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Chair

Mr. Pat Martin

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• (1100)

[English]

The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)): Good morning, ladies and gentlemen. I see people have settled in, so welcome, everyone, to the Standing Committee on Government Operations and Estimates as we undertake our annual review of the main estimates.

We're pleased to welcome as witnesses today officials and representatives from the Department of Public Works and from Shared Services Canada. Many of the witnesses will be familiar to committee members as regular and frequent visitors, and they're certainly welcomed back again.

Leading the delegation for the Department of Public Works is Madam Michelle d'Auray, deputy minister—welcome again, Madam d'Auray—and from Shared Services Canada, Liseanne Forand, the president.

Without delay, we'll ask Madam d'Auray, I suppose, to make some opening remarks, and—

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Chair, before we begin, I wonder if I could just register a complaint on behalf of I and my colleagues.

We provided more than a month's notice to the minister. The date was chosen in consultation with the minister's office. We would appreciate an explanation of...and a commitment that the minister is going to appear on another date, before the deadline passes.

The Chair: Perhaps the witnesses could pardon us while we have a brief dialogue between some of the committee members.

Mr. Braid, did you have your hand up?

Mr. Peter Braid (Kitchener—Waterloo, CPC): Yes.

Certainly I appreciate the comments. The minister would very much have wanted to be here. She did have another commitment this morning. This really came down to a scheduling issue. It was a commitment that unfortunately she could not change.

The Chair: I'll go in order here.

Mr. McCallum is next.

Hon. John McCallum (Markham—Unionville, Lib.): Well, that may be so, although she did have a lot of notice.

I think the question is whether we can find a time for her to come. I think it's important to hear the minister. Whether she could come today or not is one issue, but can she come at a future time?

The Chair: Mathieu Ravnignat.

Mr. Mathieu Ravnignat (Pontiac, NDP): This happens once a year. It's a bare minimum, I think, that the minister be present to defend her estimates and of course her budget.

It's a very unfortunate thing. Given the warning time we've given, I think giving us an answer without any details with regard to why she can't be present today is completely unacceptable.

The Chair: I should say that we asked the clerk to ask the minister why she was unable to attend, and she was unable to tell us why she was unable to attend.

Ms. Duncan.

Ms. Linda Duncan: I think the best thing to do is this. I move that we re-extend an invitation to the minister, and that the clerk work with her offices to find an appropriate date in both schedules by that time.

It's hard to find any matter more important than being accountable to spending. I think it's absolutely necessary. This is a key department that our committee reviews, and we were very much looking forward to the opportunity to review these matters with the minister.

I move that we direct the clerk to contact the minister to pursue another date.

• (1105)

The Chair: There's a motion on the floor. I'm going to rule that the motion is in order, because it's the subject matter that we're dealing with.

Peter, you may speak to the motion.

Mr. Peter Braid: I don't think we want to belabour this too much and take away time from asking important questions of our officials, who are here about the matters that you indicate are important to you.

Again, this unfortunately came down to an issue of scheduling. Certainly the clerk could follow up again with the minister's office.

I suggest that we proceed with our questioning this morning.

The Chair: There's a motion on the floor.

Are there any further speakers to the motion before we put the question?

Mr. Peter Braid: What exactly is the motion?

The Chair: The motion is that we summon the minister to defend her estimates before the committee that she is responsible to.

Mr. Peter Braid: I would suggest that we defer this to a subcommittee. This falls under the category of committee business. We can discuss it in that forum and not take, as I say, any further time away from this important matter today.

The Chair: Well, there's a motion on the floor that I've ruled in order, and the motion is debatable.

John.

Hon. John McCallum: The quickest way not to take any more time is just to vote for the motion. It's just requesting the minister to come at a different time.

I don't see why the Conservatives would object to that.

Mr. Peter Braid: I move that we adjourn debate on this particular motion to our subcommittee on committee business.

The Chair: There's a motion on the floor. I don't think I can entertain another motion at this time. I think we have to deal with this motion. If you wanted this to be dealt with in subcommittee, it would have had to been done prior to the motion being done.

The motion to adjourn is not in order either. We have a motion on the floor. I will consult on this.

That's true, Peter, the clerk advises me that the motion to adjourn debate on this would have been in order had you not put a qualifier that it be moved then to the subcommittee, because now that's debatable.

If it's the will of the committee, we could simply put the question whether.... But I'm not going to entertain a bunch more motions. We have a motion on the floor that we're debating.

Mr. Ravignat.

Mr. Mathieu Ravignat: Yes, I'd like to debate that. I'd like to debate the substantive motion before my colleagues decide to cut off debate again.

Is it a charade or is it not a charade? Do you actually believe that ministers are accountable for what they do? Do you actually believe that ministers are accountable for the money that they spend, that they intend to spend? It is a minimum that the minister appear to defend her budget. To give us a last minute excuse puts into question this committee's oversight functions.

Oversight is a fundamental democratic power of this committee and to be able to question the minister is part of that responsibility. So I hope that my Conservative colleagues don't intend to shirk our responsibilities by voting against this motion.

The Chair: Mr. Braid.

Mr. Peter Braid: Thank you, Mr. Chair.

I appreciate your guidance and clarification. I will therefore move to adjourn debate on this motion.

The Chair: That's in order and it has no further debate. The question has to be put.

(Motion agreed to)

The Chair: The motion to adjourn debate carries. The subject will be put over to a future time.

Okay, Linda, you're on the list here, but we're finished with that issue.

In that case, we will welcome Madame d'Auray to give us her opening remarks and then we'll allow the same amount of time to Madame Forand, and then we'll open it to questions from the floor.

Madame d'Auray, you have the floor.

[Translation]

Ms. Michelle d'Auray (Deputy Minister, Department of Public Works and Government Services): Thank you, Mr. Chair.

● (1110)

[English]

Good morning. It is a pleasure to appear before this committee for the first time since my appointment as deputy minister of Public Works and Government Services Canada, which was not quite six months ago.

I have my briefing book with me and I will now introduce my officials who are with me at the table today. They are people who are familiar to you: Alex Lakroni, who is the chief financial officer and assistant deputy minister; John McBain, who, as of yesterday, was appointed special adviser to the deputy minister.

Just a word on that change, Mr. McBain was, until last Friday, assistant deputy minister, real property, but as a transition to his eventual retirement, I was able to convince him to continue to provide me with his expertise and experience for a little while yet. He looks great. I'm grateful to him to have agreed to this assignment and for his appearance before you today.

His successor, whom you also know, Pierre-Marc Mongeau, is also here today, sitting behind us, to address any questions on the parliamentary precinct projects and plans. He is being replaced by Nancy Chahwan, who is also here.

[Translation]

So we are ready to answer your questions pertaining to our 2013-2014 main estimates and report on plans and priorities.

Although the knowledge I acquired at the Treasury Board Secretariat will stand me in good stead in my new role, I understand that taking the reigns of Public Works and Government Services Canada is quite a responsibility. This role is very dear to me, both for its important capacity as service provider and for its government-wide responsibilities.

I believe that centralized service delivery agencies enable the government to benefit from significant improvements in terms of productivity, efficiency and economies of scale. These agencies also help the government standardize a number of administrative functions to best leverage the private sector by providing practical common solutions. By releasing departments from having to perform daily activities, these agencies enable them to focus on their mandates and priorities.

[English]

PWGSC plays a key role in the operations of the federal government. As its treasurer, accountant, central purchasing agent, linguistic authority, and real property manager, the department is home to the Receiver General, prepares the annual public accounts of Canada, and manages a cash flow of more than \$2 trillion a year in support of that role. It accommodates more than 270,000 federal employees in a diverse real estate portfolio that comprises almost 1,800 locations across Canada. It manages and oversees the lion's share of government procurement, which contributes more than \$14 billion annually to the Canadian economy, translates more than one million pages of text on behalf of federal organizations, and provides translation and interpretation services for Parliament.

For the 2013-14 main estimates, PWGSC's gross budget is \$5.9 billion, broken down as follows. There is \$2.4 billion for the rent, fit-up, and utilities of government-wide accommodation; Receiver General and central compensation administration functions such as banking fees, cheques, and envelopes; and translation services to Parliament. There is \$1.9 billion related to providing optional services to departments, such as real property project management and translation services, on a cost recovery basis. We need \$900 million to deliver our core programs such as central purchasing and banking, public accounts, payroll, and pension services. We need \$600 million in capital for Government of Canada buildings and infrastructure.

PWGSC generates \$3.3 billion in revenues, or 56% of its budget, from client departments. This results in a net appropriation of \$2.6 billion. The 2013-14 main estimates represent an increase of \$254 million, or 4.5%, over last year's main estimates. One of the key reasons for this increase over last year's estimates is the amount allocated to the rehabilitation of the Parliament Buildings. Work continues so as to ensure their preservation as heritage assets and national symbols, and as functioning buildings that are essential to the continuity of our national democratic institutions. The total 2012-13 estimates earmarked \$247 million for the parliamentary buildings rehabilitation projects. For this fiscal year, the allocation is \$261 million—an increase of \$14 million as per approved project plans and schedules. The parliamentary precinct's west and east blocks are included in the rehabilitation projects for 2013-14. All major projects, including the major rehabilitation of the West Block and 180 Wellington Street, are still on or ahead of schedule and on or under budget.

[Translation]

Another factor contributing to the increase in our 2013-2014 main estimates is the purchase of the Terrasses de la Chaudière complex in Gatineau. The amount of \$50 million would be added to our budget to complete the transaction.

During this period of downsizing, such a purchase might seem odd, but this is not a new space for the government because we already occupy the entire complex: nearly 8,000 government employees work at Terrasses.

As well, the Government of Canada had entered into a long-term lease-purchase agreement during the construction of the complex. We have earned equity through lease payments and improvements carried out over more than three decades.

The purchase also allows us to maintain the 25/75 distribution of office space between the cities of Gatineau and Ottawa.

In addition, this purchase would enable us to exercise the option contracted when the buildings were built and leased and is an excellent investment for the crown and taxpayers.

• (1115)

[English]

Another increase is \$32 million required for the transformation of the pay administration initiative, support for the implementation of the consolidation of pay services in Miramichi, New Brunswick, and modernization of the government's 40-year-old pay system. This aligns with economic action plan 2013's emphasis on standardizing, consolidating, and transforming the way government does business to improve services and deliver efficiencies to Canadian taxpayers. These additional funding requirements are offset by PWGSC's commitment to realize its share of total government-wide savings initiatives.

This year, PWGSC will realize additional savings of \$95 million, of which \$67 million is associated with our 2010-11 strategic review and \$28 million results from budget 2012 expenditure review savings. These efficiencies and productivity improvements are in support of the Government of Canada's commitment to ensure a return to balanced budgets. Maintaining a sound fiscal position is the most important contribution the government can make to bolster confidence and growth, and Public Works and Government Services Canada is proud to contribute to this effort.

Having set out the highlights of our main estimates, I will turn now to how these would be expended, once supply is provided by Parliament, in support of the priorities set out in our report on plans and priorities for fiscal year 2013-14. The department has one strategic outcome: high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions. Seven programs support that outcome, and both the main estimates and the report on plans and priorities set out the planned allocations for each of these programs.

The department's top three organizational priorities for 2013-14 are delivering efficient and effective services, transforming critical infrastructure, and ensuring sound stewardship and management excellence.

[Translation]

Federal departments and agencies, along with many stakeholders from the private sector, rely on Public Works and Government Services Canada for the delivery of effective and value-added services.

Our priorities therefore include improving and streamlining procurement processes in all categories of goods and services, implementing the National Shipbuilding Procurement Strategy, completing the government's seven-point plan to replace fighter jets, improving the management of our real property portfolio, consolidating pay services and modernizing the computing platform to reduce costs, providing more standardized services to small agencies to help them reduce operational costs, and reducing the administrative burden for companies in the Industrial Security Program.

All of our service offerings and priority activities focus on improving performance, increasing consistency and efficiency of offer, and reducing costs for departments and agencies.

[English]

My second priority, transforming critical infrastructure, encompasses all the work to rehabilitate and preserve the buildings in the parliamentary precinct through the long-term vision and plan; delivering on a substantial program of work for our engineering assets, including something I was not aware of until I arrived at the department, portions of the Alaska Highway, for which we are the custodians; and leading the workplace 2.0 initiative for the government, which includes updating workspaces, and with Shared Services Canada, enabling technologies and work processes that create a more efficient and productive work environment.

Our third priority, ensuring sound stewardship and management excellence, speaks both to our goal to drive efficiencies within our own departmental internal services and to the stewardship role we play in ensuring the integrity of the procurement and contracting processes, which we manage for federal departments and agencies.

Safeguarding the public trust in Public Works and Government Services Canada is a priority for me and for all our employees. The department has been working diligently to protect the integrity of its operations, and more specifically, its procurement processes. Our goal is to ensure that we conduct our business to the highest ethical standards, which Canadian citizens expect us to uphold and protect.

We have a strong framework in place to support accountability and integrity in procurement. This includes a code of conduct, fairness monitoring, audits, internal investigations, policies, procedures, and governance measures. I understand we will have a chance to discuss these in greater detail at an upcoming appearance before this committee as you undertake work in this area,

In closing, Mr. Chair, members of the committee, I have come to appreciate that sound financial management is a hallmark of Public Works and Government Services Canada. We are entrusted with a large mandate, and we manage significant sums of money. We will continue to exercise financial leadership, seek efficiencies, improve service delivery, and identify opportunities for additional savings. I can assure you that our department strives to ensure consistent delivery of high-quality services to Canadians while providing value for money for taxpayers.

Mr. Chair, members of the committee, thank you for your attention. My colleagues and I will be pleased to answer your questions.

• (1120)

The Chair: Thank you, Madame d'Auray.

Now we'll hear from Liseanne Forand, from Shared Services Canada.

Ms. Liseanne Forand (President, Shared Services Canada): Thank you, Mr. Chairman.

I'm pleased to be here today to discuss the main estimates and the report on plans and priorities for Shared Services Canada for 2013-14.

I'd like to begin by introducing the officials who are here with me today at the table. Gina Rallis is the senior assistant deputy minister and chief financial officer, and Benoit Long is the senior assistant deputy minister for transformation, service strategy, and design.

First with respect to the main estimates, I would note that the main estimates for Shared Services Canada for 2013-14 represent a total of \$1.398 billion. This is a decrease of \$121 million, as compared to the 2012-13 estimates to date, which amounted to \$1.519 billion. That decrease is attributed to reductions of \$89.6 million as a result of budget 2012 expenditure review savings, as well as further net adjustments to and from various partnering departments in support of Shared Services Canada's mandate.

[Translation]

As members of this committee know, Shared Services Canada was created in August 2011 with a mandate to consolidate, standardize and streamline the delivery of Government of Canada email, data centres and network services. The report on plans and priorities sets out the priorities we have established in order to make progress on that mandate in 2013-2014.

[English]

The organization's very first report on plans and priorities was tabled in 2012. It included four broad priorities and 42 plans for meeting these priorities. With the support of all its employees, and in consultation with partner departments and other stakeholders, Shared Services Canada was successful in meeting its goals for the 2012-13 fiscal year. We maintained operations across the extensive IT infrastructure, supporting approximately 2,100 mission-critical systems, and also reached the planned milestones in our transformation of the government's e-mail system, data centres, and telecommunications networks. We implemented internal management processes to deliver lean corporate services, including collaboration with other departments to establish our financial and HR systems.

I'll be pleased to respond to any questions about those results, but first I would like to take the opportunity to describe briefly the highlights of our plans for this coming year.

The first priority I'll mention is to maintain and improve the delivery of IT infrastructure services. IT infrastructure is critical to the delivery of the government programs and services upon which Canadians and businesses depend every day. SSC has the responsibility to make sure that infrastructure is as reliable and as secure as possible.

In our second full year of operations, we will be seeking to move beyond the status quo operational models that we inherited from our 43 partner departments in order to bring greater horizontal alignment to service and support. We will place a particular focus on identifying the ways in which taking a government-wide approach can enhance IT security.

Mr. Chairman, the second Shared Services Canada priority is the renewal of the Government of Canada's IT infrastructure.

• (1125)

[Translation]

The email transformation initiative is the most advanced of our renewal strategies. After extensive preparatory work and consultation with government departments as well as the information and communications technology sector, we are in the final stage of a procurement process that will result in the implementation of a single government-wide email system by 2015.

We will work closely with partner departments and our own employees through the coming year to plan and manage a transition that is as smooth as possible for our partners and the Canadians that they serve.

[English]

The plan to consolidate the Government of Canada's data centres and to transform our network services is also taking shape. We have conducted a comprehensive analysis of the current state of our operations and assets, and have engaged extensively with partner departments and the private sector to identify our future business requirements and to learn from the experience of other organizations that have undertaken similar efforts. As a result of this work, we will be in a position this year to finalize a transformation plan and to begin its implementation.

In addition, as announced in economic action plan 2013, Shared Services Canada will dedicate \$20 million of our existing funding to improve the government's capacity for telepresence and other comparable technologies to support measures to replace travel with remote meeting alternatives. As part of this initiative, SSC will monitor the use of the government's video conferencing facilities and work with the Treasury Board Secretariat to ensure that the facilities are used to the greatest extent possible.

The third priority for Shared Services Canada this year is to promote effective engagement with partner departments. Sound governance and effective engagement are critical in any shared services' initiative and particularly so when the initiative involves changes in processes, services, and technology that will have an impact on organizations and employees.

Shared Services Canada has established structures and mechanisms that provide for information sharing, consultation, and involvement at all levels of our partner organizations, from working groups that contribute to the planning of individual initiatives to bilateral meetings with deputy heads of departments and agencies.

The value of this engagement is not limited to the planning and execution of our own transformation initiatives. It is equally important for Shared Services Canada to participate in the project planning that is under way in partner departments to make sure that we are able to provide the IT infrastructure support that their own initiatives and investments will require.

SSC's fourth priority is to ensure that we have efficient and effective business management processes and services. In the first 18 months of its existence, Shared Services Canada built a new department from the ground up. That work continues, Mr. Chairman. As indicated in our report on plans and priorities, our plans in support of this priority extend across a wide number of areas of responsibility, including human resources and financial management, procurement, accommodation, auditing, and evaluation.

With respect to human resource management in particular, we're implementing a workforce management strategy that focuses on ensuring that our employees have the skills to contribute as our priorities and operations evolve. Through this strategy and other business systems and processes that we are implementing, we aim to ensure that Shared Services Canada performs efficiently, effectively, and with the necessary management rigour.

[Translation]

In conclusion, Mr. Chair, I would like to emphasize that the plans and priorities that have been established for Shared Services Canada in 2013-2014 will enable the department to continue to deliver effective and efficient IT infrastructure services to its 43 partner organizations, even as it plans and executes the consolidation and modernization of the government's email, data centre and network services.

• (1130)

[English]

Thank you, Mr. Chairman. My colleagues and I look forward to answering the questions.

The Chair: Thank you, Ms. Forand.

That's very good.

We'll begin right away with the official opposition, the NDP, and Linda Duncan is the critic for Public Works.

Ms. Linda Duncan: Thank you, Mr. Chair. I appreciate the full gamut of officials that we have here today. We're obviously very disappointed that the minister has not attended, but we look forward to your fulsome answers.

Madame d'Auray, in last year's estimates, you forecast \$2.3 billion total and a reduction of almost \$400 million from the previous year. But according to this year's report, you overspent by almost that amount. So I wonder what assurances you can provide us that the similar forecast reduction in spending will be met this time.

Ms. Michelle d'Auray: Thank you for the question.

When we look at the main estimates, we also look at the comparison of total estimates throughout 2013. When main estimates are produced, they often don't take into account in-year changes or increases. So during the course of the year in 2013, we did get a number of increases to our appropriations, as I mentioned in my remarks, for example, for the parliamentary precinct. So in terms of our expenditures against our appropriations and our authorities, they are well within that for 2012-13.

With regard to 2013-14, we have been able to reflect in the estimates the total in-year supplementary estimates and the appropriations that we receive, so what you get in 2013-14 is our planned appropriations, taking into account what we also received last year.

Ms. Linda Duncan: Okay. Thanks.

Your report on plans and priorities, which we're grateful to receive simultaneously to the budget, makes our scrutiny much more effective.

In that report, the minister claims to have significantly reduced the average time for major procurements, yet we continue to witness significant delays and botched processes in the outfitting of our military in a mounting list of major procurements: military jets, the integrated soldier system project, the \$2 billion close combat vehicle program, and projects to purchase army trucks.

The report on plans and priorities claims the department will make progress on its purported smart procurement by simplifying and

streamlining the process, and yet in the procurement for the \$300 million integrated soldier system project, apparently you've had to completely repeat it, because that system didn't work.

Can you tell us if the bidders will likely find it necessary to up their prices because of the fact that they've had to prepare that bid twice for this major procurement? As well, do your estimates this year take into account the fact that you're having to redo that procurement process?

Ms. Michelle d'Auray: Thank you for those seven questions.

Voices: Oh, oh!

The Chair: You have one minute.

Ms. Michelle d'Auray: With regard to the issue around complex procurements, the ones that are the most challenging often get the most attention. We do quite a few large procurements quite effectively, within a 24-month to 36-month procurement timeframe. We complete them and not a lot of people know about it because they happened and there were no process issues or elements around them.

With regard to a number of the procurements and some of the aspects, as we are learning, when we engage industry very early on in the process it looks like the lead time up front is longer, which it may often be. But it allows us then, when we get into the actual requests for proposals and the evaluation of those proposals...it makes it a lot faster, because the long lead time to get the industry perspective and the views on what the components are, what the capacity elements are, what the criteria are, and also what the evaluation mechanisms are—

Ms. Linda Duncan: May I just ask how that new process improved the integrated soldier system project? It didn't seem to work there.

Ms. Michelle d'Auray: One of the elements with that particular procurement was that a number of the technical requirements were not met. It is not that the process in and of itself was not understood. We have been able, in the refresh of that procurement, which was done fairly quickly, to offer an opportunity for the procurement officers to contact the companies and require additional information on technical elements so that we are not faced with this situation.

• (1135)

The Chair: Linda, perhaps you have a short question.

Ms. Linda Duncan: Contrary to what you're suggesting, we've actually heard a number of complaints from potential bidders that there is less consultation and there is less openness to consultation up front. Additionally, there are complaints from the small and medium-sized industries, for which your report on plans and priorities suggests there is greater opportunity. They say that because of that they are actually losing out in this new consolidated bidding process.

I wonder if you could rationalize your new smart bidding process, which is supposed to be helping small, regionally based companies and is supposed to be providing for more openness and transparency.

Ms. Michelle d'Auray: We have pointed out on a number of occasions all of the industry activities. We put them out on all of the forums that we have. We do a fair amount of industry consultation on every procurement that we run.

We have also done a huge number of industry engagements with small and medium-sized enterprises, and we can certainly provide you with the information in relation to the outreach activities and the engagement we do, because I think it would support the statements and our commitments to that effect.

The Chair: Yes, I think that might be helpful, Madame d'Auray. We can stay in touch on that issue.

Next, for the Conservatives, we have Bernard Trottier.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Thank you, Mr. Chair.

Thank you, guests, for being here this morning for the important business of supply.

We know that we're here to talk about the 2013-14 main estimates, but as a practice in this committee we've found that looking at things like RPPs is very helpful, because it gives a context of three years back and three years forward. We get a sense of what's going on with the longer-term trends with the financials. Some of the performance metrics you have in there are also an interesting contribution of the reports on plans and priorities, because those are drivers of some of the expenditures.

On page 13 of the RPP for Public Works and Government Services Canada, there is an interesting performance indicator. You talk about what percentage the Government of Canada spent through procurement instruments such as standing offers and supply arrangements, and you have a target of 15%. There is a balance of procurement that's done through competitive bidding processes, and the target there is 70%.

Can you talk about that target of 15% and why that is important? Also, is that something you'd like to see increased or decreased in the future?

Ms. Michelle d'Auray: The target was set because we wanted to make sure that people were using the instruments that we were establishing. This is based on volume and practice. We've given ourselves a bit of a stretch goal. At 15%, it may not seem to be significant to have all of that done through the supply arrangements and the standing offers, but we thought that was a fairly significant stretch for us to achieve, because these are pre-competed instruments that allow and simplify the processes government departments and agencies use.

Not all of these are mandatory. That's one of the reasons we set this target. In terms of the proportion of total contracted value awarded competitively, this is a goal that we set because we are of the view that having a competitive process gets best value for the government. These are the targets we have set, recognizing that in some instances, competing is not necessary because the suppliers are unique, because of the time constraints, or because of national security requirements.

Mr. Bernard Trottier: With these two targets, 70% and 15%, 85% are being tendered whether it's a competitive bid process or these instruments. Would both of those numbers be looking up in future years? Ultimately, it would be 100%, a difficult target to attain. Could you describe what the thinking is with these targets?

Ms. Michelle d'Auray: I don't think we would consider 100% to be achievable. There are a number of requirements or situations where there is a sole supplier, a national security requirement, or an operational requirement. Achieving 100% competitive would not be practicable under those circumstances.

Mr. Bernard Trottier: Thank you for that. It helps to understand what's driving some of the expenditures.

I want to talk about accommodation and real property services. In the main estimates, you have net expenditures of \$1.978 billion, and I see that planned spending in the RPP is \$2.117 billion. There's a delta of about \$140 million. Could you explain the difference between what's in the main estimates currently and what's in the planned spending for 2013-14?

• (1140)

Ms. Michelle d'Auray: I will ask my chief financial officer, with your permission Mr. Chair, to take that question.

Mr. Alex Lakroni (Chief Financial Officer, Finance Branch, Department of Public Works and Government Services): For real property, there are several factors at play. Number one, we have the reduction of the commitments for budget 2012. That explains, primarily, the reduction from 2012-13 to 2013-14.

Mr. Bernard Trottier: I'm just interested in what's in the main estimates for 2013-14. There's a planned spending for 2013-14 in the RPP, and it's about \$140 million higher for that year.

Mr. Alex Lakroni: The difference is \$138.9 million. It includes the *manège militaire*, \$4.8 million; engineering assets, \$63 million; and long-term vision and plan, \$38.1 million. The rest is quasi-statutory items for fit-up and for two buildings, 22 Eddy and 30 Victoria.

Mr. Bernard Trottier: Then I guess there's a process question behind that. When the main estimates and the projected spending for the year are put together, why is there a difference between those two numbers?

Mr. Alex Lakroni: When we do the main estimates, not all the approvals are in place. The programs are project-driven, and often the projects need requirements to be approved and well defined. The timing is not necessarily conducive to having all the items in the main estimates. Sometimes you have budget items that come after main estimates, so sometimes they are reflected in the RPP and sometimes not. I will sum this up by saying that it's timing.

The Chair: Thank you.

Bernard, you're well over your time.

Next, we're going to Mathieu Ravignat.

[Translation]

Mr. Mathieu Ravignat: Thank you, Mr. Chair.

I would like to ask you some questions about one program in particular: the Integrated Relocation Program.

Every year, 15,000 to 20,000 federal employees are moved under this program. The single contract has always been awarded to the same company since 1999, in spite of the investigations and the warnings given by the auditor general of the day. By limiting participation to a single contractor since 1999, the government has deprived many Canadian relocation management businesses of the opportunity to try to obtain this contract.

Since the contract is ending in November 2014, and given that it takes several months of organization among the various departments, have you received any instructions or heard any rumours about the minister's intention of implementing an open tendering process?

Ms. Michelle d'Auray: Thank you for the question.

A competitive process will in fact be implemented for relocation services.

Mr. Mathieu Ravignat: Thank you.

I am going to yield the rest of my speaking time to Mr. Blanchette.

Mr. Denis Blanchette (Louis-Hébert, NDP): I would like to thank our guests. We are always very happy to meet with them.

I will begin with Ms. Forand.

I would like to take a look at how the budget has changed. The first year corresponds to 2012-13. We are now in the next year. This shows something significant and substantial: the shift of investments between operating expenses and capital expenditures or, if you will, votes 15 and 20. That is the most striking thing in your budget.

Can you explain what is going on, exactly, and where you are going with that?

Ms. Liseanne Forand: In fact, I think we addressed the question of capital spending the last time we appeared here. I think we said that it seemed very low for an organization like ours.

As you know, we got our financial appropriations for the first time on April 1, 2012. We inherited the capital budgets that the 43 departments had previously established. Those departments had established the operating budgets and capital budgets based on their projects and plans. Obviously, that did not entirely correspond to our own projects and plans, since there are two components to our mandate: an operating mandate and a transformation mandate.

We therefore examined this question over our first year, and this year we made what is probably only an initial change in this respect. We set the level of our capital spending at what is in fact a much higher level: \$176 million for the coming year, representing about 10% of our budget. We think that is a more appropriate amount, given our mandate.

• (1145)

Mr. Denis Blanchette: When I asked the question, I was not meaning to criticize. I was actually persuaded that there was under-investment in this respect.

However, to increase that investment by nearly \$100 million, cuts had to be made elsewhere. What transformations have you made to recover the money and reinvest it in capital assets?

Ms. Liseanne Forand: Obviously, our large transformation projects are only just beginning.

We have nonetheless been able to achieve savings or adopt efficiency measures during our first year. We have found ways to reduce our operating costs on all kinds of points and in all kinds of areas. I can give you all kinds of examples, but I am just going to take one that is a little simplistic to start with. The projects we inherited from our partner departments quite often overlapped. For example, there were perhaps 10 or 12 videoconferencing projects in the various departments, or 10 or 12 projects for transitioning to a wireless network for various department. We combined those projects and we are doing them one time only for the 12 or 13 departments. That means a single project management team, for one thing. That is one way we are making savings.

I am skipping over a lot, but we have had examples like this throughout our activities. That has enabled us to do this transfer of operating funds to capital funds.

Mr. Denis Blanchette: I would like to move on to something else right away.

You talked about telepresence and mentioned that an additional \$20 million investment would be allocated to that.

Could you explain the broad outlines of that investment? Are these specialized lines? How are you going to operate? What kind of services are you going to offer to the departments all across Canada?

Ms. Liseanne Forand: Thank you for the question.

This is something we have been looking at since the 2012 budget. You may recall that already, in the 2012 budget, there was reference to the government's desire to expand the use of telepresence and other technologies of that nature.

From the outset, following our typical methodology, we wanted to do an inventory of everything that existed in the government. We went to look in all the departments to see what investments had been made and what assets we had. We discovered that a lot of investments had actually been made in the Government of Canada in the area of videoconferencing and telepresence, but those investments had been made in isolation. For example, there might be several videoconference rooms, but people did not know where they were. The people in the various departments could not make common use of the available rooms.

So we have proposed to organize the use of all of this equipment that was available to us a lot better. For example, we are going to prepare a government-wide directory so that people can easily see where the rooms are located, who they belong to and how they can use them.

However, there are gaps to be filled. Some departments are not very well equipped. We might be able to add more equipment in some places or some cities in Canada. We have proposed to use this \$20 million to fill the gaps discovered. For example, since the departments whose headquarters are located outside the national capital region use videoconferencing and telepresence much more than the other departments, we are going to make sure they have the resources they need.

• (1150)

[English]

The Chair: Thank you very much, Madame Forand, and thank you, Monsieur Blanchette.

Next, for the Conservatives, we have Dan Albas.

Mr. Dan Albas (Okanagan—Coquihalla, CPC): Mr. Chair, I'd like to thank our witnesses for being here because I'm new to this committee and certainly appreciate hearing your testimony.

I'd like to focus today on Shared Services Canada, so I'll be directing the majority of my questions toward that, Mr. Chair, but thank you for your willingness to discuss these things with us.

Now, 89% of your budget is dedicated to IT and infrastructure. Can you please illustrate your consolidation and standardization goals again?

Ms. Liseanne Forand: Yes, indeed, the vast majority of our budget is dedicated to IT infrastructure in one form or another. In fact, Shared Services Canada was created to bring in greater standardization, greater consolidation. A basic fact, perhaps not exclusively with respect to IT but it certainly applies to IT, is that complexity and diversity drive costs, so from the outset our objective is to simplify and to standardize wherever we can.

As you know, we have the three major programs of standardization and consolidation. Regarding the single e-mail system, obviously when you move from 63 e-mail systems to a single e-mail system, you will find efficiencies and a more effective program.

Mr. Dan Albas: On the e-mail, are you on track right now for implementation of the new system? Do you have an idea of a date when it will come into effect?

Ms. Liseanne Forand: Thank you for that question.

We've been working very hard on the consolidation of the e-mail program over the last year. We are now very much on track. We're in the final stages of a complex procurement process that began with an extensive period of industry engagement, so we spent quite a bit of time working with industry at the very front end. Then we did what's called a collaborative procurement process, which is that we pre-qualified a number of suppliers and then we worked with them to elaborate the request for proposals document to make sure we were identifying the right things in terms of what needed to be in the RFP.

We're now at the tail end of that process. We are in the evaluation phase. Once that phase is over, we'll be seeking contract authority and our objective is to have the new e-mail system in place and operational by 2015.

Mr. Dan Albas: When you use the term complexity, I simply look at a fairly new organization, 20 data centres, 43 different departments or clients, so to speak, each with their own needs, coupled with growing concerns about cyber-security. It's a big portfolio, I would say.

When a government website is put up, would that be done through the individual department, or is that something you would have a say in through collaborating with them and then presenting that forward? Is that part of the consolidation effort?

Ms. Liseanne Forand: Thank you for that question. That speaks to the division of responsibilities between Shared Services Canada and the departments. Shared Services Canada's responsibility is the infrastructure. It is really the foundation on which either applications are run or the business of the departments works. In the example that you've given of a website, we are responsible for the networks and for the foundation, for the infrastructure that they would be based on. But the department would be responsible for identifying their needs with respect to the website and for doing all of the work that's required to reflect that department's presence on the Internet.

Mr. Dan Albas: The reason I raise this is that obviously, it's difficult for a single MP to meet with 43 different departments on this. I've had a constituent raise concerns that if the government were not to take a systematic approach to accessibility.... For example, this gentleman is blind. There are certain software systems that are inexpensive, but it can be difficult if the programming isn't done correctly. I would just pass on that concern, because there are some people who have the means to afford some of the more expensive programs that allow more complex websites to be analyzed.

I would pass that on. Hopefully you can collaborate with those 43 departments, because I think accessibility is important.

What does telecommunications modernization involve, and what's the status of that particular work?

Ms. Liseanne Forand: Thank you for that.

That's another one of our major programs. Right now, the Government of Canada's networks.... I'm not a technical person, but I tend to say it looks a little bit like a bowl of spaghetti. There are over 50 wide-area networks, so each department has a wide-area network. Within individual buildings there are local area networks. If you have eight departments in a single building you'll have eight local area networks. We have 485 different data centres, places where we keep our servers and our data storage, so those have to be all connected to the various departments whose data they store. All of this is done separately for video, for data, and for voice. It is a great big ball of all sorts of networks that interconnect each other.

That's obviously not optimal. It's not efficient. It's not inexpensive, and it's not as secure as it could be, because the more of these things you have, the more exposure and vulnerability you have. Our objective is to work over the next few years to build a single network backbone for the Government of Canada to secure the perimeter very closely, to limit the number of connection points that we have with the Internet so as to limit exposure there as well, and to provide modern networking capacity for all departments. That means converged voice, data, and video through one single network, which is already being implemented in some departments.

Again, it's to simplify and standardize.

• (1155)

Mr. Dan Albas: Given the complexity, that simplifies it.

Thank you, Mr. Chair. I appreciate their testimonies.

The Chair: Your time is up. Thank you very much.

Next, for the Liberals, we have John McCallum.

Hon. John McCallum: Thank you, Mr. Chair. Thank you to the witnesses for being here.

My first question is on the employee relocation contract. I'm wondering if you can tell us when the request for proposals is likely to go out.

Ms. Michelle d'Auray: Thank you for the question.

We are working on that and we have not yet set a specific date, but it will be within the timeframe to allow for the transition.

Hon. John McCallum: Is it possible that you might split the delivery of relocation services across more than one provider?

Ms. Michelle d'Auray: The current relocation services are offered for the Canadian Forces, the RCMP, and for public servants. They are three separate contracts, and they are available for competition.

Hon. John McCallum: But for each of the contracts, there would be one single winner?

Ms. Michelle d'Auray: It could be one for three, or it could be separate ones for each.

Hon. John McCallum: Now, I understand that the staffing and funding levels for the acquisitions program activity in your department are dropping. I believe the shipbuilding and fighter jet secretariats are a part of that program. To put it mildly, those programs face challenges. I'm wondering if this drop in resources means that the secretariats, one or both, are faced with declining resources at a time when they have a great deal of work to do.

Ms. Michelle d'Auray: As I was looking at the FTE counts, the FTE counts for acquisitions are going down essentially because of the number of the projects that we are terminating or that are coming to a close. They do not include the shipbuilding and the jet secretariats.

Hon. John McCallum: So, those are not facing declining resources.

Ms. Michelle d'Auray: No, they are not.

We are winding down other projects. For example, the Sydney Tar Ponds project is coming to a close. When we have resources that are allocated to specific initiatives, they do go down. As other initiatives come in, we will then be looking at increasing the FTEs in relation to those.

Hon. John McCallum: The Auditor General's report just came out today. It identifies a backlog of contractor security clearances in your industrial security program. I noticed that you agreed with the Auditor General's recommendation, but I would imagine there are many security clearances required for military shipbuilding.

How is the department prepared to deal with the large volume of workers requiring such security clearances? Will there be delays and backlogs? How will you deal with it?

Ms. Michelle d'Auray: The audit report that was tabled today includes a chapter that is a follow-up to a previous audit. On the areas for which the original audit had given us some recommendations, the Auditor General did give us—I do want to point this out—a satisfactory rating. That's important because we worked very hard on meeting the commitments and the management action plan we had set out for those recommendations.

With regard to the backlog, I think there are about 2,300 or 2,400 that were identified at the time the post-audit was done, and we're at just over 300 cases that are still being dealt with within that. Quite a few of those, essentially, have been addressed and cleared.

With regard to the processes that we have put in place, we have developed a case management system. We have reduced our timelines to clear significantly because we recognize the imperatives for a number of the initiatives we have under way, so that we do, in fact, ensure the clearances within a speedy timeframe.

On the other hand, we balance that with making sure the integrity of the clearance is maintained. Again, given the nature of the work, we do have to balance timeliness with the integrity and the accuracy of the clearances we provide.

• (1200)

Hon. John McCallum: I did not say your grade was other than satisfactory.

Ms. Michelle d'Auray: I could not resist. I'm sorry, Mr. Chair.

The Chair: I don't blame you.

Hon. John McCallum: Does this mean that, at the end of the day, there will be significant delays to the shipbuilding program because of this issue?

Ms. Michelle d'Auray: Mr. Chair, I can assure you that there would not be. A number of the contractors in this area—we took steps to ensure that—already have security clearances. In areas where they need an increased clearance, we process those as quickly as possible. We have not noticed or been advised by the shipyards of any delays in their ability to contract or to work in this area.

Hon. John McCallum: Thank you very much.

The Chair: Thank you, John. Your time is up.

Next, for the Conservatives, is Monsieur Gourde.

[*Translation*]

You have five minutes.

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

I would like to thank the witnesses for being with us this morning.

My first question is for Ms. Forand.

With respect to modernizing telecommunication services, the number of data centres is going to go from 300 to 20, I think. You can give me an update on the situation.

Is Canadian expertise going to be used to build these new centres?

On the weekend, I heard that Canada, and in particular Quebec, was at an advantage at the international level in relation to data centres. Because it is more cold than hot 80% of the time, it is easy to remove heat from buildings. As well, the price of electricity is very competitive.

A new international industry is in the process of setting up in Quebec. A number of large international data centres are considering the opportunities that Quebec offers. This new industry could be very promising over the next few decades.

Could these data centres promote it and become a valuable showcase?

Ms. Liseanne Forand: Thank you for the question.

You began by saying that the number of our centres was going to go from 300 to 20. The 300 figure had been used before we reviewed all our investments and assets. It appears that we actually have about 485 data centres. Of those, 30 are large centres, about 60 are relatively average sized — they cover about 2,000 sq. ft. — and many are small. So that means we are going from a large number to a smaller number: fewer than 20.

In planning this transformation, we are doing a lot of analyses relating to where to locate these data centres, an aspect you mentioned. There are all sorts of factors that may be relevant in making that kind of decision. As well, we have retained the services of a third party to get advice about what criteria are most important when it comes to determining where to locate a data centre.

Obviously, there are geological criteria. You do not want to set up a data centre in a place where there is too high a risk of earthquakes or floods. As you said, some criteria relate to climate and costs, including electricity.

We have not yet made a decision about the recommendation we will be making to the government, but obviously we are going to study the advantages offered in Quebec and in other regions of the country. It is cold in a lot of places in Canada. We are very lucky in that sense.

On the other part of your question, we will be using Canadian expertise wherever we can. We have also initiated a discussion with people in the industry about the innovation factors and the contribution that Canadian expertise could make in this field.

• (1205)

Mr. Jacques Gourde: My next question is for Ms. d'Auray.

Day-to-day maintenance of Government of Canada buildings is contracted out to firms. If problems arise involving one of those firms, is the firm going to be considered to be liable, or just the individuals? Will that be dealt with case by case? Some firms that work for the Government of Canada have 2,000 or 3,000 employees. In cases where there were only two or three people causing the problem, would the entire firm be penalized or would the situation be looked at in greater depth?

Ms. Michelle d'Auray: Thank you for the question.

As I said in my presentation, the department has a whole range of measures it can take, if, for example, there are problems relating to payments or billing, or if we receive complaints, or much more directly, in relation to our integrity framework, if there are convictions involving either members of the board of directors or the companies themselves.

Under our integrity framework, if companies or company directors have been caught in violation, we can cancel the contracts or terminate them. More precisely, more pointedly, if there are incidents or we receive complaints or information, we can exercise oversight to ensure the integrity of the processes. In other words, we have a whole range of measures available to us.

In any event, the accountability framework we put in place in July 2012 and strengthened in November 2012 is very specific. For cases involving upgrades or large maintenance outsourcing contracts, we have asked the companies to adopt our integrity framework, and they have done so.

[*English*]

The Chair: Thank you, Jacques. That concludes your time.

Just from the prerogative of the chair again, I'd like a little more expanding on a question asked by both Mr. Ravignat and Mr. McCallum. It strikes me that the most contentious procurement contract the government has faced isn't the F-35 or the shipbuilding; it's this relocation contract that keeps popping up like some kind of a bad rash or something.

Is it not true that we just settled a \$30 million lawsuit that we had to pay out? That's the largest commercial settlement I've ever heard of in a contractual basis. What could have gone so terribly wrong, and what are we doing to preclude this nightmare from happening again in 2014?

Ms. Michelle d'Auray: Mr. Chair, the dollar amount that you're referring to is the result of a judgment that was released recently. That judgment is still under review by the department. It's a 350-page judgment so we are reviewing it at this particular juncture to determine next steps with regard to that. So the payment has not occurred. That is the recommendation coming out of the judge's ruling.

With regard to the process itself, when this was competed in 2009 there was a fairness monitor attached who oversaw every step of the procurement process.

As the committee members have indicated or have asked, we will be re-competing this service in the future. But the 2009 process was reviewed completely by an outside expert to ensure that the process was in fact—

• (1210)

The Chair: What did the judge find that the government did so wrong that it owed \$30 million in damages to one of the bidders?

Ms. Michelle d'Auray: I would not want to interpret the judge's assessment at this particular juncture. I would just say that we are reviewing the conclusions.

The Chair: I wish the minister was here to put that question to.

Who's next? Linda Duncan.

Ms. Linda Duncan: Thank you, Mr. Chair. I'd like to follow up on your questions, Mr. Chair.

The report on plans and priorities says that the department will pursue measures to enhance integrity in procurement. Presumably that includes within the department. So in light of the envoy decision, I did note that in addition to imposing the \$30 million cost award against the government, the court also recommended a third investigation arising from that by the department.

So I guess the obvious question is.... That, coupled with the issues that CIDA has run across because of SNC-Lavalin, I did put the question to the government yesterday in the House. It does seem peculiar that there seemed to be some integrity rules for CIDA and different ones for Public Works. My understanding is that the new improved integrity guidelines for procurement only require the department to look at convictions by Canadian courts.

Can you clarify that? Particularly since there are now many foreign bidders, including for P3 contracts, is PWGSC also giving consideration to convictions or allegations of corruption that occurred outside of the country?

Ms. Michelle d'Auray: Thank you for the question.

You correctly mention our integrity framework. As I indicated in a response to an earlier question, one of our biggest suppliers in terms of alternate service delivery for operations and maintenance is, in fact, SNC-Lavalin. They have voluntarily integrated our integrity framework into their contracts, even though the contracts are still in place. The interdictions or the debarments are based on convictions, and they are convictions in Canadian courts. We have a mandate to oversee the contracts, which we issue under our legislation. We do offer and provide those contractual services to a number of departments and agencies. So those that procure through us are covered by that integrity framework.

With regard to the foreign-based, that is an element that we are looking at today but it is not currently in place. It is with regard to convictions in Canadian courts.

Ms. Linda Duncan: Thanks. That is of concern, since as we speak there are P3 contracts being considered that could include foreign entities.

My next question is on advertising. Your reports on spending on advertising are issued at an extremely delayed rate. One of the actions that the government, to their credit, took out of the Gomery Commission was to actually become more transparent and open and to issue reports on spending on advertising, and yet we have to wait. Members of Parliament who are responsible for scrutinizing spending had to wait for two years after the spending.

I'm wondering if you are giving consideration to a rapid expeditiousness of those reports in lieu of the fact that contrary to what the government has been reporting in the House, the spending on advertising is rising, and rising for things such as \$20-plus million on the War of 1812, which members of the public are saying they're not particularly excited about.

So I'm wondering if you could speak to what measures on openness and accountability in advertising the department is pursuing under your mandate to improve more expeditious reporting on the actual spending on advertising.

Ms. Michelle d'Auray: Thank you.

There are two reports on advertising that are put forward. One is put forward by the Treasury Board Secretariat, which is in relation to the central advertising envelope, and then what Public Works produces are the actual expenditures.

We are conscious of the delays, but we are working with the suppliers, because what we need to post are the actual expenditures and we get that information from our agency of record and the various departments. So we have to make sure that what we produce are, in fact, verifiable numbers.

We are working on accelerating that and working with our suppliers to make sure that we can produce those numbers as expeditiously as possible.

• (1215)

Ms. Linda Duncan: Do I have any time?

The Chair: One minute.

Ms. Linda Duncan: I have a question about the purchase of Les Terrasses de la Chaudière.

You may be aware that we are actually conducting a review of efforts by the government to invest in improved energy efficiency and the monumental cost savings that can be achieved for taxpayers through that. Did you factor in the costs of improved energy efficiency, and frankly, indoor air quality improvement in Terrasses de la Chaudière, known as “Shoddy Air”, before you made that purchase?

Ms. Michelle d'Auray: Thank you for the question, and I will defer, if that is possible, to Mr. McBain to answer that question.

The Chair: That seems only natural.

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

First and foremost, the opportunity to purchase was built into the lease contract. It was pre-set at a certain date for a certain amount. So when we were considering it, it wasn't that we were negotiating a price. The price was set in the lease document.

We evaluated the investment that the taxpayer had made through rental payments over the life of the lease and looked at the assessed appraised value of the property, which exceeded \$300 million, and concluded that given those factors, the investment of \$54 million to purchase the complex was a worthwhile investment for the taxpayer.

Your question about energy efficiency is a sound and a solid one. There is a heating and cooling plant that is located in Les Terrasses de la Chaudière that is part of our consideration we are putting forward under a project, which we have been consulting the industry on, called the energy services acquisition program. So modernizing that plant and bringing efficiency to the complex is already in our consideration.

The Chair: Thank you, Linda.

Thank you, Mr. McBain.

Peter Braid.

Mr. Peter Braid: Thank you very much, Mr. Chair.

Thank you to all of our departmental officials for being here today.

Madame d'Auray, welcome. I wanted to start with a question for you. Of course, PWGSC's oversight of procurement is an important part of the department's mandate. You indicated in your opening presentation that one of the department's main priorities is to continue to improve and streamline procurement processes. Could you just update us on your efforts there, please?

Ms. Michelle d'Auray: Thank you.

We have undertaken a substantial review of a number of categories, for example, of goods and services. We have 31 major categories, and we are going through an extensive review process for each one of them, engaging with industry.

One of the comments we received was that when we pull together supply arrangements or standing offers, they tend to be for a length of time and companies don't have an opportunity to either refresh or update their information, and we don't have an opportunity except when we have to re-compete these on a three-year, or depending on the length of the arrangements. We have worked with companies and

various suppliers to ensure that we can, in fact, refresh them on an ongoing basis and have them done on an as-needed requirement. I think this is one of the key areas where we have significantly improved our processes, so that departments and suppliers aren't left with a static set of supply arrangements for suppliers on those lists.

The other aspect I spoke to earlier was industry engagement. I did commit to providing information on how we do that. We have extensive consultations because we want to be part of the business cycle of companies, and we want to be part of the requirements cycle of our client departments and agencies. We have to make sure the supply and the demand are meeting each other's requirements, at an opportune time. We have taken steps on a number of these categories of supply, or of procurement activities, and we are working our way through them. I think we have found, up to now, that has received good input from companies, from suppliers, and from our client departments and agencies.

We've also streamlined a couple of major procurements, where we have looked at, for example, shared travel services. My colleague talked about video conferencing, but we still travel. Therefore, being able to drive the best price and the most effective way of getting at your travel services.... We have been able to obtain the services of a supplier that would allow us to have some very competitive rates. But that was generated as a result of a fairly extensive discussion with our client departments and agencies, to get at what their requirements and essential needs are.

We were able to then engage with suppliers to have a better conversation about what they could provide us in services in a timely fashion.

● (1220)

Mr. Peter Braid: Thank you very much.

Mr. Lakroni, I suspect this is a financially related question.

I'm looking at page 303 of the main estimates, at the line item for acquisitions. There's been a steady decline for that particular item, from the 2011–12 expenditures of \$157 million, down to \$152 million, now down to \$129 million.

Could you just speak to the reasons behind that?

It's good to see a line item actually decreasing.

Mr. Alex Lakroni: It's on page 303. There are two factors. There are commitments made under strategic review; that's \$3.3 million. There is also the program of Canadian innovation and commercialization that accounts for \$22 million. As you know, this program was introduced on a pilot basis and now has been put in budget 2013. So this money has not been spent. It shows a reduction of \$22 million. The other reduction or increase is \$3.5 million to support the program to supply vaccines to the Government of Canada and other stakeholders.

All these reductions account for \$22.2 million.

Mr. Peter Braid: So, the CICIP shows up somewhere else because it has now been made permanent, based on the recommendation of this committee I might add. Is that correct?

Ms. Michelle d'Auray: It's an issue of supply and the timing of supply. When we make our request to the Treasury Board, and if it is accepted, then it will be appearing in the supplementary estimates. You will see it in that supply period at that time.

Mr. Peter Braid: Great. We'll look forward to that.

Finally—

The Chair: Be very brief, Peter.

Mr. Peter Braid: I see a continued investment in the rehabilitation of the Parliament Buildings and the parliamentary precinct. These are very important investments for the government and for Canadians. I can't think of any heritage buildings in the country that are more important than our Parliament Buildings.

Could you very briefly update us on the status of these projects, the complexity of them, and how you managed to bring some of them in under budget and on schedule?

Ms. Michelle d'Auray: I have the list of projects somewhere in here. They are major. They deal with all of the main buildings of the parliamentary precinct, the East Block and the West Block. We also have the Macdonald building as well.

Mr. Peter Braid: The Sir John A.—

Ms. Michelle d'Auray: Yes, I mean the Sir John A. Macdonald Building and the Wellington Building.

My colleague Pierre-Marc Mongeau has had a very rigorous approach to both the tendering and the project management. As you can imagine, when you are refitting heritage buildings, all kinds of things can be uncovered and found. Some good and some more intricate, if I can put it that way. There is very tight project management. There are very tight controls. There is an ability to reallocate and focus more specifically when we identify issues that arise. Essentially, the projects at this point are all on track. The budgets and the control mechanisms that are followed are quite significant. They're quite tight.

• (1225)

The Chair: I'm afraid that's all the time we have for that subject. Thank you.

Next, from the NDP, we have Denis Blanchette.

[*Translation*]

Mr. Denis Blanchette: Thank you, Mr. Chair. I will be sharing my time with Ms. Duncan.

Ms. Forand, we were talking about capital expenses just now. So now we are going to talk about operating expenses. We will go in logical order.

In the 2012-2013 main estimates, there is a slight increase in spending over what had initially been planned. However, because you are increasing capital spending by a large amount, there is a draconian decline in operating expenses. In fact, there is a more than \$200 million difference between what you actually spent in 2012-2013 and what you plan to spend in 2013-2014. That amounts to a reduction of more than 15%.

Apart from the best practices that exist and all that, what are you going to do, to cut your budget by 15% without cutting services to users, who are the ones who provide services to the public? I have a problem with this. I see it as a bit of a steep decline. Thank you.

Ms. Liseanne Forand: Thank you for the question.

Obviously, the difference between the spending initially planned in the 2012-2013 budget and our final expenses can be explained by the fact that there were some increases during the year. They were the result of transfers between the departments and Shared Services Canada, in particular. You will understand that after we set the budgets for Shared Services Canada, some calculations were reviewed to find projects or money that should or should not have been included. That is why we ended 2012-2013 with a surplus, if you like, as compared to what we had the year before.

As I said in my opening remarks, we are starting this year with a reduction of \$121 million dollars, compared to last year. That is attributable to the \$89.6 million in cuts that we made after the 2012 budget, in particular. We planned those reductions precisely to avoid repercussions on services to partner departments. The cuts are made through contracts and cost reductions.

For example, a new cell phone contract for the Government of Canada has cut the cost of using cell phones to \$5 per month. Since we are responsible for that contract, unlike all the departments, we can collect that money, which represents savings. That is how we have been able to realize major savings.

Mr. Denis Blanchette: I will yield the two minutes I have left to Ms. Duncan.

[*English*]

Ms. Linda Duncan: Mr. Chair, at this time I'd like to move a motion related to the testimony we've heard on the integrated relocation program. That motion is:

That, the Standing Committee on Government Operations and Estimates invite the Minister of Public Works and Government Operations and officials to appear before committee to provide an update on any specific measures taken, if any, to address issues and concerns with procurement for Relocation Services under the Integrated Relocation Program, including:

1. Revisions to policy and practice in response to concerns and recommendations in the November 2006 Report of the Auditor General,

2. Revisions to policy and practice in response to the judgment and award against the Government of Canada in the case of Envoy Relocation Services Inc. vs. The Attorney General of Canada, which held that the Crown breached express terms of the RFP, breached its duty of fair and equal treatment in the conduct of these procurement process in relation to property management component of the RFP, that the weighting in the selection formula was intentionally amended to one particular bidder and that the Crown's conduct on the issue of amending the selection formula constituted in bad faith.

3. Any additional changes to the relocation program procurement processes.

The Vice-Chair (Mr. Peter Braid): Mr. Cannan.

Hon. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

I think all of us around the table have concerns about this specific contract and it is a legal matter that's being reviewed. I think it's most appropriate that we don't comment until all the officials have had a chance to review and come back. The specific request should be dealt with in future business so I move to adjourn debate.

• (1230)

The Vice-Chair (Mr. Peter Braid): We have a motion before the committee at this time to adjourn debate on this particular matter, which is immediately votable, so I will ask for those who are in favour to adjourn debate on this motion to raise their hands.

(Motion agreed to)

The Chair: We return to the questioning of witnesses with approximately one-and-a-half to two minutes remaining.

[Translation]

Mr. Denis Blanchette: You gave me an example of savings, but between you and me, we have to agree that a \$200 million reduction means reducing services somewhere. I do not see how you can simply try to optimize things. A \$200 million reduction is still a 15% reduction, and that represents a lot of people.

Where did you decide to make those cuts, to achieve that objective? I would like to get a more specific answer on that.

Ms. Liseanne Forand: Thank you for the question.

Our reductions are limited to the ones I have described, that is, the ones that were made under the budget. The other savings we are going to realize relate much more to changes in how we operate.

Before, some things were done 43 times, but now, we are studying a method of delivering services to the partners that is more horizontal. In other words, rather than managing 485 data centres, one or two at a time, we are doing it on a horizontal operational line. Everyone manages them together.

That is how we are changing our operating method.

Mr. Denis Blanchette: Are you telling me that you have already made this change, that these 485 data centres are now being centrally managed?

Ms. Liseanne Forand: We are initiating the process for changing the way we operate. It is not entirely finished. We are moving gradually, to go from one operating method that is entirely vertical to a much more horizontal service delivery method. We are realizing savings based on this new way of doing things.

As well, as I said earlier in answer to another question, we have discovered a lot of overlap and other cost reduction opportunities.

The Vice-Chair (Mr. Peter Braid): Thank you, Mr. Blanchette.
[English]

Next we have Mr. Ron Cannan.

Hon. Ron Cannan: Thank you, Mr. Chair, and thanks to our witnesses. Thank you, Michelle, for the arm twisting to keep Mr. McBain around. Your wisdom and experience are greatly appreciated.

I have a couple of questions. In your preamble you talked about how Shared Services Canada is 18 months young. You've done a

great job. One of the recommendations is to dedicate \$20 million of your existing funding to improve the capacity of telepresence and other comparable technologies. Could you maybe explain that a little bit more?

I know my wise colleague across the way, Mr. McCallum, has alluded more than once to the fact that sometimes you have to invest some money up front in order to see those savings down the road. Could you elaborate a little bit not only on the dollar savings but some of the efficiencies of staff and productivity that go into play with this improved technology?

Ms. Liseanne Forand: Thank you for the question.

As I mentioned a little earlier, we did spend some time further to the commitment that was made in budget 2012 looking at the use of video conferencing across the Government of Canada. One of the things we did as part of that work over the last year was to engage with industry. We issued a request for information, and we met with industry and talked about what some of the new directions for video conferencing or telepresence are and some of the benefits associated with it. That very much informed the proposals we made in terms of further investments.

To your question of productivity, one of the areas that is particularly promising in terms of additional productivity, and it is really where the video conferencing world is going, is not so much room-based video conferencing but desktop-based video conferencing, really to permit ubiquitous video conferencing, whether it's from a mobile device, a tablet, laptop, or from a desktop. That's one of the things that informed our thinking in terms of the kinds of investments that might be required in the future and some of the benefits it might bring.

If I may mention one final plug for our major transformation programs, the network consolidation and network simplification we were talking about will greatly enhance the capacity for ubiquitous video conferencing by giving us the ability to greatly expand the bandwidth available at the desktop.

• (1235)

Hon. Ron Cannan: I appreciate that. One of the analogies that has been shared with me is the fact that if one government official goes up to Toronto for a one-hour or two-hour meeting, it basically takes all day, sometimes an overnight trip, whereas they could have that meeting for two hours, be back at their desk, and have a full productive day. It's a very good investment and I appreciate your perseverance on that.

Going back to the RPPs and trying to simplify understanding the budgeting process is one of the goals of our committee. We've been working on this for over a year. It's still very difficult. On page 13, above the expenditure profile and departmental spending trend, there's a paragraph there. It says:

Figures for 2014-15 and beyond include appropriations only as the Department has no vote-netted revenue authority beyond 2013-14.

Could you explain what “no vote-netted revenue” means?

Ms. Liseanne Forand: Thank you.

Shared Services Canada does include vote-netted revenue as part of the funding it uses to operate. That's due to two things. Number one, some of the funding that was transferred to Shared Services Canada from the 43 departments is made up of revenue from those departments. To use HRSDC as an example, in terms of the funding transferred to Shared Services Canada it would have included appropriations as well as revenues that it receives. The EI fund, for example, is one such revenue source. We also receive revenue for non-mandatory optional services that we offer on a cost-recovery basis to departments.

When Shared Services Canada was first established, one of the first things we had to do was to go to Treasury Board and get authority to respend revenue. That was done very quickly, within about three months, and at that time the Treasury Board gave us the authority for the first two years only. We are required to go back to Treasury Board this fall and renew that authority to respend revenue.

Hon. Ron Cannan: You're in a probation period. You're being trusted, and I appreciate the good work you're doing.

Moving over a couple of pages to page 15 of the RPP, it talks about efficient and effective IT infrastructure services being delivered to the Government of Canada having a reduction over to 2014-15.

Can you maybe elaborate on what factors are contributing to increasing your budget?

Ms. Liseanne Forand: Thank you for that question.

It represents a reduction of \$121 million and the bulk of that is the savings and contributions that we're making further to budget 2012. Those savings are due primarily to being able to harvest the savings associated with better contracts, better pricing.

One initiative that we're rolling out this year is called modernizing telephone services across our partner departments. We are doing such things as moving from land lines to cell phones for employees whose jobs are amenable to that, as well as moving from old-fashioned phones to voice over Internet protocol phones, as well as eliminating land lines that aren't being used that are hidden in the walls and that we're still paying for.

Those sorts of things are all included in that reduction. So that's worth about \$90 million of the \$121 million and the balance is adjustments that are still being made back and forth between some departments that gave us too much money and some departments that didn't give us enough, as well as other funding that we would have received for projects last year, for example, that are not continuing this year, and one-time funding for a wage settlement last year. So they're small items on all those fronts.

• (1240)

Hon. Ron Cannan: Thank you very much. Those savings are music to the ears.

I know the folks in the back row behind you are also working hard fixing the precinct buildings, so I thank you all for working very diligently.

The Chair: Thank you, Ron.

Next for the Liberals, Mr. John McCallum.

Hon. John McCallum: I'd like to come back to the question of ships, and in particular, how many of them you can buy for a given amount of money. I know this has been a matter of controversy.

First we were told the inflation rate was really low and then we were told there wasn't any inflation, which has a huge impact when you're talking about 20 to 25 years. I know from my time at Defence that the military has a strong tendency to lowball procurement costs, and I suspect that hasn't changed.

Most recently, I think last month, defence minister Peter MacKay was asked how many Arctic offshore patrol vessels could be bought with the money we had, and he said he didn't know. Approximately how many Arctic offshore patrol vessels can we buy with the money we have?

Ms. Michelle d'Auray: Thank you for the question.

I think we have a significant amount of material in the public domain that we certainly can make available to the committee, but essentially the approach that we are now taking, and have indicated we are taking with the shipbuilding strategy, is to go to a design and then production. So we have issued a design contract to Irving to get at the most effective design, and based on that, we will then be able to ascertain the production costs so we can get a sense as to how many of the ships can be produced with the most effective design.

Hon. John McCallum: Can you tell us what inflation rate is being assumed?

Ms. Michelle d'Auray: I can certainly provide you with that information. I do not have it on hand with me today.

Hon. John McCallum: Because I think the dollar estimates of numbers of ships was made in 2010, and I think costs might have changed since then. I think it would be useful if you could provide information to the committee on the anticipated number of ships and inflation assumptions.

Ms. Michelle d'Auray: Mr. Chair, I think we have put out that material publicly, so I will provide you what we have put forward in that regard.

Hon. John McCallum: Okay.

Madame Forand, do you have a business plan, and if so, could you share it with us? I think earlier you were talking about a transformation plan that you are still working on. So I wonder if, either in terms of the transformation plan or a business plan, you would be able to share it with us when it's ready.

Ms. Liseanne Forand: Thank you, Mr. Chairman.

As I recall, I think we provided our integrated business plan for the past year, 2012-13, to the committee—

Hon. John McCallum: Oh, okay.

Ms. Liseanne Forand: —and we will be renewing or updating that business plan for the department's business for 2013-14. We should have that integrated business plan for 2013-14 by June of this year.

Hon. John McCallum: Thank you.

I think you've dropped from two programs to one program in your program alignment. If that is correct, it does make it a little bit more difficult for us to know what's going on. Is that the case?

Ms. Liseanne Forand: No. We have had a single program from the beginning.

Again, a little bit like my answer before about the vote-netted revenue, we had to go to Treasury Board within three months of the establishment for our program alignment architecture. That was done very quickly, and at that time we had identified a single program.

We do have a date with Treasury Board to go back on our program alignment architecture, going forward. We're doing the work with respect to that now. Now that we know a little bit more about the business, and we know a little bit more about the work we have to do, we're going to be taking another look at that and going back to Treasury Board with that next fall.

Hon. John McCallum: Thank you.

I think in the budget implementation bill, PWGSC was given new authorities to do business with other levels of government, outside the federal government. I wonder if you could explain a little bit what that implies. Does that mean you'll need more money, or maybe you'll make money?

• (1245)

Ms. Michelle d'Auray: Thank you for the question.

What we have in the budget implementation act is a streamlining of the ability, which was already in the public works act, to provide services to the provinces and territories or other levels of government, but we have to do it every single time, for every single request. This makes it a lot more streamlined for provinces, territories, and municipalities that want to, if I can put it this way, piggyback or take advantage of the purchasing power of the Government of Canada. It's going to be more a savings for them—to be able to benefit from our purchasing power—than it is an earned revenue for us or an increased savings for the federal government. But it is to create an opportunity, if those other levels of government wish to take advantage of our purchasing power.

Hon. John McCallum: Thank you.

The Chair: Thank you, Madam d'Auray.

Thank you, John.

Next, for the Conservatives, we have Bernard Trottier.

Mr. Bernard Trottier: Thank you, Chair.

I'd like to direct my questions to Madame Forand of Shared Services Canada.

As you know, we've been a big supporter of this whole initiative to streamline the way things are done in the federal government, especially the notion of removing some of the redundancies and some of the operational inefficiencies that are created by these silos.

You alluded to it earlier about the data centre consolidation. Obviously, it's something that has a pretty big impact when it comes to cost, going from 300 data centres down to 20. There are obviously some benefits when it comes to environmental things, when it comes to cooling expenses, and also when it comes to security.

Above and beyond the cost savings, could you explain what this means in terms of data security and removing points of vulnerability when it comes to data centres?

Ms. Liseanne Forand: Thank you for that question. It's a very important topic, the question of IT security.

I mentioned earlier that complexity and diversity drive costs. I think it's true that complexity and diversity are not necessarily the friends of IT security either. So we are looking to simplify things and standardize things as much as possible. We know that will also increase the security posture of the Government of Canada with respect to data centres.

But I think the most important element and the most important factor that will contribute to an increased security and enhanced security posture for the Government of Canada is the fact that we're going to be building security in from the outset. So all of our networks and all of our data centres were built one by one by individual departments, and they built them for their own security purposes, but not necessarily in any interconnected way or with any plan. Some of these started being built 40 years ago. Some of our data centres are 30 or 40 years old. At that point, I don't think IT security was where it is today, in terms of a priority, because the world hadn't evolved as it has.

So we will be building for the future, building security in from the outset. On that, we're working very closely with Communications Security Establishment Canada and its expertise, in terms of what's needed. So we're confident that the final configuration, the data centres themselves and the networks between them, will demonstrate greatly enhanced IT security.

Mr. Bernard Trottier: Now, I mentioned the environmental benefits. I don't know if people appreciate to what extent big data centres actually generate a lot of heat and what cooling expenses are associated with that. Have you quantified the green benefits of data centre consolidation?

Ms. Liseanne Forand: We've certainly, by this point, done a full inventory of our costs in terms of heating and cooling, and in particular, power and cooling. One of the things, in fact, that you notice when you walk into some of our larger data centres is that there's so much room left, and they're only two-thirds full. That's because we've run out of power and cooling capacity for that space. There's lots of floor space, but there's not enough power to do it.

A big objective of this initiative is to be much more efficient with respect to cooling. Just by reducing the number of data centres, by situating them where we can optimally get the best arrangements in terms of power costs and that sort of thing, we anticipate significant savings in that area as part of the whole process. With the requirement for storage and data management increasing, not just in the Government of Canada but all across the private and public sectors, that may generate actual savings or it may be a case us doing much more with the same amount of money.

• (1250)

Mr. Bernard Trottier: The bulk of the estimates for Shared Services Canada is around IT services. There is this other collection of services, internal services. It's a bit cats and dogs, if you will pardon the expression, but it includes things like legal services, HR, real property services, material services, acquisition services, and travel. Can you describe your progress in providing consolidated shared services in those areas?

Ms. Liseanne Forand: Thank you for that. I'll think of your cats and dogs when I think of Madam Rallis and what she's responsible for going forward.

It's true that a lot of different services are provided under that. When Shared Services Canada was established, we made a commitment to ourselves, as well as to the government, in terms of the savings that we could achieve. We were going to develop the leanest possible corporate services model in the Government of Canada.

We have done that, and we are leveraging things like automation. For example, we are one of the departments in the pilot for electronically available ATIP services, for example. Wherever we have been able to, we have partnered with other departments. We've partnered with Public Works, in fact, for the financial system and with Agriculture Canada for our HR system.

We're really looking to maintain a very lean posture, but to nonetheless provide all of the internal services to our staff that they require. They're located all across the country, including in the north, and so we've leveraged technology, virtual management, and virtual team kinds of processes in order to be able to do that.

Mr. Bernard Trottier: Thank you very much.

The Chair: Thank you, Bernard.

Linda Duncan has asked for the floor and then Peter Braid, and then that will pretty well wrap us up for today.

Ms. Linda Duncan: Thank you.

I have one follow-up question, which follows very well on that of my colleague Mr. Trottier, who always asks excellent questions.

Speaking of cost savings from electricity, you're probably aware—or you may not all be aware—that our committee has been doing an intensive review of energy efficiency and of how much attention the federal government is giving to the potential cost savings. In your report on plans and priorities under just about every other category you talk about how you're going to save money for the government. I find it puzzling that there's absolutely zero mention of the potential monumental cost savings from energy efficiency.

I'm wondering if you could speak to that and whether or not Public Works has been making recommendations to the government on how they could further bring down their deficit by making a greater upfront and more expedited investment in energy efficiency—rather than reducing the employment numbers—and thereby in the long term saving money for taxpayers.

Ms. Michelle d'Auray: Thank you for the question. I assume it's directed to Public Works.

I believe the committee has asked for and has received, or will receive shortly, some fairly detailed information on what steps and what types of initiatives we have taken to address some of your questions on energy efficiency, on the buildings and on the kind of work we have done to address some of those specific questions.

As for your more specific questions today, I would ask Mr. McBain to address those.

Mr. John McBain: Thank you for the question.

As you know, when we appeared before this committee on this particular topic as well, we consider this to be an integral part of our business and so it is built into what we do. As the deputy indicated, we have provided a list of numbers in terms of projects that include energy efficiency as part of them, so that is part of the detailed information that is coming to the committee.

When we appeared, I spoke to the energy savings that the branch for the department has been able to realize since 2005, representing a 17% reduction in our costs.

Ms. Linda Duncan: Perhaps I can just interject here, Mr. McBain.

You've actually given us great testimony. My question is to your report on plans and priorities and your budget. While in every other category you're showing where you can have cost savings by cutting this, that, and the other, there's absolutely no mention in here....

You talk about reducing the environmental footprint, but there's no mention whatsoever in the report on plans and priorities about money that could be saved to taxpayers by putting greater attention to this. I'm just puzzled as to why that's not mentioned there, where it comes up in every other category.

Mr. John McBain: It hasn't been highlighted specifically—that's clear, and you're quite right—but it is built into some of our initiatives, such as the workplace 2.0 initiative, which will reduce our footprint and therefore ultimately result in lower energy consumption and lower energy cost.

• (1255)

Ms. Michelle d'Auray: Perhaps I can speak to the specific question as to why we haven't flagged it in the RPP.

Where there is a greening government component to it, whether it's an efficiency reduction or an improvement, we've actually tried to tag it by putting a little “g” beside the activity to show that it is actually linked to our sustainable strategy.

Ms. Linda Duncan: But it doesn't mention cost saving.

I rest my case.

Ms. Michelle d'Auray: The cost savings are integrated, Mr. Chair, in each one of them. They contribute to greening, and the savings are attributed to that. So they're attributed to two specific areas.

Ms. Linda Duncan: Thank you.

The Chair: Thank you, Linda. That's all the time we have for now.

We'll recognize Peter Braid, and that will probably bring us to our conclusion.

Mr. Peter Braid: Thank you very much, Mr. Chair.

Hopefully I'll have time, in our remaining few minutes, for a question or two to our officials still on the main estimates.

Before I do that, I just wanted to ask that we come back to Madam Duncan's motion, which she moved at the outset of the meeting, and have a final discussion on that in our remaining couple of minutes. This relates to the invitation for the minister to attend.

The Chair: The motion was set aside, as per your motion.

Mr. Peter Braid: Right.

The Chair: You'd like to bring it back to the floor as we speak. Is that correct?

Mr. Peter Braid: Indeed. Perhaps we could revisit it briefly—

The Chair: Sure.

Mr. Peter Braid: —and sort of cleanly deal with this.

What I'd like to do, Mr. Chair, is actually propose an amendment to the original motion. Further to my previous suggestions, my amendment to the original motion would read: that the subcommittee look at inviting the minister if the committee's schedule permits it.

The Chair: I'm sorry, where were you going to add that language to the motion?

Mr. Peter Braid: Well, I suggest that this would become essentially the motion that we discuss.

It's standard practice for this committee that all items of committee business be discussed, and fully discussed, at subcommittee. I'm suggesting that the original motion be revised to read as follows: that the subcommittee look at inviting the minister if the committee's schedule permits it.

The Chair: Okay.

You've heard the amendment, that the subcommittee shall look at inviting the minister, etc., to appear if the schedule permits.

Now, you're talking about the schedule of the subcommittee or the schedule of the minister?

Mr. Peter Braid: The schedule of the committee.

The Chair: Of the committee. Well, we're scheduled to meet at one o'clock tomorrow afternoon, and I'm sure we could find room.

Mr. Peter Braid: Let's discuss that at the subcommittee and look at the schedule and the committee business, as we do within that forum.

The Chair: My only comment is that I think that's exactly what would have happened anyway. I mean, we deal with these things at subcommittee, and we're scheduled to.

Does anybody want to debate this?

Linda.

Ms. Linda Duncan: I don't accept the amendment, because as you say, Mr. Chair, that is precisely what the steering committee—and then the committee—does. We revisit where we could put this in the agenda.

I just don't see it as a necessary amendment. I don't favour it, because it simply would allow for the Conservatives on the committee to vote against finding any room on the agenda.

The Chair: Just to be clear, there's no such thing as a friendly amendment at committee. He's moving a subamendment. All you can do is vote it down, if you choose to.

Let's put the amendment on the floor.

Go ahead, Mr. Cannan.

Hon. Ron Cannan: Just to clarify, though, on Ms. Duncan's original motion, that wasn't intended to go to the subcommittee. It was to be voted on right here, to deal with it right now.

The Chair: Yes.

Hon. Ron Cannan: Mr. Chair, you said that was the intention of Ms. Duncan's motion, and I just wanted to correct the facts.

Thanks.

The Chair: I was only saying that I had no doubt the issue would have been raised at our planning committee meeting tomorrow.

(Amendment agreed to)

The Chair: The amendment is carried.

Any further debate on the main motion?

Mr. Mathieu Ravignat: I have a point of clarification because I am not exactly sure what we're going to be voting on. Does the rest of Madam Duncan's motion remain the same?

The Chair: Yes. The only amendment made to the motion was to include the word "subcommittee" and to look at inviting the Minister of Public Works and Government Operations and officials to appear if their schedule permits.

Mr. Mathieu Ravignat: Then the rest of the text remains as it is?

• (1300)

The Chair: Yes.

Mr. Mathieu Ravignat: I just wanted that clear.

The Chair: Let's vote on the main motion as amended.

Ms. Duncan.

Ms. Linda Duncan: I just want to raise a question. I remain procedurally puzzled. I thought the decision was to defer this and refer it to the subcommittee. So, how is it that all of a sudden it comes before this committee again?

The Chair: As a separate motion, he moved to amend this language. He essentially brought up a separate item. Your language, his amendment, it became a matter on the floor as that.

Ms. Linda Duncan: Are we going to have to refer it to the committee again?

The Chair: No, it's open on the floor now as amended.

All those in favour of the motion as amended? Opposed?

(Motion agreed to)

The Chair: Mr. Braid, you had one minute of time left to deal with the witnesses.

Mr. Peter Braid: Thank you very much. We certainly look forward to a discussion about this particular item at subcommittee business.

I have a final question for the officials. I wanted to ask Ms. d'Auray to elaborate on the workplace 2.0 initiative. Specifically, could you provide us with an update on that initiative, the benefits that it will bring to the federal government workplace, and the impact that particular initiative will have on cost savings over time as well?

Ms. Michelle d'Auray: I briefly mentioned in my opening remarks that in the interest of time, I would ask Mr. McBain to give us a brief overview of the status of the initiative at this particular juncture.

Mr. John McBain: Workplace 2.0 is about creating a better work environment for the federal workplace. One of the benefits that it does bring in terms of savings for the taxpayer is a smaller footprint. To date there are seven projects that have been completed in conversion to workplace 2.0 and there are over 100 projects that are under way.

Over time, as we implement it through all the federal workplaces, we will bring our footprint down to a smaller size. We'll save money

in terms of our lease and operating costs. We are creating a more open and transparent, and I would argue greener, workplace, which is important for recruitment and retention of federal workers.

It also allows us to collaborate significantly with our colleagues at Shared Services Canada. We house 105 different departments and agencies. As you can imagine, in the past, there were a lot of vertical arrangements for IT and informatics. We now work exclusively with Shared Services Canada to implement a much more effective and technologically advanced workplace that also saves money for taxpayers.

Mr. Peter Braid: Thank you.

The Chair: Thank you, Peter. Thank you, everyone.

That's it for rounds of questioning. We're going to thank our witnesses for attending on behalf of their minister to present and defend the main estimates for 2013-14.

I think you as the departmental officials must have sensed how profoundly disappointed we are not to have the minister here to defend her own estimates. It's fundamental to our Westminster parliamentary democracy, and it's in keeping with a comprehensive, in-depth study we just did to make our examination of the estimates more robust. It was bad enough when ministers used to come here for two hours, and later we were told they could only stay for one. Now they don't come at all. I can't imagine what could be so important, other than a death in the family or a severe health crisis, that it would keep the minister away from this most important meeting.

Anyway, it's not your problem, not your fault. Thank you for coming and doing a good job and answering our questions.

The meeting is adjourned.

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