



House of Commons
CANADA

Standing Committee on Government Operations and Estimates

OGGO • NUMBER 034 • 3rd SESSION • 40th PARLIAMENT

EVIDENCE

Tuesday, November 2, 2010

—
Chair

The Honourable John McKay

Standing Committee on Government Operations and Estimates

Tuesday, November 2, 2010

•(0845)

[English]

The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)): Good morning, ladies and gentlemen.

[Translation]

Good morning to all members, witnesses and guests. I want to welcome you. This is the 34th meeting of the Standing Committee on Government Operations and Estimates. Here's the agenda.

Welcome, Mr. Varin and Mr. Rousseau.

[English]

Mr. Varin is accompanied by his counsel. I will remind counsel and all that counsel is restricted to an advisory role and may not answer questions on behalf of the witness.

[Translation]

Mr. Regan, go ahead, please.

[English]

Hon. Geoff Regan (Halifax West, Lib.): Could the witness be sworn in, please?

The Chair: It's not the usual practice, but there's no reason why not. Is that right? It's entirely at the committee's discretion. If the committee wishes to have the witness sworn in, we can have the witness sworn in.

Seeing no objection, I'll ask the clerk to attend to the swearing in of the witness, please.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): I would like to raise a point of order after the witness is sworn in, Mr. Chairman.

The Chair: You really want to do it after the swearing in?

Mr. Marc Lemay: I'm going to wait until after the swearing in, but I want to do it before Mr. Varin's evidence.

[English]

The Chair: Okay.

[Translation]

Mr. Gilles Varin (As an Individual): I, Gilles Varin, swear to tell the truth, the whole truth and nothing but the truth, so help me God.

The Chair: Thank you, Mr. Varin.

Mr. Lemay, you have a point of order?

Mr. Marc Lemay: Yes, Mr. Chairman.

I understand that Mr. Varin may have to consult his lawyer, but I would like that consultation time to be deducted from the question period or from the time allotted to us to ask our questions to ensure we have the time to ask those questions.

[English]

The Chair: I'll try to accommodate that as best I can. Thank you.

Monsieur Varin, you have up to 10 minutes to make your initial presentation, and thereafter members will ask questions.

Thank you.

[Translation]

Mr. Gilles Varin: Thank you, Mr. Chairman.

Thank you for welcoming me here today. It's a pleasure for me to accept this invitation in order to correct certain statements that have been reported in the newspapers.

First of all, I would like to make an initial correction. Reference has been made to \$140,000 or \$150,000, but that figure is incorrect. The exact amount that was paid to me over a period of 30 to 34 months was \$118,000. I received fees from Mr. Sauvé. He himself determined the amount of my fees, an amount that I accepted. That was done over a period of 30 months. However, I was consulted on many more files than the one we are concerned with.

I would also like to submit a document, an article that appeared in the October 27 issue of *Le Devoir*. I obviously didn't know it had to be translated into English. The clerk will therefore have it translated before it is submitted to you. I would like to introduce it. The third last paragraph states what was apparently said by Mr. Sauvé, who gave the interview:

The most recent contract was the one for \$8.9 million to renovate the Canadian Parliament's West Block, a contract that was "obtained by call to tender and without any political involvement," he added. This is obviously a very promising new client since the entire restoration program for the Parliament buildings in Ottawa is estimated at \$1 billion.

I would like to submit this document for it to be distributed to committee members. I believe this article will confirm what I have to say today.

I'm ready to answer your questions.

•(0850)

[English]

The Chair: Thank you, Mr. Varin.

It is the usual practice, of course, to submit in both official languages. This is in French only.

Can we waive that?

A voice: Yes.

The Chair: We can waive it, but only on the consent of the committee.

And consent is given? Okay. Therefore, I'll ask the clerk to distribute the article.

We'll go to Mr. Regan for the next eight minutes, please.

Hon. Geoff Regan: Thank you, Mr. Chairman.

[*Translation*]

Mr. Varin, thank you for being here today. I did an Internet search on your company, Varin Communications, with little result. You apparently don't have much of an Internet presence. How do you go about finding your clients?

Mr. Gilles Varin: It's by word of mouth. I've been in the same occupation for about 40 years. Incidentally, I forgot to mention, even though I wanted to emphasize this, that I am not a lobbyist. I'm a strategic communications and business development consultant. I've been doing this kind of work for about 40 years.

Over those 40 years, I have probably had a few hundred clients. I haven't been able to count them exactly. I have always worked for fees with all my clients. For some clients, I received fees plus a commission, but I have always received fees from all my clients.

Hon. Geoff Regan: Apart from Mr. Alain Sauvé, what other clients have you had in recent years?

Mr. Gilles Varin: I've had a lot of clients in recent years, I've obviously had some in the private sector. Mr. Chairman, I don't know whether I'm being ordered to name them, but I haven't requested permission from those clients to name them today.

Hon. Geoff Regan: Could you do that and prepare a list?

Mr. Gilles Varin: I can do that. Do you want to know all those from last year?

Hon. Geoff Regan: That would be those from the last three years.

Mr. Gilles Varin: Did you say those from the last three years?

Hon. Geoff Regan: Yes, that's correct.

Mr. Gilles Varin: Yes, all right.

Hon. Geoff Regan: Do you have any previous criminal convictions?

Mr. Gilles Varin: In 1976 or 1977, I was sentenced to pay a fine, but I did not receive a criminal record.

Hon. Geoff Regan: For what activities were you convicted?

Mr. Gilles Varin: That was about 30 years ago. I don't remember exactly what was involved. It's been 33 years.

Hon. Geoff Regan: Mr. Varin, it is hard to believe that someone who has received a criminal conviction doesn't remember it, that it's not a highlight in his life.

● (0855)

Mr. Gilles Varin: I don't really remember the case, sir. I really don't remember. It was, at any event, a case that had nothing to do with the government. It was Quebec's occupational training

commissions at that time, where I had been a director general from 1969 to 1972 or something like that.

Hon. Geoff Regan: So you remember it?

Mr. Gilles Varin: Pardon me?

Hon. Geoff Regan: You remember it very well, don't you? You remember the situation and the details.

Mr. Gilles Varin: I remember that it was at that time, but I don't exactly remember what it concerned.

Hon. Geoff Regan: That's fine. Do you have any similar convictions?

Mr. Gilles Varin: Pardon me?

Hon. Geoff Regan: Do you have any similar convictions?

Mr. Gilles Varin: No, never.

Hon. Geoff Regan: Thank you.

From where do you know Mr. Sauvé?

Mr. Gilles Varin: Mr. Sauvé called me up one day to meet with me. He told me he had done so on a recommendation by a member of his board of directors. I don't know which of the members it was. It was a board of a number of individuals. I had been recommended to Mr. Sauvé in that context.

Hon. Geoff Regan: For what purpose did he retain your services? What did he hope to accomplish?

Mr. Gilles Varin: I advised Mr. Sauvé on a number of files from the moment I was there. When I started working with Mr. Sauvé, we were far from thinking about the contract the Canadian government is concerned about right now, that is to say the contract to renovate the Parliament buildings. We didn't even talk about it when I arrived. I advised him and I introduced him to a large number of people in the business world. My client had just filed for bankruptcy at that time. He needed to rebuild a public image, which I helped to do.

Hon. Geoff Regan: How did you do that?

Mr. Gilles Varin: He continued to pay me. So he must have been satisfied.

Hon. Geoff Regan: What duties did you perform for him?

Mr. Gilles Varin: I provided Mr. Sauvé with strategic advice on what he should do and on the kind of advertising he could use. I distributed a lot of his brochures throughout the business world, in the private sector, virtually everywhere where business could be done. I introduced him to general contractors because he acted as a subcontractor more often than not.

Hon. Geoff Regan: Now let's talk about PWGSC and the federal government. To whom did you forward his curriculum vitae, and with what instructions?

Mr. Gilles Varin: I don't remember submitting CVs. I may have distributed a brochure, but I didn't do so to a senior official, or to a minister, or to a minister's political attaché or any other person.

Hon. Geoff Regan: Mr. Varin, you told Daniel Leblanc, or at least he wrote that you said you had forwarded Mr. Sauvé's curriculum vitae to the government.

Mr. Gilles Varin: Look, I may have given Mr. Sauvé's CV or a brochure to Mr. Pichet. We met him entirely by chance at a restaurant. I introduced him to Mr. Sauvé. So it's possible I gave that to him at that time, but I don't remember submitting it to him more particularly.

Hon. Geoff Regan: You said it was Mr. Pichet. Where do you know him from?

Mr. Gilles Varin: I've known Mr. Pichet for about 23 years. He even worked on certain files with me at his law firm.

Hon. Geoff Regan: Did Mr. Pichet receive anything from you other than to enable him to do his job?

Mr. Gilles Varin: No, not at all, but I still meet him regularly. We often eat at the same restaurant, and sometimes I simply go there to say hello. I've no doubt previously discussed politics with him.

Hon. Geoff Regan: When did you obtain results for Mr. Sauvé?

Mr. Gilles Varin: What was going on with Mr. Sauvé?

Hon. Geoff Regan: What were the results?

Mr. Gilles Varin: I introduced him to Mr. Sauvé. Mr. Pichet sat down with us for a few minutes and matters stopped there. I introduced four or five individuals to Mr. Sauvé that lunchtime.

The Chair: Thank you, Mr. Regan.

Ms. Bourgeois or Mr. Lemay, you have eight minutes.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Mr. Chairman.

Good morning Mr. Varin and Mr. Rousseau.

Mr. Varin, you say you introduced Mr. Sauvé to a lot of people and advised him. Do you know Mr. Paul Therrien?

• (0900)

Mr. Gilles Varin: Yes, I know him.

Ms. Diane Bourgeois: How long have you known him?

Mr. Gilles Varin: For a number of years, in fact since the 1980s, probably.

Ms. Diane Bourgeois: When was your last meeting with Mr. Therrien?

Mr. Gilles Varin: I don't know. I haven't seen Mr. Therrien in perhaps three years.

Ms. Diane Bourgeois: Three years ago, he was still Michael Fortier's chief of staff, wasn't he?

Mr. Gilles Varin: No, Mr. Therrien has never worked for Mr. Fortier.

Ms. Diane Bourgeois: Do you know Mr. Fred Doucet?

Mr. Gilles Varin: I know him. I've previously met him, but I haven't seen Mr. Doucet in 12 or 15 years.

Ms. Diane Bourgeois: Mr. Sauvé managed to appear on the short list of contractors likely to obtain the contract. Do you think he might have changed the criteria and thus been put on that short list without your intervention?

Mr. Gilles Varin: In fact, I don't think anyone can intervene to put someone's name on a short list at the federal, provincial or municipal level. Officials handle those files.

However, I advised Mr. Sauvé. His name was not put on the list of government suppliers. I advised him and told him that he should first be registered on the list of government suppliers and that he should introduce his company. Otherwise, he would not have been put on any list.

Ms. Diane Bourgeois: So you continued to work with Mr. Sauvé from the moment his name was put on the short list.

Mr. Gilles Varin: Yes.

Ms. Diane Bourgeois: In what form did you receive the \$118,000 amount you referred to earlier? Did you receive it in individual amounts?

Mr. Gilles Varin: I was paid every month. This was done in amounts of \$5,000 to \$10,000 a month.

Ms. Diane Bourgeois: Was that in cash or by cheque?

Mr. Gilles Varin: It was by cheque, including GST and QST.

Ms. Diane Bourgeois: The \$118,000 was paid over 30 months in amounts of \$1,000 a month.

Mr. Gilles Varin: It was \$5,000 to \$10,000 a month.

Ms. Diane Bourgeois: Do you have proof of those payments? Could you submit them to the committee?

Mr. Gilles Varin: Yes, I don't have them in my hand, but I could very well provide the list to you and submit it to the clerk.

Ms. Diane Bourgeois: That's good.

You say you advised Mr. Sauvé and told him what he had to do.

Did you advise him to organize a cocktail fundraiser?

Mr. Gilles Varin: No.

Ms. Diane Bourgeois: Did someone contact you to send him the message?

Mr. Gilles Varin: No.

Ms. Diane Bourgeois: That wasn't the case.

Mr. Gilles Varin: No.

Ms. Diane Bourgeois: Who do you think advised him to do the cocktail fundraiser?

Mr. Gilles Varin: It was the president of the Bourassa riding association.

Ms. Diane Bourgeois: All right, it was the president.

Mr. Gilles Varin: It was Mr. Gilles Prud'Homme.

Ms. Diane Bourgeois: You know him, don't you?

Mr. Gilles Varin: I met him then. I didn't know him at all before that.

Ms. Diane Bourgeois: All right.

Mr. Gilles Varin: I didn't know the candidate who was there either.

Ms. Diane Bourgeois: Did you do any other work for other businesses with PWGSC or other federal departments?

Mr. Gilles Varin: No.

Ms. Diane Bourgeois: You never did any other such work during your 40-year career?

Do you know Minister Paradis very well?

Mr. Gilles Varin: I don't know him intimately. I know him because I met him a few times at cocktail parties.

Ms. Diane Bourgeois: When did you last see Mr. Paradis?

Mr. Gilles Varin: If my memory serves me, it was at the party organized in Mr. Mulroney's honour in Montreal.

Ms. Diane Bourgeois: In what year was that?

Mr. Gilles Varin: That was two years ago, perhaps.

Ms. Diane Bourgeois: It was in 2009.

Does the name of Senator David Angus mean anything to you?

Mr. Gilles Varin: Yes.

Ms. Diane Bourgeois: Do you know him well?

Mr. Gilles Varin: Yes, I've known him for a long time.

Ms. Diane Bourgeois: Did you attend a cocktail fundraiser for the constituency of Laurier—Ste-Marie with Mr. Angus in 2007?

• (0905)

Mr. Gilles Varin: It's quite possible.

Ms. Diane Bourgeois: Were you aware of the fact that Paul Sauvé's company was under the control of the Hells Angels?

Mr. Gilles Varin: No.

Ms. Diane Bourgeois: You didn't know that.

Mr. Gilles Varin: Mr. Sauvé explained that to me much later. At the time, it wasn't under the Hells Angels' control.

Ms. Diane Bourgeois: The 2009 fundraiser was held at the Da Enrico Restaurant, which is owned by Riccardo Padulo and his son Enrico. Do you know those individuals well?

Mr. Gilles Varin: No.

Ms. Diane Bourgeois: You don't know them at all?

Mr. Gilles Varin: No, I didn't know the son. I didn't know him at all. I probably met the father a very long time ago.

Ms. Diane Bourgeois: I'll ask you another question. Is it possible that you knew who the other bidders for the government buildings were, apart from Mr. Sauvé, and that you got wind of the amounts of the bids?

Mr. Gilles Varin: No. And I've never seen that in my career. When people bid, they don't usually give competitors their figures.

Ms. Diane Bourgeois: And yet you have a friend who works at PWGSC, an official whom you know well. That's what you said.

Mr. Gilles Varin: No.

Ms. Diane Bourgeois: And yet you said in an interview that your work was to forward Paul Sauvé's CV to a PWGSC official.

Mr. Gilles Varin: I was misquoted or interpreted. I know no officials at PWGSC.

Ms. Diane Bourgeois: Who is the friend to whom you gave Paul Sauvé's CV and who submitted it to an official?

Mr. Gilles Varin: I don't know whether it was given to a PWGSC official. It's possible—I mentioned this earlier—that I gave the

document, the presentation booklet, to Mr. Pichet. I don't remember whether I gave it to him, but that's possible. I gave it to no one else.

Ms. Diane Bourgeois: If I understand correctly, you're saying that the only person who could have given the presentation booklet to officials was Mr. Pichet.

Mr. Gilles Varin: When Mr. Sauvé had his name put on the list of government suppliers, he forwarded all his documentation. His presentation was very good. He then submitted all his documentation to PWGSC. The officials no doubt received the CV at that time.

The Chair: Your time is up.

Ms. Diane Bourgeois: Thank you, Mr. Varin.

Mr. Gilles Varin: It's a pleasure.

The Chair: Mr. Gourde, go ahead, please.

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

Thanks to the witnesses for being here.

Mr. Varin, have you been a member of the Conservative Party since 2004?

Mr. Gilles Varin: I was a member of the Conservative Party, but I haven't been a card-carrying member for a number of years now. However, I have monitored the party's activities on numerous occasions.

Mr. Jacques Gourde: That means that you were a member of the Progressive-Conservative Party in the 1980s and 1990s.

Mr. Gilles Varin: I don't remember the last time I had a card. That's negligent on my part. However, if I had been informed that I had to renew my membership card, I would probably have done so, but I never received any correspondence on the matter.

Mr. Jacques Gourde: Have you previously held a membership card of the Liberal Party?

Mr. Gilles Varin: No, I have never had a membership card of the Liberal Party.

Mr. Jacques Gourde: According to Elections Canada, you have made donations to the Liberal Party. It was \$198 in 1999 and \$433 in 2003, and you gave \$400 to the Conservative Party in 2007.

Mr. Gilles Varin: I obviously helped the Liberal Party MPs that I knew well. I remember very clearly going to a cocktail party for Mr. Coderre. I remember very clearly Mr. Denis Paradis, among others. I attended Mr. Chrétien's golf tournament twice, I believe. I went because it was for friends.

You know, outside politics—you are MPs, you know this—you make friends who don't necessarily have the same allegiance as you, who don't necessarily share the same opinion and you discuss that. You understand; that's life.

Mr. Jacques Gourde: I understand. Based on your vast experience, after 40 years in the business, you have friends from all parties, and that's good. You are a strategic consultant, and you must talk to virtually everyone.

It's reported in the media that you were a Conservative organizer. Can you clarify that? Have you previously received money from the Conservative Party for work?

• (0910)

Mr. Gilles Varin: No, I've never received a cent from the Conservative Party. I've given it some money, but I've never received a cent from it. I organized things a few years ago, in the constituencies, at conferences, but I've organized nothing for the party in recent years.

Mr. Jacques Gourde: So you've never had a Conservative Party business card stating that you were a party organizer. You've always done it as a volunteer just as any Canadian would.

Mr. Gilles Varin: Yes, I've always been a volunteer.

Mr. Jacques Gourde: Did you have good relations with Denis Coderre at the time you gave that party money?

Mr. Gilles Varin: I've always had very good relations with Mr. Coderre. He comes from the same place I do and I've known him for many years. I like him very much.

Mr. Jacques Gourde: Did Mr. Coderre help you at times? Did he give you advice?

Mr. Gilles Varin: No, I never worked with Mr. Coderre, but we often spoke. Obviously, Mr. Coderre has his opinions and I have mine. We can nevertheless have fun discussing various topics.

Mr. Jacques Gourde: Your extensive experience of more than 40 years has led you to spend time with a number of politicians. Has working with politicians from all parties been a pleasant experience? Or are you bitter instead because you have come before a parliamentary committee to rehash the past?

The media sometimes say things, but you may have to speak out to make your story known. What has been your personal experience with what has happened in recent months?

Mr. Gilles Varin: As you'll understand, what has happened is not among the most pleasant things that can occur. It's especially difficult for the family is such a case. I believe I can accept responsibility for what I do and what I've done. As I have nothing to apologize for in this matter, I'm trying to correct the facts.

Mr. Jacques Gourde: Some opposition parties have wanted to put words in your mouth. Is there anything you want to clarify? Or is everything fine as it is?

Mr. Gilles Varin: Pardon me, I didn't quite understand.

Mr. Jacques Gourde: Some opposition parties have insinuated that you engaged in political interference. Is that true?

Mr. Gilles Varin: No, I've never engaged in political interference with any party in power whatever.

Mr. Jacques Gourde: That's enough for me. Thank you.

[English]

The Chair: You have two and a half minutes.

Mr. Chris Warkentin (Peace River, CPC): I appreciate your testimony this morning and we appreciate getting to the bottom of many of the different allegations that are out there in the media and being brought forward by our opposition colleagues. Today it seems like we're on a fishing expedition. I usually don't mind fishing expeditions, except if nobody is catching any fish, and today that seems to be what is happening.

Mr. Varin, is the translation working for you?

I think we're still without translation for the witness, and my French isn't good, so I do apologize.

A voice: *C'est correct.*

Mr. Chris Warkentin: *Très bien.* We should thank the translators. Without them, we would be nowhere in this place. We do appreciate their work.

Mr. Varin, I wonder if you were aware of the Federal Accountability Act. When we were elected, our government was concerned, as most Canadians were, with the lack of accountability—at least perceived lack of accountability—in Ottawa. You, coming from Quebec, know the issues well. Obviously, the sponsorship scandal left a taint on this entire institution of Parliament.

So our government brought forward the Federal Accountability Act, an act that would ensure that people who were trying to buy influence on Parliament Hill would be identified and that there would be limits as to how they might be able to buy influence.

Are you aware of the Federal Accountability Act, Mr. Varin?

• (0915)

[Translation]

Mr. Gilles Varin: I'm familiar with that act. The reason I'm not on the list of lobbyists is that that's not what I do. I've never intervened with the government on this matter. If I had had to intervene, I would have registered.

[English]

Mr. Chris Warkentin: Well, we appreciate that because that's counter to what many of the media have reported. You have been reported and identified as a lobbyist and so that's an important correction.

Mr. Varin, you're also aware that it's a contravention of the Federal Accountability Act to give a donation with the expectation of receiving anything in return. Did you ever give a donation to any political party with the anticipation that you would get something in return?

[Translation]

Mr. Gilles Varin: No, I made donations to the party on a voluntary basis. I very often attended cocktail parties. Those who were in a position to observe know that I have an extremely busy life with associations; I've chaired a lot of boards, I've done volunteer work all my life. When I worked for the party, it was volunteer work.

The Chair: Thank you, Mr. Warkentin.

[English]

Mr. Martin, eight minutes, please.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Varin, let me start just by clearing up the question by Mr. Regan of what you were convicted for in 1977. Our information is that you were convicted of five counts of fraud, corruption, and breach of trust. Would that be accurate, sir? You don't remember...?

[Translation]

Mr. Gilles Varin: I don't exactly remember the charges that were laid. You say so; so you must have the file.

[English]

Mr. Pat Martin: Well, specifically, sir, when you were the chair of the apprenticeship division or whatever it was, you were shaking down a trading school for personal gain and therefore abusing your position of trust. That's what you were convicted for, in my understanding. Unless you have information to the contrary, that's what we understand.

That's not the point today, though. I'd like to know more about when you met Mr. Pichet and how long your relationship with Mr. Pichet goes back. Were you friends with Mr. Pichet when he was the executive assistant to Brian Mulroney?

[Translation]

Mr. Gilles Varin: Yes, I was already a friend of Mr. Pichet's at the time. I had known him for some time before the 1984 election. That is why I said it was probably in 1980s.

I've known him for a very long time. Mr. Pichet has been a political organizer for a long time.

[English]

Mr. Pat Martin: That circle of people would include, then, Fred Doucet, Frank Moores, Karlheinz Schreiber, etc. That would be the people in that group at that time. Would that be correct?

[Translation]

Mr. Gilles Varin: No, no.

[English]

Mr. Pat Martin: Frank Moores, Fred Doucet...?

[Translation]

Mr. Gilles Varin: I probably met Frank Moores once or twice at cocktail parties, but I didn't know him at all. I knew Fred Doucet by name, and I've previously said hello to him, but I don't know him beyond that.

[English]

Mr. Pat Martin: Did you have dealings with their consulting firm, GCI consultants?

[Translation]

Mr. Gilles Varin: No, never.

[English]

Mr. Pat Martin: I see.

Can you remember the date that you met Mr. Pichet in the restaurant with Mr. Sauvé, where you introduced him and gave him the leaflet? Can you remember the date of that lunch meeting?

[Translation]

Mr. Gilles Varin: Absolutely not, because, as you know, I had lunch with Mr. Sauvé on a number of occasions. I don't know the dates. I didn't keep an agenda concerning that. It often happened at the last minute. He called me and asked me if I was free for lunch. If I was free, it worked.

● (0920)

[English]

Mr. Pat Martin: The reason I'm asking, sir, is that on January 26, 2009, Mr. Sauvé made a donation of \$1,100 to the Bourassa riding association and \$1,000 to Tory candidate Hubert Pichet, the candidate for La Pointe-de-L'Île. I'm wondering if there's any connection to you running into him in the restaurant, giving him Mr. Sauvé's leaflet and information, and then Mr. Sauvé feeling obligated to make a \$1,000 donation to Mr. Pichet.

[Translation]

Mr. Gilles Varin: That's absolutely not the case.

[English]

Mr. Pat Martin: There's no connection—

[Translation]

Mr. Gilles Varin: I believe Mr. Sauvé also made donations to political parties.

[English]

Mr. Pat Martin: I wonder why that specific riding. He doesn't live in that riding. He just thought Mr. Pichet should get \$1,000. And then Mr. Pichet, presumably, knows somebody in Public Works, because they very conveniently rigged the bid for this contract by changing fundamental parts of this contract three days before the tender closed. Otherwise Sauvé would never, never have gotten on that bidders list. He simply wouldn't have. He was out of his league. But if he pays \$118,000 to you, you find a way.

I mean, why would a guy give you that kind of money unless he had an expectation of you fixing his problem getting onto this job? You'd have to be stupid to give somebody \$5,000 a month so you can hand around leaflets to strangers on the street. I'm not an idiot, and I don't think Mr. Sauvé is an idiot.

[Translation]

Mr. Gilles Varin: You'll have to ask Mr. Sauvé those questions when he appears before you. I can't answer for Mr. Sauvé.

[English]

Mr. Pat Martin: We will. We will. To give somebody \$5,000 or \$10,000 a month as a businessman is a Hail Mary pass. He must have thought you could do something magic for him to fix his business—something like this sorcery associated with this contract, I presume.

[Translation]

Mr. Gilles Varin: I worked for Mr. Sauvé for a long time before he got that contract. At that time, we didn't even talk about the possibility of getting a contract related to the government buildings. He had a lot of other contracts. After his bankruptcy, Mr. Sauvé started over from scratch. If I correctly read the article you have before you, his turnover had reached nearly \$25 million.

[English]

Mr. Pat Martin: Sir, let's go back to the lunch meeting. Did Mr. Pichet actually join you at the table with Mr. Sauvé or did you join him at his table? In other words, how long was this meeting, this exchange?

[Translation]

Mr. Gilles Varin: I asked Mr. Pichet, who was seated elsewhere, to come by and say hello to me. I called him. I told him to come because I had someone to introduce to him. I introduced Mr. Sauvé to him.

He may have sat with us for 5 or 10 minutes. I don't know. I don't remember. I have sat down with Mr. Pichet so often and for such a long time.

[English]

Mr. Pat Martin: You didn't just hand them the leaflet, then; you talked about something for five or ten minutes.

What is Mr. Pichet's day job? What does he do when he's not a Conservative candidate?

[Translation]

Mr. Gilles Varin: Are you asking me what Mr. Pichet does?

[English]

Mr. Pat Martin: Yes. What is his day job?

[Translation]

Mr. Gilles Varin: I know he teaches at university. I'm not sure whether it's the Université du Québec or the Université de Sherbrooke. He also works with Senator Pierre Claude Nolin.

[English]

Mr. Pat Martin: Oh, I see. He works with Senator Nolin. I see.

Did you meet with Michael Fortier when he was Minister of Public Works—ever?

[Translation]

Mr. Gilles Varin: I met him once; I went to play in his golf tournament. I may have met him in other circumstances, but I don't really remember. However, I remember playing in his golf tournament.

[English]

Mr. Pat Martin: You seem very well connected, sir. When they call you “a well-connected Conservative lobbyist”, I believe that's an accurate description of you, even though the Conservatives have tried to disown you in the House of Commons. They say, “He's no friend of ours”. Up until today they were denying you were ever even a member of the party. I think I heard the Prime Minister himself say that “we don't know this Varin character”. Now it seems like you spend a lot of time hobnobbing with very senior Conservatives on a regular basis.

• (0925)

The Chair: Mr. Martin, I'm sorry, but your time is finished.

Thank you, Mr. Varin.

Thank you, Mr. Martin.

[Translation]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Thank you, Mr. Chairman.

Good morning, Mr. Varin.

Mr. Varin, I would like to go back to certain aspects that you mentioned a little earlier. First I would like to talk about your conviction for corruption. You said that conviction occurred around 1976, but that you have no criminal record. However, you say you don't really remember it.

Mr. Varin, I find it very hard to believe that because that conviction was related to the work of the Cliche Commission. The Cliche Commission, if I remember correctly, lasted a long time and got an enormous amount of publicity in Montreal and across Quebec. I don't know whether it did across Canada, but that was definitely the case across Quebec. I find it very hard to understand how, despite the media coverage at the time, you can't remember why you were convicted around 1976.

Do you want to comment on that?

Mr. Gilles Varin: I don't really remember the circumstances. However, I know that I never received any money whatever for services that I might have rendered to them.

Ms. Raymonde Folco: Pardon me, Mr. Varin, that's not the question I'm asking you. You told us that you did not remember why you were convicted in 1976. I'm saying that's quite odd because, in 1976, there was an enormous amount of media coverage. To be convicted and not to remember why is surprising. It seems to me that, emotionally at least, that's something very important. That's my question.

Mr. Gilles Varin: It happened more than 35 years ago.

Ms. Raymonde Folco: All right, I'll go on to another question.

Let's talk about the fees you received from Mr. Sauvé. You said you had received approximately \$118,000. Is that correct?

Mr. Gilles Varin: That's correct.

Ms. Raymonde Folco: That's correct. Are there any invoices that you submitted to Mr. Sauvé for which you have not received payment?

Mr. Gilles Varin: Yes, I believe I have not received payment for some of the recent invoices.

Ms. Raymonde Folco: Can you give us an approximate amount?

Mr. Gilles Varin: Quite honestly, I don't know that by heart. I would have to consult my accountant on that matter. I know some invoices weren't paid, and we subsequently had to deduct GST and QST again.

Ms. Raymonde Folco: That's fine.

Mr. Varin, have you worked in Ottawa?

Mr. Gilles Varin: No.

Ms. Raymonde Folco: However, you've had professional ties with people in Ottawa.

Mr. Gilles Varin: What ties are you talking about?

Ms. Raymonde Folco: With government people, with officials in Ottawa?

Mr. Gilles Varin: No, no.

Ms. Raymonde Folco: You have no professional ties with anyone who works in Ottawa?

Mr. Gilles Varin: I have no professional ties. I know a lot of people who work in firms in Ottawa, and in all the firms since about 1980.

Ms. Raymonde Folco: Mr. Varin you tell us you are very familiar with the way the machinery of government works and you tell us you played the intermediary for Mr. Sauvé. I have in my hand a press file from the *Journal Québec Presse*. It dates back to January 2009 and it was sent to me by the Bibliothèque nationale du Québec. It's entitled "Press file Gilles Varin, business lobbyist". And yet you said a few minutes ago that you are not a lobbyist.

Could you explain that to us?

Mr. Gilles Varin: I didn't write that file myself; a journalist did it. I clearly do business in the area of strategic consulting and business development with business people.

Ms. Raymonde Folco: Mr. Varin, do you know Mr. Bernard Côté?

Mr. Gilles Varin: Yes.

Ms. Raymonde Folco: Could you explain to us how he was involved in the awarding of contracts or in the cocktail parties? Was he involved in the organization or invitations for the cocktail party in January 2009?

Mr. Gilles Varin: No, he was not involved in that cocktail party.

Ms. Raymonde Folco: Was he involved in the awarding of the contracts in which you were involved?

• (0930)

Mr. Gilles Varin: He was not, absolutely not.

The Chair: Thank you, Ms. Folco.

Mr. Lemay, you have five minutes.

Mr. Marc Lemay: Good morning, Mr. Varin.

You said you have known Paul Sauvé for about 30 years. Is that correct?

Mr. Gilles Varin: No.

Mr. Marc Lemay: How many years has it been?

Mr. Gilles Varin: I met Mr. Sauvé in 2006 or 2007.

Mr. Marc Lemay: So, 30 months later, you've received—

Mr. Gilles Varin: It's more or less 30 months.

Mr. Marc Lemay: He regularly sent you cheques, between \$5,000 and \$10,000 a month, for about 30 months, if I correctly understood.

Mr. Gilles Varin: That's about it.

Mr. Marc Lemay: Could you tell us the date on which you received the first amount of money? Do you remember that? Do you have to search in your documents?

Mr. Gilles Varin: Wait a bit. The first time, I believe, was September 28, 2007.

Mr. Marc Lemay: In September 2007, you received your first payment.

On what date did you receive the last amount?

Mr. Gilles Varin: That was in 2009, but I don't remember the date. My last invoice, if I remember correctly, dates back to the third month of 2009.

Mr. Marc Lemay: Consequently, around March 2009, you sent Mr. Sauvé your last invoice.

Mr. Gilles Varin: He subsequently informed me that my services were no longer being retained, in accordance with what was agreed upon in the basic contract that we had entered into.

Mr. Marc Lemay: When did you learn that Mr. Sauvé's business was under the control of the Hells Angels? How did you learn that?

Mr. Gilles Varin: When I started working for Mr. Sauvé, his business wasn't under the control of the Hells Angels; I'm convinced of that. Had it previously been under the Hells Angels' control? I know nothing about that.

Mr. Marc Lemay: In your mind, Mr. Varin, that business was not under the control of the Hells Angels between 2007 and 2009.

Mr. Gilles Varin: I'm convinced of that.

Mr. Marc Lemay: In your mind, that's it.

Mr. Gilles Varin: In my mind, that's it.

Mr. Marc Lemay: Do you know Senator Nolin well?

Mr. Gilles Varin: Yes, I've known him for 40 years.

Mr. Marc Lemay: I imagine you know that Mr. Pichet works for Mr. Nolin on a regular basis.

Mr. Gilles Varin: Yes.

Mr. Marc Lemay: You say you've known Mr. Nolin for 40 years. Do you meet with him on a regular basis?

Mr. Gilles Varin: I meet with Mr. Nolin regularly. We very often eat at the same restaurant. I've always had an excellent relationship with Senator Nolin.

Mr. Marc Lemay: We won't do any advertising for a restaurant in Montreal, but are we to understand that you regularly have your base at a certain restaurant and that that is where you meet with your people for business lunches?

Mr. Gilles Varin: That's very true. Moreover, Mr. Lapierre has very often talked about that.

Mr. Marc Lemay: I imagine you know Mr. Lapierre well too.

Mr. Gilles Varin: I know him well too.

Mr. Marc Lemay: Varcan Communications is your marketing firm.

Mr. Gilles Varin: That's correct.

Mr. Marc Lemay: Are you still the president and officer responsible for that marketing firm?

Mr. Gilles Varin: I still am.

Mr. Marc Lemay: How many employees do you have?

Mr. Gilles Varin: I work alone.

Mr. Marc Lemay: You work alone.

Do you have frequent meetings with people who, quite obviously, work in Ottawa but are often in the Montreal area? It seems you have your headquarters in the Montreal metropolitan area.

Mr. Gilles Varin: That's correct.

I often meet people who may work in Ottawa—

Mr. Marc Lemay: And who may open some doors as well.

Mr. Gilles Varin: Yes, but I have never discussed business at that restaurant with a minister or with a members of Parliament or with... Senator Nolin moreover knows my business well.

Mr. Marc Lemay: However, to open doors, it's a good thing to be in contact with people you know well, who have lunch with you and who can open doors to potential clients that you have.

Mr. Gilles Varin: That's obvious.

Mr. Marc Lemay: You opened some doors for Mr. Sauvé. You helped him in his business. Is it the only contract in Ottawa that led you to work for Mr. Sauvé?

Mr. Gilles Varin: No, no.

Mr. Marc Lemay: Can you tell us the cases in which you've worked for Mr. Sauvé so that he could win contracts in Ottawa? What kind of contracts were they?

Mr. Gilles Varin: As I explained to you earlier, in Mr. Sauvé's case, I explained to him that he had to—

• (0935)

Mr. Marc Lemay: Already, Mr. Chairman?

May the gentleman complete his answer?

The Chair: He may complete it.

Mr. Gilles Varin: All right.

Yes, I advised Mr. Sauvé on other contracts. I advised him on a contract with the City of Montreal, as to how to register and bid on that contract. I also advised him in other matters, in contracts that he did not win.

Mr. Marc Lemay: Those were contracts in Ottawa.

Mr. Gilles Varin: No, no, it wasn't in Ottawa. It was in the private sector, in Montreal.

[*English*]

The Chair: *Merci, monsieur Lemay.*

Mr. Warkentin, you have five minutes.

Mr. Chris Warkentin: Thank you, Mr. Chair.

Mr. Varin, we're getting to the end of our time, but we want to make it absolutely clear that you in fact were not engaged in lobbying. Obviously there were reports in the media that you were engaged in lobbying.

We have heard in this committee testimony from Mr. Tom Ring, who's an official with Public Works. He has testified, and when asked about you specifically, based on the media reports that had come out linking you somehow to this contract we're discussing as a committee today and that we've had a number of hearings regarding, he said:

...no: we've interviewed all of the people in the contracting and parliamentary precinct branches, and no one has ever heard of this individual and no one has ever been lobbied or influenced in any way.

At a different time in the same hearing, he said:

There has not been any indication that anyone tried to influence the pre-qualification criteria or the process itself.

So I bring that forward simply to, number one, counter Mr. Martin's accusations that there has been some funny business. The opposition contends that there is some type of funny business.

Mr. Varin, I need to be absolutely sure: you were not a lobbyist and you weren't paid to lobby or influence this government contract. Can you state that on the record? And remember that you're under oath.

[*Translation*]

Mr. Gilles Varin: I'm telling you categorically, I'm a strategic consultant in communications and business development, and that's what I did in these files.

Now, I would just like to make a minor correction. I also read what the journalists wrote. I obviously apologize to the journalists who all, or virtually all, contacted me. I didn't return those calls out of respect for the committee. I wanted to testify before the committee first.

However, contrary to what has been done, I won't make any comments to journalists after this meeting either.

[*English*]

Mr. Chris Warkentin: Well, you're a master of communications, so in an event where there is some misinformation that has been reported, what have you done to try to correct the misinformation that's out there? Have you considered legal action? Because in fact what has been alleged in some media reports is that you've engaged in an illegal activity, so I'm curious as to if you've considered legal action to correct that. The accusation is that you've engaged in illegal activity.

[*Translation*]

Mr. Gilles Varin: Yes, I understand your question.

I have assembled the entire press file from the very start. At that point, my lawyers will see whether there are grounds to institute proceedings and the ones we will institute, if we institute any. However, I haven't made a decision at this time.

[*English*]

Mr. Chris Warkentin: On another point, again on a point that has been in some contrast to what has been reported, we have sought to verify if you've been a member of the Conservative Party, as it has been reported. We have had extensive, extensive research done that has gone back to even before the creation of the Conservative Party, to the Progressive Conservative Party, to at least 2003. We can confirm that our records indicate that you have never been a member—since at least 2003—of the Conservative Party. Does that sound correct?

[*Translation*]

Mr. Gilles Varin: That's possible. I don't remember the last time I had a membership card with the Conservative Party. I belong to no political party, either in Quebec or in Ottawa.

[English]

Mr. Chris Warkentin: Well, I appreciate that, because it has been reported differently, and I think our committee launched into many of these hearings based on media articles that came out: different news reports, either on television or in the newspapers, that have reported these different inconsistencies, at least, or untruths, I guess, as you've described them.

So I guess it's important for our committee to determine where we're going to head from here, but clearly we're on a fishing expedition in a place where there are no fish.

I think it's important that we give you an opportunity simply to clarify one last thing and that is with regard to your convictions in the 1970s. I understand that you've indicated that you don't remember what they were. I think if it were anybody around this table, we'd probably remember the circumstances that were related to them. I'm not sure they have any bearing on this hearing, but I think it's—

● (0940)

The Chair: Mr. Warkentin, unfortunately you've left the witness with no time to respond to your question.

Mr. Chris Warkentin: I'm sure somebody else will follow up on it. Thank you.

The Chair: Mr. Regan, for five minutes, please.

Hon. Geoff Regan: Mr. Varin, the Montreal *Gazette* says that in 1983 you were not a registered lobbyist, but you approached several cabinet ministers to help secure a bailout for the charter airline Nationair, and that the reason you weren't prosecuted was that the Mounties took action too late, that it had passed the statute of limitations, I guess.

Is that accurate? Do you dispute that?

[Translation]

Mr. Gilles Varin: With regard to the Nationair file—I vaguely remember that—that was about a strike during which Mr. Obadia consulted me at the outset on labour relations. I also remember speaking to I don't know whom, but to someone at Mr. Corbeil's office at the time so that he could meet Mr. Obadia and attempt to resolve the dispute because that company was headed toward bankruptcy, and that's ultimately what happened.

Hon. Geoff Regan: So you spoke to someone at the office of a Conservative minister, but you say you aren't a lobbyist and that you didn't engage in lobbying—

Mr. Gilles Varin: No, look—

Hon. Geoff Regan: ...that you never engaged in lobbying.

You've already told us today that you never engaged in lobbying, but here's proof of the contrary.

Mr. Gilles Varin: At the time, I never considered that as lobbying, on the one hand. On the other hand, I was never sworn, and I never received a notice from the lobbying commissioner or anybody chastising me or criticizing me in that respect.

Hon. Geoff Regan: Did you take part in organizing the cocktail fundraiser of January 2009—

Mr. Gilles Varin: No.

Hon. Geoff Regan: —that we've previously talked about? No.

Who is Gilles Prud'Homme?

Mr. Gilles Varin: Gilles Prud'Homme was or is... I didn't know him. I met him two or three times. He was president of the Bourassa Conservative Party association.

Hon. Geoff Regan: So you're well aware who the various individuals are who occupy key positions in the Conservative Party in Quebec. That's obvious.

Mr. Gilles Varin: Yes, and the same is true of the Liberal Party.

Hon. Geoff Regan: But your first connection, your first link has always been with the Conservative Party.

Mr. Gilles Varin: Not necessarily. I've always had good relations with all those who were there.

Hon. Geoff Regan: Yes, but what's your allegiance?

Mr. Gilles Varin: Oh, I understand. I'm a supporter... I'm a Progressive-Conservative.

Hon. Geoff Regan: Thank you very much.

In your opinion, why did Paul Sauvé organize that cocktail party you referred to?

Mr. Gilles Varin: Why did he organize the cocktail party? I don't know. You'll have to ask him. I don't know.

Hon. Geoff Regan: Did you attend that cocktail party?

Mr. Gilles Varin: I attended that cocktail party. I remember that someone had bought a ticket and given it to me because he couldn't go. I knew virtually none of the people who were there.

Hon. Geoff Regan: You didn't at all take part in its organization?

Mr. Gilles Varin: No, no, not at all.

Hon. Geoff Regan: You said you had no relationship with Bernard Côté. Is that true?

Mr. Gilles Varin: I knew Bernard Côté well, but I didn't have any relations with him when he was in Mr. Fortier's office. I haven't seen him in a long time.

Hon. Geoff Regan: Did you do business with him, before or after that?

● (0945)

Mr. Gilles Varin: I met him in order to try to do business with him before that, when he was in the real estate sector and I was vice-president... No, it was before that. At that time, I was director of development at the Permanent.

[English]

The Chair: Go ahead, Geoff.

[Translation]

Hon. Geoff Regan: Do you go to the restaurant Le Mas des Oliviers?

Mr. Gilles Varin: I go there regularly.

Hon. Geoff Regan: Norman Spector said you had had lunch with Mr. Pichet at Le Mas des Oliviers. How did you know Mr. Pichet? In the past [Inaudible—Editor].

Mr. Gilles Varin: Yes, yes, I met Hubert Pichet in the 1980s.

Hon. Geoff Regan: What was Mr. Pichet's occupation at the time?

Mr. Gilles Varin: Pardon me?

Hon. Geoff Regan: What was Mr. Pichet's occupation at the time?

Mr. Gilles Varin: That's a good question. He is a lawyer by training. I wonder what law firm he was working with at the time. I don't remember.

The Chair: Thank you, Mr. Regan.

Thank you, Mr. Varin and Mr. Rousseau. On behalf of committee members, thank you for your presentation today.

[*English*]

It will certainly help us in our deliberations.

I'm going to suspend for a couple of minutes while we finish.

Monsieur Varin.

[*Translation*]

Mr. Gilles Varin: I too would like to thank you for having us here this morning. It was a pleasure to come and meet you.

[*English*]

The Chair: Thank you, Monsieur Varin.

We're suspended.

- _____ (Pause) _____
-
- (0950)

The Chair: I see a quorum, so we're going to resume this meeting.

Welcome, Mr. Glouberman and Madam Gersovitz. You have up to 10 minutes for an opening statement, and thereafter members will ask you questions.

I'll open the floor to whomever wishes to go first.

Mr. Norman Glouberman (As an Individual): We don't have an opening statement. We're here to answer your questions. It's as simple as that.

The Chair: Okay.

Madame Folco.

[*Translation*]

Ms. Raymonde Folco: Thank you, Mr. Chairman.

[*English*]

My question is to either Mr. Glouberman or Madam Gersovitz. Do you know Mr. Gilles Prud'Homme?

Mr. Norman Glouberman: No, I do not.

Ms. Raymonde Folco: Madam Gersovitz?

Ms. Julia Gersovitz (As an Individual): No, I do not.

Ms. Raymonde Folco: You don't know him personally. Do you know of him?

Ms. Julia Gersovitz: No.

Ms. Raymonde Folco: Not at all. Okay.

Were you at this very famous cocktail that we've all been hearing about in January 2009? Were you present at that cocktail, Madam Gersovitz?

Ms. Julia Gersovitz: I was present at the cocktail on January 19, yes.

Ms. Raymonde Folco: Okay.

Mr. Glouberman?

Mr. Norman Glouberman: Yes, I was there as well.

Ms. Raymonde Folco: Yes. Thank you.

Why did you go to the cocktail, if I can ask?

Ms. Julia Gersovitz: Shall I answer that first?

Ms. Raymonde Folco: It doesn't matter.

Ms. Julia Gersovitz: I think that there were a number of reasons, but whereas we're focused right now on the West Block, I have to say that if you understand a wider context of what was happening outside of the very specific nature of the project, there were a great deal of—through the fall, and then specifically in January of 2009—marches and newspaper articles about not supporting Israel in the papers. On January 10 there was a particularly unpleasant march in Montreal. It was attended by a very large quantity of organizations, some of them political. The march was characterized in the press as containing a lot of comments and denunciations, with such things as “Death to the Jews”.

There was an article in the editorial section of one of the newspapers saying that those of us who remain silent become complicit in that sort of thing. I decided at that time to support the Conservative Party through a donation, in large measure because the Conservative Party seemed through the press to be the only ones that were very firm in their support of Israel and in their statements that Israel had the right to protect itself against the Hamas rocket attacks. I wanted to show my support to them by doing that.

So that was about January 15 that the newspaper editorial came out, and on January 16 I decided that I would go to this fundraiser, that it would be an opportunity to give the money and support the Conservative Party. And so the next day, I wrote the cheque to the Conservative Party of Canada for the fundraiser amount—

• (0955)

Ms. Raymonde Folco: I'm going to interrupt you because there's a very little time, but I understand your motives.

Are you telling me that the reason you went to the cocktail and bought the tickets for the cocktail were for reasons completely outside the fact that you were going to be very closely involved in the reconstruction of the building on the Hill?

Ms. Julia Gersovitz: I think, Madame Folco, that the question that I was going to be very much involved would be perhaps the crux of the perception. We have been working on the West Block project since the contract was first awarded in 1995. So whether or not in 2009 I then decided to give \$500 from my personal account, it didn't strike me that there was a specific correlation between a relatively modest donation to a political party and the expectation, as you might be suggesting, of being about to work on a project. We were already working on that project, for quite a number of years.

Ms. Raymonde Folco: Mr. Glouberman, I'm going to ask you the same questions. When you decided to attend this cocktail, or at least buy a ticket, what were your motives?

Mr. Norman Glouberman: Well, prior to going, Julia and I discussed whether we should go or shouldn't go. The reason Julia expressed was something I shared, but I also saw it as an opportunity to meet with the minister and impress upon him the importance of the project and that the project remains a priority within the government.

Ms. Raymonde Folco: OKay. You were invited to come to this cocktail? Someone called you or wrote to you or whatever? Who is that person?

Mr. Norman Glouberman: We were invited. I am not exactly sure, but I suppose it was Paul Sauvé who called.

Ms. Raymonde Folco: And that's the same for you, Madam Gersovitz?

Ms. Julia Gersovitz: Yes, although an invitation that comes with a request for money is not really an invitation, but yes, I think it was Mr. Sauvé who must have—

Ms. Raymonde Folco: A request, let's call it a request...Mr. Sauvé.

I understand that there were very few people at this cocktail. It wasn't a cocktail for 500 or 600 people; it was a very few selected people who attended this cocktail. According to you, and I'm just asking for a general number, how many people attended this cocktail?

Ms. Julia Gersovitz: I could not say to you at all—

Ms. Raymonde Folco: Fifty, a hundred, three hundred...?

Ms. Julia Gersovitz: I must say to you that we knew nobody there, so it wasn't that we could recognize faces or anything. It's not a large restaurant, this restaurant it was held in on Saint-Zotique Street in Montreal. It seemed like a small restaurant that was quite dark. We came in and sat together at a table at the back and just waited to hear the speeches.

Ms. Raymonde Folco: Is this the first cocktail of any political party that you have attended? I ask the question to both of you: Madam Gersovitz, as well as Mr. Glouberman.

Yes, for you?

Ms. Julia Gersovitz: Yes. I've never been to one before.

Ms. Raymonde Folco: It's quite an experience, isn't it?

Mr. Glouberman, do you want to answer that question?

• (1000)

Mr. Norman Glouberman: I had been to several before.

Ms. Raymonde Folco: You've never been...?

Mr. Norman Glouberman: No. I've been to several fundraisers before.

Ms. Raymonde Folco: Oh, okay. Were some of these cocktails held by someone who is affiliated in some way with the Conservative Party?

Mr. Norman Glouberman: No. This is was the only cocktail or fundraiser that I went to for the Conservative Party.

Ms. Raymonde Folco: Okay. Thank you.

When the contract was changed, was modified, were you aware that the modifications would be advantageous to LM Sauvé company?

The Chair: Madame Folco—

Mr. Norman Glouberman: The contract—

Ms. Raymonde Folco: Is my time finished? Okay.

Ms. Julia Gersovitz: I'm sorry. What contract are you speaking of, Madame Folco?

Ms. Raymonde Folco: I'm short of time.

The Chair: You have time to answer the question. I just wanted to indicate—

Ms. Raymonde Folco: This is the contract for LM Sauvé with Public Works Canada.

Mr. Norman Glouberman: Well, the contract was... I believe you mean the pre-qualification documents that were changed at some point.

Ms. Raymonde Folco: Yes, that's right. Thank you.

Mr. Norman Glouberman: We did not participate. We were not requested to comment on that when it was done.

The Chair: Thank you, witnesses.

Thank you, Madame Folco.

Mr. Calandra has a point of order.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Yes. In the testimony last week, I think Public Works was quite clear on the fact that the contract did not actually assist Sauvé; it actually hurt Sauvé.

I know that she wasn't here at that particular meeting, so if she goes back and reviews the transcript, she'll see that her last question was actually incorrect.

The Chair: That is not a point of order, Mr. Calandra.

Mr. Paul Calandra: Oh, sorry.

The Chair: It has nothing to do with the rules of the House. It has nothing to do with the rules of the committee. It does not have anything to do with the usual procedures before this committee. It is rather to be interpreted as a point of interruption.

[*Translation*]

Ms. Bourgeois, you have eight minutes.

Ms. Diane Bourgeois: Thank you, Mr. Chairman. I would simply like to tell you that I may be sharing my allotted time with my colleague Mr. Lemay.

Madam, sir, I apologize for being late. I was detained elsewhere.

First of all, you said you knew no one at that cocktail party. Is that correct?

[English]

Ms. Julia Gersovitz: In response to Madame Folco asking how many people we saw there, I would say to you that Mr. Sauvé was there and we have met him before. Mr. Clavier was there. They were the only two people I absolutely recognized, who I knew. I knew no one else at that party.

[Translation]

Ms. Diane Bourgeois: When did you meet Mr. Sauvé? How did you know him?

[English]

Ms. Julia Gersovitz: Mr. Sauvé is a masonry contractor who works in Montreal. He has been the low bidder on at least one project that we worked on for the City of Montreal.

[Translation]

Ms. Diane Bourgeois: So both of you had previously worked with Mr. Sauvé.

Is that the case for you, Mr. Glouberman?

[English]

Mr. Norman Glouberman: I have never worked with Mr. Sauvé before this and did not know Mr. Sauvé before this.

[Translation]

Ms. Diane Bourgeois: Mr. Glouberman, who invited you to that cocktail party?

[English]

Mr. Norman Glouberman: Mr. Sauvé.

[Translation]

Ms. Diane Bourgeois: How did he get your name? If you didn't know him, why did he invite you?

[English]

Mr. Norman Glouberman: No, no. I believe you're misunderstanding what I said. I said I did not know Mr. Sauvé before he got the contract. At this point he already had the contract, so I had met him as part of this contract.

[Translation]

Ms. Diane Bourgeois: So Mr. Sauvé gets the contract. You're subcontractors for Mr. Sauvé or—

[English]

Mr. Norman Glouberman: No, no—

[Translation]

Ms. Diane Bourgeois: Please be more precise.

[English]

Mr. Norman Glouberman: We are the architects for the West Block.

Ms. Diane Bourgeois: Oh, okay.

Mr. Norman Glouberman: We got the job. We got the contract in 1995. We have been working on the job since 1995 up until the present. We are not subcontractors.

[Translation]

Ms. Diane Bourgeois: You didn't have any contact with Mr. Sauvé before he got the contract.

[English]

Mr. Norman Glouberman: That's correct.

[Translation]

Ms. Diane Bourgeois: Mr. Sauvé told journalists that Mr. Varin had told him that contributing to or organizing a cocktail party after obtaining a government contract was the thing to do. Do you share that view?

[English]

Ms. Julia Gersovitz: No.

Mr. Norman Glouberman: We have no idea.

[Translation]

Ms. Diane Bourgeois: Had anyone suggested the same thing to you?

[English]

Mr. Norman Glouberman: Never. No.

•(1005)

[Translation]

Ms. Diane Bourgeois: If I understand correctly, Mr. Glouberman, you have federal government contracts, don't you?

[English]

Mr. Norman Glouberman: We have—

Ms. Diane Bourgeois: *Oui?*

Mr. Norman Glouberman: Never.

[Translation]

Ms. Diane Bourgeois: Have you done business with a lobbyist or another person who might have put pressure on PWGSC to obtain a contract? I'm putting the same question to Ms. Gersovitz or Mr. Glouberman.

[English]

Ms. Julia Gersovitz: Absolutely not.

[Translation]

Mr. Norman Glouberman: Never.

Ms. Diane Bourgeois: Never, you either.

Do you know Minister Paradis?

[English]

Ms. Julia Gersovitz: Not until I went to the cocktail party. He walked around the room and he shook everybody's hands, so I met him at that time.

[Translation]

Ms. Diane Bourgeois: What about you, Mr. Glouberman?

Mr. Norman Glouberman: It's the same for me.

Ms. Diane Bourgeois: Were you close to Mr. Fortier?

[English]

Ms. Julia Gersovitz: I've never met Mr. Fortier.

Mr. Norman Glouberman: I've never met Mr. Fortier.

[Translation]

Ms. Diane Bourgeois: That's fine. I'll now hand over to my colleague.

Mr. Marc Lemay: I'd like to know whether any pressure was put on you not to come and testify before this committee.

[English]

Mr. Norman Glouberman: No. There was no pressure at all to come or not to come.

[Translation]

Mr. Marc Lemay: Last week, you were to come and testify and it appears that you asked to do it in camera, but we did not grant that request—

[English]

Mr. Chris Warkentin: Point of order, Mr. Chair.

The Chair: Yes, Mr. Warkentin.

Mr. Chris Warkentin: I don't know that the member opposite is aware, but most of our planning sessions for this committee have been done in camera, and therefore, I don't believe there is any public information in regard to our planning for this committee.

The Chair: I think that is a legitimate point of order.

[Translation]

Mr. Marc Lemay: I'm going to withdraw my question, Mr. Chairman.

You are professional architects. Do you currently have a lot of contracts with the federal government?

[English]

Mr. Norman Glouberman: The primary contract we have.... We are from two separate offices. I represent Le Groupe Arcop, and Julia is with Fournier, Gersovitz, Moss. We have one joint venture contract right now for the West Block.

In our office, we have two very minor contracts with National Defence Canada, not with Public Works.

[Translation]

Mr. Marc Lemay: For how many years have you had the West Block renovation contract?

[English]

Ms. Julia Gersovitz: Since 1995.

[Translation]

Mr. Marc Lemay: So since 1995.

In fact, if I understand correctly, you, as architects, are responsible for the renovation of the entire West Block.

Ms. Julia Gersovitz: That's correct.

Mr. Marc Lemay: Do you have subcontracts? Do you make any recommendations in that respect for these renovations?

Ms. Julia Gersovitz: I believe there has been a misunderstanding.

The contractors' contracts aren't granted by the architects. That's the responsibility of PWGSC.

Mr. Marc Lemay: Do you, as architects, make recommendations concerning those works and the subcontractors or contractors who will do that work under your direction?

[English]

Mr. Norman Glouberman: In this case, the recommendation we did for this project was that we recommended that there be a process of pre-qualification for this work, as we felt it required contractors who had specialized experience. So we recommended that there be a process of pre-qualification, which Public Works accepted, in this case for the north towers project. Public Works was responsible for the process of pre-qualification and pre-qualifying contractors. It was not our role to do that.

[Translation]

Mr. Marc Lemay: You say you recommended that there be a pre-selection because this was special work.

Why did you impose restrictions? Did someone ask you—or was that your decision—to impose restrictions and to be much more specific with regard to that contract?

[English]

Mr. Norman Glouberman: I'm not sure I understand your question.

[Translation]

Mr. Marc Lemay: All right.

You are the persons responsible. There's a contract for the North Tower. You're asking for subcontractors for a very specific job, if I've correctly understood.

•(1010)

[English]

Ms. Julia Gersovitz: May I answer that question in saying the following? The first pilot project done on the West Block, because the building is large and there are many lessons are to be learned from the masonry conservation, was the southeast tower restoration, which I believe you heard last week has just won a prize for the quality of the restoration work. That was the first project done on this building, and we proceeded with a pre-qualification for that first and foremost.

When you are working with historic masonry that is load-bearing, like the West Block and like any of the buildings on Parliament Hill, it is common practice—and RPCD recognizes this—that you need masons who have expertise in masonry restoration as opposed to just masonry. Therefore, there was a pre-qualification for the southeast tower process, which was successfully done. They followed a similar —

I'm sorry, Mr. McKay, am I being too long?

The Chair: Please finish your answer. I've given Mr. Lemay a bit of discretion because of the point of order.

No, please finish your answer.

Ms. Julia Gersovitz: So that process was repeated for the north towers. The north towers process was not the first time that pre-qualification was used. It was the second time.

The Chair: Thank you.

Mr. Warkentin.

Mr. Chris Warkentin: Thank you, Mr. Chair.

Thanks to both of you for showing up this morning. We appreciate your testimony.

Quite frankly, I'll say to each of you that I am honoured, and I think we are honoured as Canadians, to have you before us. If Canadians truly understood who we have before us today, they would recognize that we have two individuals here who have an international reputation as well as a reputation that precedes them in their work of rehabilitating buildings and their architectural expertise.

To have you working here on Parliament Hill is really something of a feat for the federal government. Thank you so much for your dedication and your work to preserve what is a national historic site and, really, a symbol of our democracy. You really are the right people for this job, and we appreciate your work.

I understand that you've been involved here on the Hill on the rehabilitation project since 1995. Is that correct?

Mr. Norman Glouberman: Yes, that's correct.

Mr. Chris Warkentin: We thank you for that.

Today it seems to me that we have members who have asked that you to come to our committee today and who were of the understanding that they might hear something in terms of political motivations and the rest. It's clear to me that you have undertaken your work in the most professional manner, so I think it's important that we, at this committee, have an opportunity to talk to you about the project you're undertaking.

We understand that you attended a political event, but that was for deeply personal reasons. We appreciate that. I think it's important for us, as a committee, to respect those reasons. Just because you work for the federal government in one capacity doesn't preclude you from being able to involve yourself in political activities.

I think it's important that we now talk about the project at hand. There's been some discussion about the cost of the rehabilitation of the West Block. I think there's been a lot of confusion, with different numbers going out about the rehabilitation of the West Block. A number in excess of \$700 million has been reported as being allocated for the restoration.

The thing that I think Canadians don't understand, or that maybe the media has misrepresented, is that a good portion of that money is actually allocated for moving the people who are currently in West Block to other accommodations and for rehabilitating those other accommodations to have them well suited. Approximately \$27 million, I believe, has been spent on the restoration and the rehabilitation of the projects being undertaken right now.

There is the south tower, which you were involved in. Is that right? It was the southeast tower.

Ms. Julia Gersovitz: Yes.

Mr. Chris Warkentin: Now, there were lessons learned from that, and I think it's important for us as committee members to fully understand the challenges that come into play when we're talking about historic masonry. Can you give us some of the lessons learned from that and tell us how they will assist us in the rehabilitation of the rest of the building?

• (1015)

Ms. Julia Gersovitz: Well, Mr. McKay, I think you're going to have to give me a time signal, because I can talk about this for hours.

The Chair: Mr. Warkentin's soliloquy was about three and a half minutes, so you have the balance of eight minutes.

Ms. Julia Gersovitz: I see. I will be quite brief.

On the issues with the southeast tower, one of the lessons learned was that we were able to do investigations. We were able to understand and to anticipate what we were going to find. In fact, that project came in under budget.

We were satisfied that we had learned lessons that were if you do exploratory openings and do testing.... The analogy is that you have a home where you don't know what you're going to find when you open up the walls. If you can do preliminary investigations, then the lessons learned in that will inform the tender documents and will help to inform the contractors in their work, and the project will go more smoothly than it might if you did not do that preliminary investigation.

Mr. Chris Warkentin: Now, in talking to some of the people who have been working on the West Block rehabilitation, as well as on other projects on Parliament Hill, it seems to me that there are significant costs in doing the job wrong. This has been identified in some of the masonry work that has been done over the years to try to patch and different things, which actually exacerbates the problems.

Ms. Julia Gersovitz: Oh, yes.

Mr. Chris Warkentin: So your work is instrumental if we're going to preserve this. Can you speak to that a little bit?

Ms. Julia Gersovitz: Well, all I can say is that you're quite right that since it was determined in the 1960s to keep the building, there has been a lot of work done that has sometimes not been state of the art, because the state of the art was not as advanced as it is today.

One example of that would be using mortar that is too hard for the building stone that surrounds it and therefore causes breakage and spalling of the stone itself. So some of the costs for the southeast tower were for removing Portland cement mortar and replacing it with a mortar that is softer and more compatible with the stone.

So you're right, but that's part of the evolution, I suppose, of science. I think none of the intentions before were malicious.

Mr. Chris Warkentin: Absolutely.

Ms. Julia Gersovitz: They were just not as scientifically based as they are today.

Mr. Chris Warkentin: Can you talk about the number of other projects in the entire country that would reflect the complexities of this one in terms of the metal work, the masonry, and all the different things that make this unique? Can you give our committee some scope to fully understand this?

Mr. Norman Glouberman: I think that's a difficult question. It's difficult to find another example. Here we're dealing with a building built in the 1860s, bearing masonry that's undergone a number of renovations. It has a lot of asbestos in it. With the present policy, we're trying to bring it up to seismic regulations, seismic requirements.

The combination of all of this, together with the requirements for a parliamentary building, means it's very complex. The masonry is in extremely poor condition. We can't just put up standard scaffolding. For the north towers we've had to put up major structures in order to hold them up while we do the work.

Ms. Julia Gersovitz: I think one must also acknowledge the post-9/11 landscape and the security concerns that come with that.

Mr. Chris Warkentin: Right.

How would you describe the current state of the building? Do you feel it's necessary that we undertake this work now?

Mr. Norman Glouberman: We felt that many years ago. When we did our first building assessment back in 1995, we found certain problems. When we came back in 2003-04, we were quite surprised at the amount of deterioration that had happened since that time. The project was stopped in 1999 for a period of time, and we felt that during that time the deterioration was tremendous. And it's continuing. That's why we have the scaffolding, etc., around the building right now.

Ms. Julia Gersovitz: I think any of you who have been walking on the Hill of course would also note the security measures to prevent stones from falling, whether it's the wrapping of parts of the towers or the security fence around the perimeter to prevent people from being too close to the building.

The Chair: Thank you, Mr. Warkentin.

Mr. Martin, for eight minutes, please.

Mr. Pat Martin: Thank you, Chair.

Thank you, witnesses, for coming. I wasn't quite clear, originally, on why you were invited to come, and I'm still not entirely clear, but I would like to ask you a question of a general nature.

Have you ever felt threatened—in a commercial way or in a personal way, you or your family—in association with any project that you've ever been involved with in the building industry?

• (1020)

Ms. Julia Gersovitz: We have not been threatened with specifics for...for what you are looking at now.

You know, that's a very general question, Mr. Martin. It puts into review our entire lives, as you've asked it.

Mr. Pat Martin: Well, obviously we're most interested in the current undertaking of the restoration of the Parliament buildings.

Is there any aspect of your work associated with this building that gives you any unease, or has there been any indication that your

ability to continue working may be threatened, or has your personal safety in any way ever been threatened, associated with the parliamentary Hill?

Mr. Norman Glouberman: This is a project we're very proud to be part of. We've been working on it for 15 years. I think we've developed a love of the building, and I don't think there's anything that's threatened us in terms of the building or continuing to work on the building.

Mr. Pat Martin: Fair enough.

Perhaps I can ask you some questions about the process of the letters of interest that get sent out. I realize it's Public Works that obviously does the tendering and the hiring, etc., but I ask you this given your knowledge and background of the building industry.

The pre-qualification process that you recommended and that was conducted by Public Works was amended at a late date. Some of us feel that the amendments may have been the opportunity or the mechanism, if there was any political interference, that may have given an advantage to one contractor over another.

The one amendment specifically that I'd like to ask you about is amendment three. I don't expect you to know those by heart, but it's the one that deletes whole sections of the pre-qualification document—sections 3.5 to 3.10, effectively—and adds a sentence. It begins as follows:

If a contractor decides to pre-qualify both as a General Contractor and Subcontractor, they are permitted to list the same projects to pre-qualify both as a General Contractor and Subcontractor providing the projects meet the mandatory requirements.

Then this sentence was added:

In doing so, he doesn't need to pre-qualify a second subtrade for which he has specialization in, waiving the corresponding requirement defined below in sections 5 to 10 of this section.

Does that mean anything to you?

Ms. Julia Gersovitz: We were not involved in that part of the process.

Mr. Pat Martin: But would you consider that a substantive amendment? As an example, the other two amendments were about things like changing one paragraph because it's more correct, in a French-English translation issue, while another one was cancelling the pre-job site visit for the pre-qualification. They're relatively minor.

This one actually deletes about 50% of the whole invitation to tender, in that you do not have to have a decorative ironwork restoration subcontractor list and you don't have to have an element carver subcontractor. I would say that the general contractors who would have had to pre-qualify their subcontractors would be at a disadvantage, and the one contractor who had all those subcontractors in-house would have an advantage.

That change was made in the final days leading up to the closing. Do you have any professional insights?

Mr. Norman Glouberman: We were not part of that process. We were not asked, and to be honest, I'm not aware of everything that was deleted at that time. I know now that there was a change and I knew after the pre-qualification was done that there was a change, but I don't know the details of the change, so I can't really comment.

Mr. Pat Martin: I do understand that. I come from a building background as well and I know that as the architect it wouldn't be that you're involved with it. The timing of it was suspect to us, in that they extended the closing by one week, and then on the original closing date they moved what we consider to be this massive amendment that really changed the game dramatically.

On the other bidders, you probably worked with PCL, as I have, and EllisDon, as I have, and Fuller Construction, arguably the best contractors in North America. I don't know who the fourth was. Do you remember? There were five people pre-qualified.

• (1025)

Ms. Julia Gersovitz: I'm sure somebody has the...

Mr. Pat Martin: This is the most prestigious restoration project of its type in North America, and maybe in the world currently—

Mr. Norman Glouberman: We certainly think so.

Mr. Pat Martin: Yes, and it attracted arguably the best contractors in the world, with international reputations. The guy who we argue bought his way onto this pre-qualification list low-biddered it by \$2 million on a \$9-million project. If I were the project manager, I would take a low bid like that and throw it in the garbage. I would probably take the highest and the lowest and chuck them and pick one in the middle range that had a reasonable expectation of being able to complete the job. Nobody can leave \$2 million on the table on a \$9-million project.

Mr. Norman Glouberman: This was not our decision. I mean....

Mr. Pat Martin: No, I understand.

Bobby Watt took over. Have you worked with Bobby Watt as a contractor in the past?

Ms. Julia Gersovitz: Our firm has worked with Bobby Watt on the restoration of the front facade of Rideau Hall.

Mr. Pat Martin: Did you see his press conference last week?

Ms. Julia Gersovitz: I read about it in the paper.

Mr. Pat Martin: He feels that he's being pushed off the job, squeezed off the job. The trustee in the bankruptcy that's managing the money is not forwarding money so he can pay wages to his people. He's being forced into bankruptcy because he can't meet his payments.

Ms. Julia Gersovitz: Again, we would be merely speculating if we added anything to that conversation.

Mr. Pat Martin: I understand. Again, this is why I wonder—

Ms. Julia Gersovitz: We're not party to that.

Mr. Pat Martin: This is why I do wonder why you're here, with all due respect. As interesting as this is, unless you have something concrete you think the committee needs to hear, I don't know....

Mr. Chair, why do we have them here?

The Chair: Well, they were at the invitation of the committee, Mr. Martin.

Regardless, your time is finished.

Mr. Pat Martin: I have no further questions.

The Chair: Mr. Regan.

Hon. Geoff Regan: Thank you, Mr. Chairman.

I'll begin by echoing my colleague Mr. Warkentin's comments in thanking you for your work on the West Block. It's a building we all treasure. I know that it will be a long time, but we look forward to its completion.

Given the masonry specialization required—and you've described that—why was LM Sauv  uniquely qualified for this job? Or was that company?

Mr. Norman Glouberman: Can you repeat the question? I'm not—

Hon. Geoff Regan: You talked about the specialization required in terms of the type of masonry work being done on the West Block, on the towers, for instance. In view of that, was Mr. Sauv 's company uniquely qualified to do this work?

Mr. Norman Glouberman: I don't think he was uniquely qualified. We didn't do the pre-qualification or the review of the pre-qualification submissions. That was done entirely by Public Works.

Hon. Geoff Regan: In your view, was his company qualified?

Mr. Norman Glouberman: It's difficult for me to answer because I didn't see his submission.

Hon. Geoff Regan: Are you familiar with his past work and his business?

Mr. Norman Glouberman: I've never worked with him before.

Hon. Geoff Regan: Okay. Thank you.

Do you know Gilles Varin?

Mr. Norman Glouberman: No.

Hon. Geoff Regan: Okay.

Did you have any other relationship with Paul Sauv ?

Mr. Norman Glouberman: Not really.

Hon. Geoff Regan: Thank you.

Madam Gersovitz, in relation to the renovation and appearing at the committee today, do you have any discomfort about appearing today?

Ms. Julia Gersovitz: No. I've quite relaxed into it.

Hon. Geoff Regan: Okay. That's good. That's great to hear. Make yourself at home.

Voices: Oh, oh!

Hon. Geoff Regan: So you haven't felt threatened in any way in relation to your appearance here today or in relation to the work on the renovation?

Ms. Julia Gersovitz: I think Mr. Martin asked a similar kind of question.

Hon. Geoff Regan: Well, I know Mr. Glouberman answered that, but I didn't hear an answer from you.

Ms. Julia Gersovitz: No. We feel that we are able to come and speak to you openly.

Hon. Geoff Regan: Thank you.

At the cocktail reception in Bourassa in 2009, did anyone address the crowd at that event? Was there a guest speaker, for example? Do you recall?

• (1030)

Mr. Norman Glouberman: I believe there was.

Hon. Geoff Regan: Would Minister Paradis have addressed the audience, for example?

Ms. Julia Gersovitz: Looking back, it seems to me there were two speeches of welcome. In one, Mr. Paradis was focusing on the woman who was running in that riding, who was going to be the candidate. He was speaking words of encouragement and welcome to her. That's how I would put it.

Hon. Geoff Regan: How would you describe Mr. Paradis' role at that event?

Ms. Julia Gersovitz: As I say, it seemed to be as a senior member of the Conservative Party, to wave the flag for somebody who was running or who wanted to run in the riding. That was my remembrance of it. It was focused on this woman's accomplishments.

Hon. Geoff Regan: Do you recall seeing Mr. Paradis in any conversations, aside from when he spoke to the audience?

Ms. Julia Gersovitz: I wouldn't be able to answer to that. He walked around the room and shook everybody's hand.

Hon. Geoff Regan: So you met him personally and spoke to him?

Ms. Julia Gersovitz: Yes. I said hello to him.

Hon. Geoff Regan: That was the extent of the conversation?

Ms. Julia Gersovitz: Pretty well.

Hon. Geoff Regan: Do either of you know Bernard Côté?

Ms. Julia Gersovitz: No.

Hon. Geoff Regan: Do you know anyone at Public Works?

I suppose you must deal with Public Works—

Ms. Julia Gersovitz: Do you mean the people we're dealing with on a daily basis who are our project managers?

Hon. Geoff Regan: Of course you would, but beyond that, or in the minister's office, for example?

Ms. Julia Gersovitz: I think what you mean is do we know people who are not—

Hon. Geoff Regan: —directly involved in what you're working on. That's right.

Ms. Julia Gersovitz: No.

Mr. Norman Glouberman: We're familiar with people who are involved at a technical level on the project.

Hon. Geoff Regan: That's natural.

That's fine, thank you.

Do you have anything else, Ms. Folco?

Ms. Raymonde Folco: Actually, I do.

Madam Gersovitz, when Mr. Martin asked that question and Mr. Glouberman answered, I did get the distinct impression that you were uncomfortable—

Ms. Julia Gersovitz: What was the question?

Ms. Raymonde Folco: When Mr. Martin asked the question about threats and Mr. Glouberman answered, I did get the distinct impression that your answer...your body language was not quite what I had expected. Do you want to say anything about that?

Ms. Julia Gersovitz: No.

Ms. Raymonde Folco: Not at all?

Thank you.

The Chair: May I express sympathy to the witnesses? We, too, have been exposed to less than memorable speeches by Conservative cabinet ministers.

Voices: Oh, oh!

The Chair: Monsieur Lemay and Ms. Bourgeois.

Mr. Ed Holder (London West, CPC): Point of order, Mr. Chair—

Voices: Oh, oh!

The Chair: Oh gosh, here we have it.

Mr. Ed Holder: Point of order, sir.

The Chair: I'm sure I've stirred this one up.

Yes, Mr. Holder.

Mr. Ed Holder: With all respect, Mr. Chair, I know you'd want to withdraw that, because it's beneath the greatness of the role of chair to let that comment stand.

Could I humbly ask you to withdraw that?

The Chair: You can humbly ask.

Mr. Ed Holder: Would you, please?

The Chair: You've asked.

Monsieur Lemay or Madame Bourgeois.

[*Translation*]

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Of course, I'm going to share my time with my colleague.

Madam, sir, I specifically want to understand the situation. You had a specific job to do, which was to restore the government buildings. Based on your professional knowledge, your expertise, you were to find a contractor who had specific knowledge to do that job. It appears there were four, five or six bidders. If I understood correctly, only one of them could do the specific job you were requesting. Is that correct?

[*English*]

Ms. Julia Gersovitz: I think that would be incorrect, Madame Bourgeois. It is not that one contractor can do the work; it is that there is a list of qualified contractors, a list of pre-qualified contractors, of which one will do the work because his price will be the lowest conforming bid.

It's not that there is only one person who is capable. Anyone who is on the list is capable, has been judged capable by Public Works and RPCD. There is going to be only one person who will do that work, and according to the public tender process, it will be the lowest conforming bid.

•(1035)

[Translation]

Ms. Diane Bourgeois: So only one qualified because you had specified the nature of the work, no? The five bidders could do the same work.

Mr. Glouberman?

[English]

Mr. Norman Glouberman: Exactly. There were five contractors who pre-qualified to do the work. There were a number of contractors pre-qualified to do the work and they were asked to provide prices and submit tenders.

Ms. Julia Gersovitz: Five firms submitted tenders. The lowest bidder was LM Sauvé and he was judged by *Travaux publics* and RPCD to be conforming and to be the low bid.

[Translation]

Ms. Diane Bourgeois: So they opted for the least costly firm.

You are professionals, and you have a very large number of years of experience in this field to your credit. I imagine you are somewhat aware of the amounts involved or of the total cost of the work to be done.

Were you surprised to see that LM Sauvé had won the contract by submitting a bid approximately \$2 million less than those of the other bidders? Did that surprise you?

[English]

Mr. Norman Glouberman: We were asked, after the bids were analyzed by Public Works and deemed to be conforming to the legal requirements, to review the bid in terms of the cost, etc. At that point, we prepared a list of our concerns on that bid in terms of...we felt in certain cases that he was over or under our estimates. This was sent on to Public Works for their review.

Following that, there was a meeting with Paul Sauvé to go over these concerns. The reason for going over them was to make sure that he understood the extent of the work and the scope of the work. At that meeting, he said, if my memory... I wasn't at the meeting, but I did read the minutes of the meeting. He said that the documents prepared by our firms, by our total team, were very clear, very concise, and he clearly understood the scope of the work, and he stood by his prices in each area.

[Translation]

Ms. Diane Bourgeois: So it was then that you met Mr. Sauvé, or when you spoke with him for the first time.

[English]

Mr. Norman Glouberman: As I said, I was not at the meeting. Our project architect was at the meeting and some of our representatives were. I couldn't go to that meeting. I was not there.

The Chair: Thank you, Mr. Glouberman.

Thank you, Madame Bourgeois.

Mr. Holder, you have the final five minutes, please.

Mr. Ed Holder: Thank you very much Chair.

From time to time I certainly appreciate the chair's balance and fairness both in his judgments and in his comments. I'm afraid today is not one of those times....

I'd like to thank our guests today for attending and giving their frank and thoughtful testimony. My Cape Breton mom used to say, "After it's all said and done, there's a lot more said than done". I sense that some of the dialogue around the table has reflected that today.

I want to touch briefly—for the last time, to get this finally off the table—on the issue of this infamous cocktail party.

Madam Gersovitz, you've said that you attended one time ever, and that was this one cocktail party.

Ms. Julia Gersovitz: I'm not sure I'll ever attend another one, but I did attend that one.

Voices: Oh, oh!

Mr. Ed Holder: Understood.

Mr. Glouberman, you indicated that you attended this one, but you've attended several before. I thought I heard you say they weren't necessarily for Conservative functions. Do you recall what they might have been for in the past?

Mr. Norman Glouberman: They were for the Liberal Party.

Mr. Ed Holder: The Liberal Party. That's interesting.

The Chair: Mr. Martin has a point of order.

Mr. Pat Martin: On a point of order, Mr. Chair, that's not an appropriate question. We don't grill people as to their political affiliations at this committee.

Voices: Oh, oh!

Mr. Pat Martin: It's a person's own business what political party they choose to donate to and support. It's too late now, but if there are any apologies in order today, I think Ed Holder should apologize to this witness for demanding to know what political party he's donating to.

The Chair: That is not a point of order, Mr. Martin. It's a point of debate.

Mr. Holder, continue.

Mr. Ed Holder: Thank you very much.

Thank you for your candour there.

I'd like to get to the point that is perhaps the key point here, which is the issue of the renovations. Certainly we've all heard from media that the renovations are quite extensive and come at a very high price. I'd like to get your professional opinion, and if I might say, because of this high cost to renovate.... You've been involved in this building since 1995. I would think you know this building intimately.

I think this committee would appreciate a sense of what you think the renovation requirements are. How extensive is this? Is it worth the price we're paying?

• (1040)

Mr. Norman Glouberman: I definitely think it's worth the price that we have to pay for this. This building has deteriorated tremendously over a period of time. Also, it's a building that was initially built as a departmental building, and it's being updated to meet present requirements for parliamentarians, which are quite different. So there's modern technology and there's a lot of infrastructure that has to be included in this building now.

But basically most of the money is going into restoring the existing building. The masonry is in terrible shape. There's a tremendous amount of asbestos all over the building. That's very costly and very difficult to remove. It's all the way within the walls, so it's a very, very costly building to repair, and in addition, we are adding more space by creating space in the courtyard and closing that in.

Mr. Ed Holder: So in your professional opinion, the expense is justified based on the condition of the building as you see it today.

Mr. Norman Glouberman: I feel the cost is justified based on the condition of the building and the scope of the work that we have to do.

Mr. Ed Holder: Thank you.

Finally, if I might, I want to clarify one of the questions that was asked by a member opposite. They wondered why you are here today. I think having you here today as world-class architects, and the work you're doing on our precinct... Frankly, this is a national treasure. I think it speaks to the calibre of your work, but also to the needs that are required for the building.

You may not know this, but we actually had Minister Paradis scheduled for today. But there were some members opposite who thought it was more critical to have you here. But I would say that you've added some dimension to our discussions, and I'd like to thank you both for attending.

Thank you, sir.

The Chair: You have 45 seconds left.

Mr. Chris Warkentin: I just have one question, Mr. Chair. When I was asking for some information on the scope of the renovation, you stated that between 1995 and the early 2000s, I believe, you were no longer involved or the work had stopped during that time. Was any work that you're aware of undertaken on the preservation of the facade or anything else during that period of time?

Mr. Norman Glouberman: I know that during the time... The project was stopped in 1998-99. We were called back in 2003 to do an analysis. In that interim time, Public Works was checking the building, scaling the building, and doing annual checks to monitor the deterioration.

Mr. Chris Warkentin: But no reconstruction during that period...?

Mr. Norman Glouberman: I don't know if any reconstruction was done at that time.

Mr. Chris Warkentin: Thank you.

The Chair: Thank you, Mr. Warkentin.

Thank you to our witnesses, Mr. Glouberman and Madam Gersovitz.

Colleagues, don't leave the table just yet. We have one piece of committee business left.

I'll ask Ms. Gersovitz and Mr. Glouberman to leave, but thank you again for your testimony. I feel bad about the back-and-forth stuff. Anyway, thank you.

Colleagues, we have a motion put forward by Mr. Regan. It's a receivable motion. It's a timely motion.

Mr. Regan, do you wish to speak to your motion?

Hon. Geoff Regan: I wish to move the motion, Mr. Chairman.

The Chair: Okay.

The clerk has pointed out to me that the last sentence says "within five calendar days", and that would mean an expiry deadline on a Saturday.

Hon. Geoff Regan: Shall we say "seven"? I'll offer an amendment—

The Chair: Or "Monday" or something like that, or "five business days".

Hon. Geoff Regan: I'll say "five business days".

The Chair: Five business days: okay.

Mr. Chris Warkentin: Mr. Chair?

The Chair: Yes.

Mr. Chris Warkentin: Mr. Chair, I do have some concerns with regard to this motion. I don't know if Geoff Regan is aware, but his colleague Navdeep Bains has brought forward a very, very similar motion, almost identical in its components, in the public accounts committee, I believe, so the information is being compiled for that. I understand from our folks that five days is an impossible timeframe for the scope of information that's being requested.

So there are those two points: number one, we have a motion that's already being brought forward in the public accounts committee; and second, there is actually a problem in terms of being able to fulfill the request within the timeframe specified.

• (1045)

The Chair: Are there any other comments on the motion?

Geoff.

Hon. Geoff Regan: Mr. Chairman, on the fact that they are already compiling it, that part of it should make it easy to provide this committee with what they're already providing for another committee. Surely they can attempt... Let's have them fulfill such part as they can, for starters. But I think it is reasonable to proceed with the motion.

The Chair: Are there any other comments on the motion?

Mr. Chris Warkentin: Mr. Chairman, in terms of it, I don't know how much work this committee wants to replicate if in fact another committee is already doing that. I don't know if there is time that we want to give Mr. Regan to consider and consult with his own colleagues as to whether or not they intend to replicate the same work. It's important, I think, that committee members know that this is being asked for in the public accounts committee, and we would simply be replicating the efforts they're undertaking there.

Hon. Geoff Regan: Mr. Chair, Mr. Warkentin is assuming that this committee will ask the same questions, for example, as would be asked at the other committee or pursue the same topics. Just because we have the same information, that isn't necessarily the case—

Mr. Chris Warkentin: Well, I think we can coordinate with our colleagues.

Hon. Geoff Regan: —and I can assure you that we'll try to avoid that. But I think it is certainly reasonable, since we're looking into this matter also, that we ought to have the documentation.

The Chair: Is there any other commentary? Questions?

The motion has been amended to say “five working days” instead of “five calendar days”. Those in favour? Those opposed?

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: The motion carries. Thank you.

The meeting is adjourned.

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and
Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les
Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à
l'adresse suivante : <http://www.parl.gc.ca>