this vehicle. It's something that we've done in the past, for example, with our wireless service, where we put in place a vehicle for one or two departments—which provided such benefits that in the end all departments used that particular vehicle.

Ms. Martha Hall Findlay: Isn't it a bit backwards to build this whole thing on the assumption that once they see it, they'll get it and they'll buy in, as opposed to having their involvement and their expression of interest in building it in the first place? I'm very worried that all this effort and this huge amount of money are not necessarily going to solve what I think may have understandably been a bit of a problem. It seems backwards.

Mr. John Rath-Wilson: In responding to the question, Madam Chair, I would indicate that—again I repeat—we spent about \$1.2 million in this process to put in place the SOIQ for the GENS initiative. It has been targeted to the Department of HRSDC and CIC, with Public Works as a possible backup to it, although it's not something that we can do immediately at Public Works.

Ms. Martha Hall Findlay: So we're not even sure that Public Works would take advantage of it?

Mr. John Rath-Wilson: Public Works would if it was in place, but it's not something we need to go to immediately. The other two departments are at the end of life for their current contracts. We need to renew the contracts available to them, and GENS is seen as the next generation for those networks. We see it as almost a pathfinder where we can establish the contract for the anticipated volume that those departments will be able to generate, and then based on the resulting costs and performance, we'll be able to use that as a basis for providing service to other departments.

The Chair: A very brief question.

Ms. Martha Hall Findlay: We've spent so much time in this committee. Before I even got here time was being spent by a lot of people in worrying about whether SMEs were going to be given opportunities to participate in this business. It seems as though we've missed a significant piece here, and that's the business itself.

It's not really a question. I'm still just expressing a bit of frustration that an entire process seems to have developed without actually asking the customers you're purporting to solve a problem for. So I leave more questions to my colleagues, but I've been left with a bit of a question mark in my own mind.

•(1630)

Mr. John Rath-Wilson: I don't hear a question in that particular remark; however, I'd be happy to comment—

Ms. Martha Hall Findlay: No, no, I know my colleague has more questions.

Mr. John Rath-Wilson: I would like to reinforce the fact that we have in fact consulted broadly with the IT community within government on this particular initiative, and we have specific players interested in it initially, and others who would like to partake of it later on.

The Chair: Mr. Warkentin, you're the last questioner.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Madam Chair. I appreciate the opportunity.

I just want to follow up, actually, on the comments of my colleague across the way. When she uses the word "shocked" to describe the fact that there are three departments looking at utilizing GENS, that has always been the testimony that we've heard before our committee. I think all through the reports, the questions have been asked. I know that the honourable member joined us late in terms of the consideration of GENS, but it's always been my understanding that there were HRSDC and Immigration specifically who were looking because they're at the end of their current contracts and there has to be something to replace that. There has to be a standing order that would allow them to move forward.

I'm in the process of moving right now, so I'm looking for my cable to be renewed, and all these things that need to be renewed. I go to the different websites of the different companies that offer these services, and they have the bundled contract. If you go to the bundled contract, of course, you can often find that things are less expensive. Oftentimes it means a single cable coming to the new property rather than multiple folks showing up and connecting at different times. I can see the benefit in our own local households, I

can see it for the average person, and that's what we see in this GENS initiative.

Just to get clarification, there are 124 networks the government manages right now. I don't think there's any intent from the department to limit that to a single network. You've commented again and again that this is optional, that it may or may not happen, but that if we can limit that number of networks from 124 to somewhere less than that, I think that's where we're going.

I guess we have HRSDC, Immigration, and possibly Public Works. Do you have the number in terms of the combination of the three different departments as to the current number of networks that those three departments utilize?

Mr. John Rath-Wilson: That would be a technical detail, and I'd perhaps like to get back to you in writing. I do know that it's certainly more than three, because they have different.... It's not the network itself, Madam Chair, but more the number of contracts that are in place and necessary to support those networks. When you have multiple players in a building trying to figure out how to troubleshoot or solve a problem, it adds complexity to the environment.

Mr. Chris Warkentin: As the requirement comes up for departments to renew different contracts, they'll be looking at GENS as an option. Obviously it's important that only three departments are considering it at this time. We know that in any IT initiative, if you're going to have the entire government doing something that relates to IT, I can just imagine that it would be an impossibility. Let's be frank. Let's be honest. Three departments is already a large task.

What other departments are coming up for renewal of their contracts in the next number of years? Would the majority of departments be in that position? Do you know what the renewal process looks like?

Mr. John Rath-Wilson: A number of vehicles are in place already and are obviously being used. Each of them has a specific lifetime. As we've seen with this particular initiative, it has taken us four years to get to this stage, so we begin to plan early for these things. There are certainly more than four vehicles that we have in place to provide networking technology in the government today, and the first of those are coming due in the next year to 18 months. We can anticipate that most of our vehicles will be expiring over the next five years, and therefore most of the vehicles for government networks will need to be renewed.

Mr. Chris Warkentin: So there's a clear necessity for vehicles to be renewed, and GENS is part of the process.

We appreciate your work thus far. We know you've taken on a huge initiative and we see the necessity for rationalization and modernization. This committee wishes you the best of luck, because we know that any of these big IT projects can be complicated. When you're dealing with high tech and IT, there's always a possibility of problems. We appreciate your testimony and we wish you luck.

• (1635)

The Chair: I'd like to thank you for being here. I know that what we were trying to study confuses a lot of people, and what we were really trying to study was how SMEs can participate in large IT projects. Looking at the Auditor General's report, the AG demands that IT projects have business cases before they start, so you have a list of deliverables that we would like from you.

Do you have any closing remarks? Madam Charette, you asked me to ask you a question on the secure channel, a question that you wanted to respond to. If you wish, you can do that.

Ms. Corinne Charette: Thank you, Madam Chair.

I will address your question as to how and when SMEs can be used by government departments and agencies in the project process. First of all, they can be used to assist departments in analysis prior to any project or prior to any solicitation or procurement process under way. Government departments exercise the standing offers and the vehicles available to them to do that quite regularly. When a department comes forward to the board with a project, the department generally has its business case and the proposed way forward, but if it's coming to the board with a project of an application nature, then it hasn't yet necessarily picked the solution. It may be going out for the selection of a COTS product, and at that point it could structure the project and the request to include SMEs.

In other cases, if they are renewing an application that's already existent and they have come forward to the board for project authority for renewal, once they have the authority to proceed on that renewal, again, they can go back and exercise the procurement vehicles available to them and use SMEs. There are many good ones, and according to the Public Works figures that I've been told, I believe we use SMEs quite extensively.

There's no specific guidance. I think all departments are very careful to find the best value for money in whatever services they contract for. Often that can be SMEs, because sometimes they are smaller and more nimble than very large organizations.

The Chair: Thank you.

Mr. Rath-Wilson, do you have any closing remarks?

Mr. John Rath-Wilson: Yes. I'd just like to say that the GENS initiative is really an attempt for us, as we've mentioned in the past, to renew our contracting vehicles and to do it in the most cost-effective way for departments and citizens. I might add that we have also been somewhat puzzled by the committee's depth of interest in this process. We're very happy to provide the information that you've requested of us, and we will be pleased to provide any other information that you require.

Thank you.

The Chair: Thank you very much.

We will now call on the other witnesses for estimates purposes.

We'll suspend for 30 seconds while we transfer over.

• _____ (Pause) _____

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• (1640)

The Chair: Committee members, we're continuing with our review of the estimates. From Public Works and Government Services Canada, we have before us Mr. John McBain, Mr. Alex Lakroni, and Madame Renée Jolicoeur.

Welcome. We're going to do something we've really not done before, which is to study the estimates and ask questions. This is going to be a really fun exercise.

Do you have any opening remarks, or are you just going to take us through the figures?

Mr. Alex Lakroni (Acting Chief Financial Officer, Department of Public Works and Government Services): They are very short opening remarks.

The Chair: Fair enough. Thank you.

[Translation]

Mr. Alex Lakroni (Acting Chief Financial Officer, Department of Public Works and Government Services): Madam Chair, members of the committee, good afternoon.

My name is Alex Lakroni, and I am the Acting Chief Financial Officer at Public Works and Government Services Canada. With me are John McBain, Acting Assistant Deputy Minister of Real Property Branch, and Renée Jolicoeur, Assistant Deputy Minister of Accounting, Banking and Compensation Branch.

We are pleased to be here today as part of your review of the supplementary estimates (B) that were tabled on November 5.

[English]

Parliament approved the department's 2009-2010 main estimates and supplementary estimates (A), which totaled \$2.8 billion. The supplementary estimates (B) request additional funding of \$130,762,000. This request is for items previously approved by the Treasury Board.

As committee members may know, PWGSC is responsible for, among other things, the accommodation needs of federal employees across Canada. As was the case last year, the greatest portion of the funds requested, which is \$80.2 million, addresses increased volume of office accommodation and inflationary pressures on non-discretionary expenses for accommodation and real property assets management.

The increased volume refers to changes in the office space inventory accommodating current public servants, including higher rental rates for leases being renewed, additional fit-up costs, and temporary space requirements stemming from renovations.

The inflationary pressures on non-discretionary expenses include increases in municipal taxes, utility prices, and building maintenance costs.

Another item in supplementary estimates (B) is \$35.3 million, which is needed to address the cost of office accommodation for renewal of sunsetting programs or growth.

In addition, this year \$21.6 million is required for operational costs related to the department activity in support of the government's economic action plan. As committee members may know, the department received additional funding of more than \$400 million in budget 2009 for improvements to PWGSC-owned crown assets. The funding is being used to speed up existing plans to repair and rehabilitate bridges and buildings, improve accessibility of federal buildings, and plan for the future of the Manège militaire in Quebec City. This amounts to hundreds of projects across the country, many of which have generated significant work for small and medium-sized enterprises.

The department is well on track to spend all of the \$238 million allocated to it under the economic action plan for 2009-2010. Please note that the \$21.6 million in supplementary funding requested in supplementary estimates (B) is for the administration and management of the government's infrastructure program and not for projects themselves.

Another request in supplementary estimates (B) is for \$12.6 million to advance improvements to the British Columbia portion of the Alaska Highway, for which PWGSC is responsible.

An amount of \$8 million dollars is being requested for expenditures related to the 2010 G-8 Summit in Muskoka. As central service provider, our role in the summit is to support the activities of other departments.

A request for \$4.7 million is being made in connection with the remediation of federal contaminated sites.

Also requested is funding of \$4.4 million towards our initiative to modernize and consolidate the federal government's pay system. Members may recall that this committee has recommended that the existing 40-year-old system be brought up to date.

There are other smaller amounts or adjustments to the appropriations and we'd be pleased to provide additional details about these as you wish.

•(1645)

[Translation]

Madam Chair, these are the major operating and capital expenditures for which PWGSC is requesting additional funds.

My colleagues and I would now be happy to answer your questions. Thank you.

[English]

The Chair: Thank you.

We will start with the first round of questions, and I'm going to ask members if you want every round to be five minutes or if you want eight and five.

An hon. member: Eight and five.

The Chair: Fine, we'll start off with eight-minute rounds.

Madam Hall Findlay.

Ms. Martha Hall Findlay: Thank you very much, Madam Chairman.

[Translation]

Thank you so much for being here with us this afternoon.

[English]

We're here to talk about estimates, but I would be remiss if I didn't ask or try to elicit some information.

As you know, in the news now there are reports of significant investigations happening at PWGSC. Without any knowledge of what those are—and we're in the process of dealing with the estimates—can I ask first why these investigations are happening, why the secrecy, and why we're not being given any more information about what's actually happening?

I don't know who best.... Mr. McBain, I understand that you are now the acting ADM. Congratulations. I gather that's a promotion at this point.

Can you give us some input why this is happening, why we're not being given information? Can you explain specifically? We understand that it may have something to do with real estate. Maybe, Mr. McBain, you can answer. I ask if you can provide any help in this regard.

•(1650)

Mr. John McBain (Acting Assistant Deputy Minister, Real Property Branch, Department of Public Works and Government Services): Thank you for the question.

This is not an area of my responsibility. I'm not familiar with the issues you refer to, so I'm afraid I have no comment to offer at this time.

Ms. Martha Hall Findlay: Mr. Lakroni, given your responsibility as the acting CFO, again my concern.... We're talking about estimates, but there seems to be significant secrecy and some significant concern about some activities within PWGSC. Can you help us on this?

Mr. Alex Lakroni: It is not my area of expertise, and I can't comment on the investigations taking place.

All I can tell you is that my department has been and continues to be fully committed to accountability and transparency.

The Chair: May I just interrupt, Madam Hall Findlay?

It's not relevant to the estimates, so I am sorry you can't ask those questions. They are here for the estimates. Ask them questions on the estimates.

Ms. Martha Hall Findlay: Madam Chair, it actually does, with respect. If we are here approving money that the department is asking for and we are of the understanding that there are significant investigations, they may deal with finances.

The Chair: I am sorry. I rule that it is not relevant, because I've consulted. It's not relevant. So change your questions and ask them questions on the estimates, please.

Thank you.

Ms. Martha Hall Findlay: I would like the record to show that we are concerned, given that we are being asked to approve additional funding to a department that is now on record as being involved in certain investigations that may or may not involve financing or may or may not involve kickbacks. It may or may not involve that our job in terms of estimates actually may involve this.

I understand. I did want to raise that as a concern, given the request to approve money.

A particular question then—and I'll leave it to whoever might be the one most appropriate—is the \$21.6 million required for operational costs related to the department's activities in support of the economic action plan. Can somebody explain to me where almost \$22 million is going for this department for the economic action plan work that's in addition to what already has been provided before?

Mr. John McBain: Certainly. Thank you for the question.

These funds are to support the department in delivering its commitments to the economic action plan and to assist other government departments in delivering their commitments to the plan. As you know, Public Works and Government Services Canada is a common service organization. In that respect, we provide a wide range of services, including industrial security, acquisitions, and real property to other government departments.

Ms. Martha Hall Findlay: How does that relate to the economic action plan?

Mr. John McBain: When the increases were provided to various departments above and beyond their normal funding, it drives additional business for us. These funds are for the indirect costs associated with delivering the economic action plan, such as human resources, industrial security, additional finance, audit and evaluation, and the program management to deliver those programs. Costs directly associated with projects are included in the project cost.

These are funds to allow us to deliver a bigger program of work than we would normally be asked to undertake in this fiscal year.

Ms. Martha Hall Findlay: I will note that that is an extraordinary amount of money at issue here.

Does any of that have anything to do with additional advertising, just out of curiosity?

Mr. John McBain: No.

Ms. Martha Hall Findlay: Pardon my ignorance, but I'm not aware of why PWGSC is responsible for the British Columbia portion of the Alaska Highway. That should be a really easy question for you. If somebody could just shed light on that for me, that would be great.

Mr. John McBain: Actually it's a good question.

The highway was built by the U.S. army during the Second World War, and after the war it was transferred to DND. In 1964 the British Columbia portion of the highway was transferred to PWGSC from the Department of National Defence through an order in council.

We maintain approximately 800 kilometres of the highway from Fort St. John to the Yukon border.

Ms. Martha Hall Findlay: Thank you.

I have some time left. I'll transfer it to my colleague.

[Translation]

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Thank you, Madam Chair.

Thank you for your presentation.

I would like to talk to you about a very concrete issue that concerns my riding. I see that \$400 million have been allocated as part of budget 2009 to repair and rehabilitate such things as bridges and buildings that are owned by Public Works and Government Services Canada.

Does that also include bridges over the St. Lawrence River?

•(1655)

[English]

Mr. John McBain: No, we are not.

[Translation]

Mrs. Alexandra Mendes: Therefore, the Federal Bridges Corporation is completely independent from you. That has nothing to do with the \$212 million that were allocated for the Champlain bridge. Are you saying that those \$400 million have nothing to do with that?

Mr. John McBain: You are correct.

Mrs. Alexandra Mendes: Thank you very much.

[English]

The Chair: You have some time left if you wish.

Ms. Martha Hall Findlay: I'm still a bit confused, because we are dealing with large amounts of money, and I'm just wondering if.... No, I think I'll actually hold back on that line of questioning.

Thanks very much.

The Chair: Thank you.

Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois: Thank you, Madam Chair.

Ms. Jolicoeur, gentlemen, good afternoon. It is always a pleasure to have you appear before us.

What caught my attention in the supplementary estimates is of course everything related to the lease-back agreements and federal government buildings. That brings back memories, Mr. McBain. In fact, I think that it was with you that we had a lot of discussions about the lease-back agreements.

Mr. Lakroni, you state the following in your opening remarks: "As was the case last year, the greatest portion of the funds requested, \$80.2 million, addresses increased volume of office accommodation [...]. You also state that you have "higher rental rates for leases being renewed, additional fit-up costs, [...] increases in municipal taxes, utility prices and building maintenance costs".

However, a few years ago, the government undertook many of what we refer to as "lease-backs". How come there are many lease-backs, and yet there has to be such an increase in the estimates? What is going on?

[English]

Mr. John McBain: Thank you for the question.

Public Works and Government Services Canada is mandated through the Department of Public Works and Government Services Act to provide accommodation for public servants. We have more than 1,800 locations where we do that from coast to coast. We use a range of solutions, which include crown-owned buildings, leased, and lease-purchased buildings. The leased and lease-purchased together are more than 1,400 of those locations, so the vast majority of the accommodation we provide is through leased accommodation.

The amounts that are included in this supplementary estimate reflect the increases we have to bear as a tenant in terms of increased costs for taxes and for utility costs that come with that space. I'm sure you're aware that many pieces are renewed at different times, and while we may have a lease that may be in place for ten years, when we renew it for the next ten years, there is an increase in the price, in the cost of that lease. That is part of the cost.

As we accommodate or move through a competitive process to a new lease, we are required to prepare the space, which is called fit-up. That's another cost we must bear. Those costs increase and they are additional each year.

We do a thorough analysis of all our leases and prepare estimates that forecast where we think we are going to be. That is then confirmed by our clients, who give us their actual demands.

[Translation]

Ms. Diane Bourgeois: Let us be clear about something. When you lease a building under a lease-back agreement, there should, theoretically, be no increase in the cost of the lease.

[English]

Mr. John McBain: It depends on the nature of the individual lease. Some have built-in escalations during the term of a lease because a landlord isn't prepared to give you a fixed price for a 10- or 15-year duration. Others include the pass-through of certain costs because they are subject to union agreements or they are subject to the minimum wages. Of the \$80 million that my colleague Alex spoke of, part of it is the increases that come from leases, but also another part of it is due to the increased costs we bear, as a custodian, as well because we are paying energy costs, we're paying labour costs, and we're paying taxes or payments in lieu of taxes, and these increase as well. So this gross number Alex referred to, the \$80 million, includes five major elements that comprise that cost.

•(1700)

[Translation]

Ms. Diane Bourgeois: I see.

We have studied a variety of contracts, including lease-back contracts. I was under the impression that when the government sold a building, but undertook to lease it back for a certain number of years, it only had to pay expenses relating to the building's interior,

and that the buyer, under the terms of the lease signed with the government, had to pay for the general upkeep of the building.

Mr. McBain, could any of the lease-back contracts signed by the government over the past years have been renegotiated? Are the lease-back contracts in question the ones that were signed over the past 3 or 4 years, or are they pre-existing contracts that were renegotiated and that now cost us more money?

That could be a factor as well. Do the buildings the government leases cost more than the buildings it owns? Would it be possible to have a breakdown of the costs? I understand that labour costs and tax costs come into play. But I would like to know what our biggest expense is at the moment? What is costing us the most?

[English]

Mr. John McBain: There are several questions there. I'll do my best to answer them.

In the first, you referred to the sale and lease-back that was conducted a couple of years ago. Those contracts are in place and have not been changed. That is a 25-year lease, which includes an escalation clause every ten years. So that is set.

What I was referring to, in the most part, were the large number of leases we have throughout the country. In any given year we may be renewing several hundred of those, depending on when they expire. When that happens we will be looking, normally, at an increase in the cost of the space alone.

[Translation]

Ms. Diane Bourgeois: Very well. I think I still have a minute remaining.

You have asked for funding for the Secure Channel Network, which will come from the Telecommunications and Informatics Common Services Revolving Fund. Is the total increase in funding requested in the supplementary estimates related to the implementation of PWGSC's Secure Channel Network?

Mr. Alex Lakroni: Are you talking about Government Enterprise Network Services?

The answer is no, what we are seeking in the supplementary estimates is an increase in our spending authority as relates to the revolving fund, which is, to put it simply, like asking for a line of credit. The \$1.2 million that the project will cost is not a recoverable expense. The spending authority in question is not related to Government Enterprise Network Services; it only ensures that the revolving fund itself is operational.

Ms. Diane Bourgeois: Thank you, Madam Chair.

[English]

The Chair: Mr. Anders, for eight minutes.

Mr. Rob Anders: I think that Mr. Holder or Mr. Warkentin wanted to ask a question.

Mr. Chris Warkentin: Thank you, Madam Chair, and thank you, Mr. Anders. I appreciate the opportunity to lead out.

I represent the back of the province of Alberta. We have the distinction of being the link up to the Alaska Highway. There are many people travelling through my community and they often come back from Alaska with a bumper sticker that reads "I survived the Alaska Highway", but it's a frazzled cat that has hair sticking up, and people often comment that they lost a good portion of their nerves on that trip. I know that the folks who head in that direction and people who utilize that highway often will be very excited to hear about the \$12.6 million that's going to be invested, at least in our portion of the highway. Having driven at least a part of it, I know that the area is in need of it. I thank you for that, on behalf of my constituents and the many people who will be travelling it.

In terms of this committee's business, one of the things that we have often discussed in this committee is the need to modernize the pay system within government services. I'm very excited to see the \$4.4 million. We know that there are many people within the respective departments who are going to be very excited to see the modernization of the pay system happening.

Can you give us a bit of an outline as to where that now stands in terms of the process? Obviously the money is being asked for. What is the intent for that money, and what will we see as a result of that \$4.4 million investment?

•(1705)

Mr. Alex Lakroni: I'll turn to my colleague, Renée.

Mrs. Renée Jolicoeur (Assistant Deputy Minister, Accounting, Banking and Compensation Branch, Department of Public Works and Government Services): Thank you for the question.

Last summer, 2009, the project was approved. It consists of replacing the 40-year-old system with a commercial off-the-shelf new system. It also consists of modernizing the services and the processes, including the increased use of the web. It also includes the consolidation of the compensation services presently provided by the departments to PWGSC.

Where are we at now? We started the project on October 1. The project will last about five years, because it's a long project. We are at the preliminary phase of the projects.

We call it the pay administration transformation initiative, but there are two projects. One is the pay modernization, which is the replacement of the systems and the business transformation. The second project is pay consolidation, which is the centralization of services.

Mr. Chris Warkentin: Thank you.

I know that members who have served on this committee for any length of time will have been part of a report this committee brought forward that specifically asked for this to happen. We really appreciate your speedy response to our request. More importantly, we know that there are folks within those departments or those areas who will really appreciate this money. I know these resources will go where they're desperately needed. We appreciate that you've done that as well.

In terms of the \$4.7 million allocated for the cleanup of contaminated sites, I know that the government unfortunately has

inherited many cases, but owns contaminated sites from coast to coast. There are some that are more toxic than others.

I'm wondering if you could give us a brief outline as to what the \$4.7 million will go to. Are there specific initiatives for those, and are they outlined as of yet? Could you give us a brief update on that?

Mr. John McBain: Certainly. Thank you for the question.

The federal contaminated sites action plan is led by the Department of the Environment and all federal custodians input into the preparation of that plan, which sets out priorities based on assessed need and urgency of the cleanup. Prior to the economic action plan, the plan for this year for PWGSC included 26 projects. There are seven identified in Atlantic, seventeen in our Pacific region, with one in the NCA and one in the western region.

Through the economic action plan, additional funds were made available and departments re-queued their requests. As a result of the economic action plan funding, PWGSC received enough funds at present with our plans in place to address another 31 sites. These include sixteen in Atlantic Canada, one in Quebec, six in Ontario region, one in western region, and another seven in Pacific.

Mr. Chris Warkentin: I don't know if it's fair to ask you to....

I appreciate those numbers. In most cases, are these military sites? Are they sites that were inherited by the government for one reason or another? Are they industrial sites?

Mr. John McBain: These are sites that would be in the portfolio of the Department of Public Works and Government Services Canada, so they would include wharves in a lot of cases. You can see the strength of the Atlantic and Pacific representation. There are a lot of wharves and dock areas. Part of this includes the Esquimalt graving dock. There is some remedial work being done there.

It's not military, in our case, as much as it is industrial or light industrial.

•(1710)

Mr. Chris Warkentin: I appreciate that. We all know that many of these sites, if they are contaminated, are effectively sterilized or unable to be developed or used, so I know there will be economic benefits not only in creating the jobs here today in terms of the cleanup but also in the renewal of those sites as time goes by. We appreciate that as well.

I want to ask also about the status of the rebuilding of the historic sites in Quebec City. I see there is an allocation of funds for that. Could you give a brief outline as to what the status of that is right now?

Mr. John McBain: As you know, this asset, Musée du manège militaire, is a custodial asset that belongs to the Department of National Defence, and Public Works has been asked to facilitate the consultation with the public and the development of plans for consideration by the government for the future of the manège militaire. To date we have had public consultations, launched a website, had an extensive communication process, and entertained presentations on potential uses for the site. Those have all been collected and gathered by a consultant with a government interdepartmental panel. We have now engaged a specialist in real property to evaluate those proposals and make a presentation to the government on the best possible uses.

Mr. Chris Warkentin: I appreciate that. I know that the folks in Quebec City especially appreciate the sensitivity in the way this is being approached. I was actually there following the fires and saw the devastation. We appreciate the fact that there is lots of community and stakeholder input into the process of renewal.

Thank you very much.

The Chair: Thank you.

We now go to the second round of questions.

[Translation]

Ms. Mendes, you have five minutes.

Mrs. Alexandra Mendes: Thank you, Madam Chair.

I would like to come back to the \$73.3 million that have been reallocated within the department.

Could you tell me which capital projects were curtailed so that this money could be reallocated?

[English]

Mr. John McBain: Thank you for the question.

In terms of the presentation of these figures, I could see how one would assume the projects were being cancelled. This reflects our need to align our votes with the actions that are being undertaken.

When the department put its economic action plan submission together, we did so at a macro level. We did an estimation of how much would be done through repair and how much would be done through capital votes. When we have since put our plans in place, most of the actions we have taken through the economic action plan are in the repair budget, or vote 1, so it does not, in my opinion, reflect a diminishment of our projects; it reflects the nature of the funding that is used to support the execution of the work. We are still completing that amount of work. This is more or less a funding vote alignment to make sure it accurately reflects the nature of the work.

The bulk of our work for our portfolio is done in our repair budget, which is vote 1. This transfer reflects that we are moving the money from the capital vote to the repair vote to reflect where the work will be done.

Mrs. Alexandra Mendes: There's no change in priorities. You didn't really affect priorities here.

Mr. John McBain: No.

[Translation]

Mrs. Alexandra Mendes: Is the \$21.6 million requested for the operating fund for administering and managing the infrastructure stimulus fund in addition to the \$64 million already earmarked in your internal funding reallocation? Is this money in addition to the \$64 million?

[English]

Mr. John McBain: Yes, it is.

As I said earlier, it is for indirect costs that aren't directly attributable to a specific project. The other funds are directly used to implement projects and repairs.

•(1715)

[Translation]

Mrs. Alexandra Mendes: Could you please explain the nature of the changes related to the lease-back provisions of the national investment strategy?

[English]

Mr. John McBain: Certainly. This reflects the fact that, as we were discussing earlier, seven assets were sold, were moved to the private sector, and then moved into a lease situation for the crown. This funding had previously been in our national investment strategy, i.e., our capital vote, because we owned the assets. Because we are now leasing them, we moved it to the operating side.

The Chair: What seven assets were those that you sold and leased back?

Mr. John McBain: They are seven assets across the country, including the Harry Hays Building, the Thomas D'Arcy McGee Building.... I can provide the committee with an exact list of those seven buildings.

The Chair: And was there a business case done as to the advantage of the lease-back versus sale, and whether paying rent is to our advantage?

Mr. John McBain: Yes.

The Chair: So if you have done that analysis, could we have it?

And I'm utilizing the Liberal time, so that's fine.

Madam Hall Findlay.

Ms. Martha Hall Findlay: I just want to say thank you for offering to have the list and the business cases for them. Could we just have a timeframe for when we might be able to have them?

Mr. John McBain: That should not be a problem for us to pull together. I should be able to have that in a couple of weeks for you, to have that complete information.

We used two sets of consultants for us, third-party advisers, in terms of investments and assessment of the deal, so we have that documentation, if you would like it.

Ms. Martha Hall Findlay: And with that, would it be possible to know who those advisers are, just so that we can sort of track?

Mr. John McBain: Certainly.

Ms. Martha Hall Findlay: That would be great.

And just to confirm when, let's peg a date.

The Chair: Let's say two weeks, did you say?

Mr. John McBain: Two weeks.

Ms. Martha Hall Findlay: Two weeks from now?

The Chair: Okay, so two weeks. That's fine.

Ms. Martha Hall Findlay: Terrific.

Thank you very much.

The Chair: Okay.

Any other short comment?

Okay, fair enough.

Monsieur Nadeau.

[Translation]

Mr. Richard Nadeau: Thank you, Madam Chair.

Good afternoon ladies and gentlemen.

What exactly will the transfer to Library and Archives Canada in Gatineau consist in? I am sure you can appreciate why I am interested in the subject.

[English]

Mr. John McBain: Thank you for the question.

This is an archive storage facility, and the transfer of the funding from PWGSC to Library and Archives Canada is to put the funding appropriately with the custodial department. It will be a transfer from our reference level to them. The reason that's occurring is because PWGSC is mandated to provide general-purpose office space—in other words, an office environment where anyone could occupy it, literally perform a briefcase move.

This particular facility is very specialized. It's for archival storage and retrieval. So we at present have the resources for that. We will make the implementation, but we are transferring the resources to Library and Archives, who will be accountable for it in accordance with Treasury Board policy.

[Translation]

Mr. Richard Nadeau: At the time, Mr. Wilson was the Librarian and Archivist of Canada; at the moment, unless I am mistaken, it is Mr. Caron. I have met with both men.

There was talk, at a certain time, of a phase II for the Archives. At the moment, we have what was built around 1993. Public Works and Government Services Canada bought land with a view to phase II of the project. As I understand it—given the trend toward virtual, as opposed to paper, archives, the money was transferred to Archives Canada to store certain archives in what we know as the "old Zellers", which I imagine will be refitted.

Was that until phase II came on stream? Was all the money transferred? Was it only \$5 million? That is still a large sum, \$5.3 million. If I remember correctly, the sum of \$100 million had been talked about in regard to a phase II. In the meantime, it is a warehouse.

[English]

Mr. John McBain: I must admit, I am not familiar with phase two or the attributes that you described for Library and Archives Canada, and I would ask that Mr. Caron respond to those questions.

What we're proposing in these estimates, if approved, would be to transfer that funding for them for us to do the fit-up. We will still execute it on behalf of Library and Archives at the Zellers building, but that is a discrete project that we will undertake with the approval of these estimates.

• (1720)

[Translation]

Mr. Richard Nadeau: Would you be able to get the committee, and me in particular, some information as to what is happening with phase II of the Archives development project? I know that there were plans for such a project; I met with Mr. Caron to discuss the issue. At the moment, the project is in abeyance. If it gets the green light, and we move on to phase II—which entails more than the warehouse that is being refitted—will this money be lost? Will the whole issue have to go back before Treasury Board, or has the money been set aside in a bank account in case phase II of the project becomes a necessity with the advent of digital archives?

[English]

Mr. John McBain: Madam Chair, I'm afraid I cannot make commitments on behalf of my colleagues in Library and Archives Canada. I'm not aware of these plans, but I would submit that the question would best be directed to the national archivist.

[Translation]

Mr. Richard Nadeau: I have another question, this time on the Royal Canadian Mounted Police that has moved from its base in Orleans, in the east of Ottawa, to the west of the city. I recall the debate that took place when the decision was being made: since the government would have to buy buildings, why not consider the Gatineau side of the river, given that land is much cheaper and that it would also allow us to finally redress the imbalance in the distribution of federal jobs, the 25:75 ratio.

I appreciate that this does not directly concern Public Works and Government Services Canada, because you are more involved in buildings than in jobs.

[English]

The Chair: Mr. Nadeau, wrap up, *s'il vous plaît*.

[Translation]

Mr. Richard Nadeau: When you are planning transfers of this nature, do you consider building in Gatineau, given that land is cheaper and that we still need 6,200 jobs to reach the intended job distribution ration of 25:75 between Gatineau and Ottawa?

[English]

Mr. John McBain: Thank you for the question. There are a number of aspects to what you just asked.

We are always conscious of the 75:25 ratio, and we work to manage that very carefully. Any growth on one side must be balanced with the other, and we are working to catch up on the Gatineau side.

This transfer to RCMP reflects a reduction of the costs that were forecast to be borne by them at the site in south Ottawa, so what we are doing is returning to them funding they had provided to us when we started that project.

In response to your question over considering one side or the other and lower costs, yes, we always bring that to the table as PWGSC. We work with our clients, who set their geographic boundaries for their operational and functional reasons, but we do bring that to the table. We have had success, as you know, with the library and archives building in Gatineau next to the preservation centre. We are promoting federal buildings, and as well we currently have two competitions under way in Gatineau for additional federal buildings.

The Chair: Thank you.

We will go to Mr. Holder for five minutes.

Mr. Ed Holder: Thank you, Madam Chair, and thank you to our guests for your comments today and for your forthright information. It's very helpful for us, and particularly for me as a newer member of this committee.

I'd like to note that here you are talking in terms of the supplementary estimates (B). That represents about 5%, by my calculation, of the approved main estimates and supplementary estimates. That's the number you are looking for. Of course, the request is for items, even by your own comments, that have been approved by the Treasury Board.

I have a couple of questions about that.

Mr. Lakroni, in your comments you talked about hundreds of projects across this country that have generated activity for small and medium-sized enterprises. Can you expand a little more on that? That certainly was an area of discussion in prior testimony with the folks preceding you this afternoon.

Mr. John McBain: Perhaps I can respond to your question from the perspective of the real property branch.

Through the economic action plan funding that is addressed in this, and the initial budget from 2009, PWGSC itself has undertaken in excess of 1,400 projects. These are in the buildings that we own from coast to coast. Many of the buildings have more than one project. It also includes four bridges and the Alaska Highway, as we discussed earlier, so there is a broad range of undertaking.

The majority of our building undertakings are being undertaken by our third-party service provider, and they in turn engage a wide range of small and medium enterprises. For example, in previous years they have engaged in excess of 1,700 small and medium enterprises for the maintenance, operation, and repair of our buildings. They've engaged a further number of enterprises for capital projects as well.

We are using exactly the same delivery mechanism for the economic action plan.

• (1725)

Mr. Ed Holder: If I may, again in your earlier testimony you talked about something that is certainly going to be very important to Canada, which is the 2010 G-8 summit, which is going to be held in Muskoka. You are looking for a significant amount of money in

terms of \$8 million in your role as a central service provider. Tell me what that is intended to go for. Help me understand better what that allocation of \$8 million is for, please.

Mr. Alex Lakroni: I will turn to my colleague Renée.

Mrs. Renée Jolicoeur: Thank you for the question.

It is mostly for accommodation and associated leasing fit-ups—for instance, for what we call the summit management offices for the Department of Foreign Affairs and International Trade. They need a summit office in the national capital region. They also need a summit office in Huntsville, where the event will take place.

There is also a requirement for procurement, procurement of food services. Procurement of the fences is another item. We will also hold events so PWGSC is responsible for the ceremonial and protocol events. We are the organization responsible, so we need funding for that as well. There are the interpretation services, the translation services. So being a common service provider, PWGSC is involved in several of the activities.

For instance, we also need to lease the main site in the Deerhurst Resort, so that's another activity we need to proceed with.

Mr. Ed Holder: Would you imagine that this will be sufficient funds to accommodate your role? Or would you anticipate that there are going to be any changes to this number?

Mrs. Renée Jolicoeur: The request is for two years, this year and next year. This will provide for the requirements from the Department of Foreign Affairs and International Trade. We are expecting requirements from our RCMP as well, but they haven't gone through their Treasury Board submission yet.

So yes, there will be more services required from PWGSC, but they will be funded through a submission that has been approved by Treasury Board but sponsored by RCMP.

Mr. Ed Holder: So to be clear, would the RCMP funding request come through here as an additional supplemental estimate, or would that be handled directly through Treasury Board in another way?

Mrs. Renée Jolicoeur: It would be through the RCMP supplementary estimates.

Mr. Ed Holder: Thank you very much.

Thank you to our guests for your comments today.

The Chair: Thank you. That was the last question.

I have a couple of issues that were raised by that \$64 million that was transferred from capital to operating. The total amounts to \$73.9 million. Was it in any way related to the West Block or some of these buildings that are being renovated—asbestos removal, or whatever? Does anybody know what the cost of it is?

Mr. John McBain: Of the West Block project?

The Chair: Yes.

Mr. John McBain: Yes, we do. That is under the authority of another assistant deputy minister, but we do have that information. That is managed through an oversight committee and an advisory committee on the long-term vision and plan for the parliamentary precinct.

The Chair: The question that was asked was did it affect any capital projects that you had in mind? Was it affecting capital projects?

Mr. John McBain: That transfer, no. They were already planned through our A-base. This just reflected what we did with our economic action plan. When we put out the plan it was very early days, so we put in indicative numbers and it was noted in our Treasury Board submission that we may need to move the money, depending on which projects were selected to go forward.

Mrs. Renée Jolicoeur: I will have to get back to you, Madam Chair, because I don't know.

• (1730)

Mr. Alex Lakroni: No, Madam Chair, but I would like to clarify a point that was made earlier. You asked us under the sales lease-back to provide you with the list of assets, the advisers, within two weeks.

It came to my attention that all the business cases and analysis were provided to the committee in a previous Parliament, including the advisers—Bank of Montreal, Royal Bank, and Deutsche Bank. So my question is, do we still need to provide you with that information?

The Chair: I am advised by the analyst that we have the information.

Madam Hall Findlay.

Ms. Martha Hall Findlay: That's great then. Thank you. Sorry for asking for information that we didn't have with different people changing.

But I think there was a mention of additional other consultants that may have been involved. You've listed three banks. We understand them to be advisers, but could you commit that there were no other consultants or people involved in those? I mean, they're seven pretty big dispositions.

The Chair: Madam Hall Findlay, we will look at what information we have—

Ms. Martha Hall Findlay: No, sorry, Madam Chair. We were told that we had the list of three advising banks, and I'm asking that if there were other consultants involved, could the identity of those also be provided?

The Chair: Yes, Mr. Warkentin.

Mr. Chris Warkentin: Madam Chair, as a point of clarification, we as a committee undertook a report of this entire issue some months ago. I know that there's a report and all that information was available and asked for. So I know that our analyst would be able to get that information. We as a committee—

The Chair: I have a clarification question to ask Mr. Lakroni.

Did you state that there were additional consultants on the file? If you did, then it's a valid question that Madam Hall Findlay is asking.

Mr. John McBain: Madam Chair, I was responding to the question. When I was referring to consultants, I was referring to the banks, because we did use two banks as part of the initial plan and then we had Deutsche Bank come in and provide advice on the advice that we were being given. Those are the consultants I was referring to in my response.

The Chair: Okay.

Thank you very much.

Mr. Alex Lakroni: Thank you, Madam Chair.

The Chair: The only business we have is to let you know that Mr. Minto is coming for two hours next Tuesday and that we will be voting on estimates on Thursday, after we are finished with the Treasury Board.

The meeting is adjourned.



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