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• (1650)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): Good afternoon, everyone. I call this meeting to order. Thank you very much.

Welcome to meeting number 57 of the House of Commons Standing Committee on Government Operations and Estimates.

Pursuant to the motion adopted by the Committee on Monday, March 20, 2023, the committee is meeting on the study of the supplementary estimates (C), 2022-23.

Minister, welcome back. I understand you have a five-minute opening statement.

Colleagues, we are running a tiny bit late, so I'm going to be keeping everyone to their exact time, please, if possible.

Minister, please go ahead.

Hon. Helena Jaczek (Minister of Public Services and Procurement): Good afternoon.

Let me begin by acknowledging that we are gathered on the unceded territory of the Algonquin Anishinabe people.

With me today are Arianne Reza, associate deputy minister of Public Services and Procurement Canada; Wojciech Zielonka, assistant deputy minister and chief financial officer of Public Services and Procurement Canada; Sony Perron, president of Shared Services Canada; Scott Davis, chief financial officer of Shared Services Canada; and Simon Page, assistant deputy minister of defence and marine procurement, PSPC.

I'm pleased to be here to discuss supplementary estimates (C) for both Public Services and Procurement Canada and Shared Services Canada.

To support our activities we are requesting access to additional funding of \$11.5 million for Public Services and Procurement Canada through supplementary estimates (C). Shared Services Canada, for its part, has requested a total decrease of \$15.1 million.

Specifically, Mr. Chair, Public Services and Procurement Canada is seeking access to \$9.9 million to accommodate employees who provide pension services.

[Translation]

The department is also requesting \$2.5 million to maintain the Controlled Goods Program and meet its commitments under the

Enhanced Security Strategy for the examination, possession and transfer of controlled goods within Canada.

The department also plans to transfer \$2 million to Indigenous Services Canada to support indigenous communities as they apply for funding for projects that can generate economic opportunities and benefits.

[English]

This transfer, in addition to the requirement that a minimum of 5% of the total value of federal contracts be held by businesses led by indigenous peoples, will help us to continue to walk the path of reconciliation.

Our work to serve Canadians extends well beyond these initiatives. Managing around \$24 billion in procurements annually, Public Services and Procurement Canada continues to leverage its purchasing power to increase access to economic opportunity for a greater diversity of Canadians, including through the development of a supplier diversity program.

[Translation]

In addition, we are advancing greening government initiatives for federal property and infrastructure. This includes leveraging the use of clean electricity and low-carbon products, as well as integrating energy reduction, waste reduction, and greenhouse gas reduction into all real property projects.

And as public servants return to the office, the department continues to modernize workplaces to make them greener and better meet employees' needs while lowering operating costs.

[English]

These are just a few of our priorities.

Moving back to supplementary estimates (C), as I said, Shared Services Canada's request will see reference levels decrease by \$15.1 million through a number of transfers. The department supports a public service that is responsive to the needs of Canadians through improved service delivery, increased productivity and realized cost savings. Shared Services Canada is supporting other government departments with their projects as they deliver key government initiatives. These investments support government priorities through digital delivery of programs and services to Canadians.

Transfers from the department include \$8.5 million to the Communications Security Establishment for cyber-related projects, providing enterprise end-to-end cybersecurity solutions, as well as for operating and developing the secure communications for national leadership project, providing national leaders access to secure communication technologies.

The department is also transferring \$4.7 million to the Canada Border Services Agency for the passenger protect program to introduce an automated Canadian no-fly list, and \$1.1 million to Statistics Canada for the transfer of surplus for the 2021 census of population project.

• (1655)

[Translation]

Mr. Chair, I have touched upon only some of the important work of my diverse portfolio.

I will be pleased to answer any questions you may have regarding supplementary estimates C for both departments, as well as any other initiatives we have underway.

Thank you.

[English]

The Chair: Thank you, Minister.

We'll start with six minutes for Mrs. Block.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Mr. Chair.

Thank you, Minister, for joining us today, and welcome to your departmental officials as well.

Minister, in these estimates, \$2 million is being sent to the Department of Indigenous Services, seeking approval under vote 1c for the national indigenous procurement initiative. Previous departmental reports have shown zero progress being made. In fact, after the 2021 report showed zero progress, the 2022 report was rewritten so that the progress was hidden in a footnote, but there was still no progress made.

It is good to be able to stand up and say that you want more indigenous people involved in the procurement process, but it would seem that millions of dollars are going towards the administration of an initiative that is getting no results. There was a report from this committee in 2018 that may help. Perhaps you should take a look at it.

I'm wondering how you intend to make serious progress on this initiative, which appears to have been stalled.

Hon. Helena Jaczek: Thank you, Ms. Block, for your question.

Certainly this is an area where the department has spent a considerable amount of time laying the groundwork to ensure that the governance guidance reporting structure is in place to implement the minimum 5% target government-wide.

There has been a lot of work in close collaboration with indigenous partners and other government departments to develop tools and detailed guidance outlining parameters, obligations and available supports. These are being distributed to procurement officers and disseminated through governance committees. We certainly are moving towards achieving the 5% target that has been set. It is a difficult and complex task. The consultation is ongoing with indigenous partners to identify barriers to participating in federal procurement.

I must say that Shared Services Canada—as you know, there are two sides to this department—exceeded the 5% indigenous procurement target in fiscal year 2021-22, with a total value of 6.3% and a volume of 7.8% of SSC-funded contracts awarded indigenous businesses. We expect obviously for this fiscal year, 2022-23, to meet that 5% indigenous procurement target within Shared Services.

Mrs. Kelly Block: Thank you very much, Minister.

Also under vote 1c, Public Services and Procurement Canada is requesting \$9.9 million for “accommodation costs related to pension administration”. Can you please explain to us what this is for and what this means?

Hon. Helena Jaczek: Yes. Thank you, Ms. Block.

Certainly, I looked into that header as well. The \$9.9 million in funding for this current year is essentially for office space for employees who provide pension services. In essence, as I understand it, it does require additional funding.

The employees concerned are providing pension services related to the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Canadian Forces pension fund and reserve force pension fund. It has been broken down by specific department where this is required.

• (1700)

Mrs. Kelly Block: Thank you very much.

I'll follow up on a couple of questions.

Why is there a line item specifically for accommodation costs for pension workers distinct from other public servants' accommodation costs? Secondly, why is it not included in the third appropriation of “non-discretionary expenses associated with Crown-owned buildings and leased space”?

Hon. Helena Jaczek: Certainly, I presume it's for pension fund employees because that was where the need was.

On why it is exactly documented in that particular fashion, I think I should perhaps turn to our chief financial officer.

Wojo.

Mr. Wojo Zielonka (Assistant Deputy Minister and Chief Financial Officer, Department of Public Works and Government Services): Thank you, Minister.

I'll just comment that, because those pension plans are separate entities, they are required to essentially reimburse the government for the cost of accommodations. That's what that charge is. In essence, the \$9.9 million is their reimbursing us for the space that they're using.

The plans are a separate entities in themselves.

Mrs. Kelly Block: Thank you very much for that answer. I'll move on to another topic.

Minister, according to a November 21 briefing note for Minister Fortier, approximately \$685 million had been paid in damages relating to the Phoenix pay system up to that date, including \$125 million in the preceding year.

How much money continues to be set aside to pay for the damages related to the Phoenix pay system?

The Chair: I am afraid that is our time. Perhaps you can provide that in writing or in a response to one of our other colleagues here.

Mr. Bains, you have six minutes, please.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for joining us again, and to all of your colleagues here.

Minister, as the MP for Steveston—Richmond East, I can tell you that shipbuilding is very critical to the prosperity of not just my constituency but to the maritime sector in British Columbia and Canada as a whole. In an increasingly unstable world, the national shipbuilding strategy is an investment in the future of our security, which will create good-paying, generational jobs for Canadians.

Could you please give the committee a general update on the national shipbuilding strategy and its progress?

Hon. Helena Jaczek: Thank you very much, Mr. Bains. It's good to see you in person here, I think, for the first time. It's good news.

Thank you so much for this question. As you've alluded to, the national shipbuilding strategy does create good, middle-class jobs across the country. As I think everyone's aware, this is a very long-term investment that is delivering results now. We have ships for the navy and the Canadian Coast Guard, as well as, of course, the economic growth potential for Canada, particularly as it relates to your area on the west coast.

Six large vessels and numerous small ships have been delivered. Many more are under construction across Canada. The national shipbuilding strategy contracts awarded between 2012 and 2021 are

estimated to contribute close to \$21.26 billion to Canada's gross domestic product and create or maintain—in fact somebody has done a very careful calculation—18,239 jobs annually between 2012 and 2022. Anyway, it's a very large number.

Mr. Parm Bains: Thank you for that.

As you know, we heard a little bit before about diversity in procurement. In January 2022, PSPC launched the supplier diversity action plan, which aims to increase participation for under-represented groups. One goal of the action plan was to ensure that a minimum of 5% of the value of their contracts was being awarded to indigenous businesses. I know you shared that for Shared Services there has been an increase of up to 6.3%.

Where else has our government made improvements? What programs have worked? Can you talk about that?

• (1705)

Hon. Helena Jaczek: Yes, it is certainly something that our government is absolutely committed to, especially when it comes to small and medium-sized businesses, in terms of ensuring that the ownership of such businesses is more diverse. It is something that we take very seriously. There are obviously many different under-represented groups.

We have created an organization, Procurement Assistance Canada, that is there specifically to assist individuals. I've discovered that perhaps this isn't as well known across the country as it might be. I had a recent round table, in fact, in Kitchener. The groups we were talking to were unaware of some of the assistance that's available. A lesson that we learned was that, obviously, through Procurement Assistance Canada, there is the ability for under-represented groups to understand their opportunities to bid on various government procurement opportunities.

Mr. Parm Bains: The Canadian government has done a great job in procuring protective equipment in order to protect Canadians during COVID-19. Can you speak to how our efforts ensure that we have the PPE and rapid tests to protect Canadians currently and in the future?

Hon. Helena Jaczek: This certainly was a source of pride within the organization. I know that the associate deputy minister, Ms. Reza, was working on the acquiring PPE and vaccines through the entire COVID period, and it was a massive effort. I think it was extremely successful, as we've seen. We are one of the countries that was best supplied with PPE across the country through provinces and territories, as well as the procurement of vaccines.

If there's any time left, perhaps the associate deputy minister could tell us about that great effort.

Ms. Arianne Reza (Associate Deputy Minister, Department of Public Works and Government Services): Thank you.

The other thing that I could add to it is that there was a tremendous outreach from Canadian domestic suppliers to help us and to pivot their supply lines to support us. We were able to do that first as a targeted set of competitions, and then procure through competitive measures to help those industries. In fact, we had several indigenous suppliers providing us with rapid tests, surgical masks and other commodities.

Mr. Parm Bains: Thank you.

The Chair: Thank you, Mr. Bains.

Mrs. Vignola, you have six minutes, please.

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you, Mr. Chair.

Ms. Jaczek, Ms. Reza, gentlemen, thank you for being with us.

On Monday, the Parliamentary Budget Officer told this committee that it was worrying to see both record spending on consultants and record numbers of civil servants.

The current number of civil servants is about 1% of the population, which is also growing. What is worrisome is that in both cases, these are record numbers, but there is no significant improvement in services. We can mention here the problems with immigration, passports, family allowances, employment insurance, and so on.

I would like to know, given that the need for emergency services has decreased since the peak of the pandemic passed, why spending on professional and special services is not returning to the levels we experienced before the pandemic.

[*English*]

Hon. Helena Jaczek: Thank you, Madam Vignola.

I think this broader question of the use of outsourcing of professional services is one of considerable interest to this committee. Also, internally, we're certainly looking at this very closely through a number of different mechanisms.

First of all, PSPC does require other departments and agencies to identify and define their requirements for outsourcing, and we respond appropriately. We as a department also do outsourcing as well. The decision to hire additional public servants to meet a growing demand as it continues to grow across government or to pursue professional—

• (1710)

[*Translation*]

Mrs. Julie Vignola: I apologize for interrupting, Ms. Jaczek, but the question is about when we will see a decrease in the use of consultants, as they are normally used for emergency services and not for core services. Core services are predictable.

When will we see things return to the way they were before the pandemic? I totally understand the way things work, the fact that you have to respond to requests from other departments, and so on. But I would like to know when we will see a situation like before the pandemic, or at least an improvement in services.

As we are hitting record highs, both in consultant spending and in the number of public servants, the state machine should be in exceptional shape and remarkably efficient, but it is not now.

How can we improve this situation?

When will consultants be hired to provide only emergency services, not core services?

[*English*]

Hon. Helena Jaczek: We assess the need for professional services on an ongoing basis. Quite honestly, the pandemic obviously required a number of these services to be provided on an urgent basis, but our government is an ambitious government. We have an ongoing number of new initiatives. I can only reference things like acquiring dental care through a third party provider. There may be many instances where we require some additional assistance in terms of professional services provided by outside consultants.

The vast majority of Public Services and Procurement Canada contracts for goods and services are for work that cannot be and has traditionally not been carried out by public servants, such as construction services, renovation work and shipbuilding. The list goes on. I'm certainly not going to commit that there's going to be the need for fewer professional services provided by outside workers.

[*Translation*]

Mrs. Julie Vignola: Thank you.

In 2003, the Translation Bureau had 1,200 translators and interpreters. According to the numbers I found, it now has about 825. According to the Open Government site, Public Services and Procurement Canada, or PSPC, paid \$200 million to subcontractors for interpretation.

When do you expect to get back to at least the 2003 number of interpreters and translators, which was 1,200? This is a minimum, since hybrid work is increasing the demand tremendously. I'm talking about interpreters, trained by and for the House of Commons, who meet House standards, who follow the same laws, rules, and specifications of excellence as those who are here now.

[*English*]

Hon. Helena Jaczek: The world has certainly changed since 2003. I think everyone is very well aware that the demand for interpretation services has been fluctuating greatly. We have been doing everything we can to increase and optimize our interpretation capacity while, of course, protecting the health and safety of the interpreters—that's a very important aspect—but the translation bureau has been facing an unprecedented volume of remote interpretation requests.

We are working very hard to work with clients to plan and monitor demand carefully. We have been expanding our pool of accredited interpreters. The translation bureau holds regular accreditation exams. It is open to people who need—

The Chair: Thank you, Minister. That's our time.

Mr. Johns, you have six minutes.

Mr. Gord Johns (Courtenay—Alberni, NDP): Thank you, Minister, for being here. Thanks to all of the public servants who are here with you, for their important work.

Minister, your department is responsible for operating and maintaining the Phoenix pay system that was brought in by the Conservatives in the government previous to yours and was expected to save \$70 million a year. It's turned out that it has cost \$2.4 billion and counting in taxpayers' money.

I've heard from many constituents, and I'm sure you have too. They're dedicated public servants who are still waiting for the pay they're owed. Some of them might even be sitting here at the table. In many cases, they're owed thousands of dollars because of this Phoenix disaster and outsourcing chaos, which was a sole-source contract by the Conservatives at the time, as you know.

I'm thinking about Camille in my riding. She has been trying to get the payments owed to her for over five years. My office has been working with her for two years, and still there's nothing. The only response that we're getting is that her file is open and waiting to be assigned to a compensation adviser. That is pretty ironic because Camille, seven years ago, was told she wasn't needed as a compensation adviser, because there was a fancy new payroll system coming in.

Tina in Port Alberni was a dedicated public servant for 30 years. Instead of enjoying her well-deserved retirement, she's still waiting for her missing wages.

People have lost their homes. Alex from my riding has been waiting for months for his severance pay and his final paycheque, and now he's worried about his family. They might end up on the street, because he has fallen behind on his mortgage.

Minister, when will these former public servants and public servants like Alex receive the payments that are owed to them?

What is the immediate plan to fix Phoenix so that thousands of public servants like Alex, Camille and Tina don't continue to suffer financial hardship and extreme distress? As their employer, this government has the ultimate responsibility to them.

• (1715)

Hon. Helena Jaczek: Mr. Johns, I totally understand the frustration of some of your constituents, and many government employees through the years, with the situation with Phoenix. Obviously, you've detailed some specific situations, and I assure you that, if we need to facilitate those in particular, I'd be happy to accelerate that.

More generally, I think you are aware we are piloting something called the NextGen system, which is a potential replacement for Phoenix and not only Phoenix as a pay system. It will also combine a number of human resource functions as well. We're taking a very cautious approach with this.

Mr. Gord Johns: Minister, time is of the essence. These public servants have lost faith that your government is going to fix this, so this needs to be urgent.

Minister, the temporary help services supply arrangement limits the government to just three situations in which they can use tem-

porary workers. They are when a public servant is absent for a temporary period, when additional staff are required during a temporary workload increase or to fill a vacant position while staffing action is being completed.

Those are pretty specific directives, yet the federal government is Canada's largest user of temp agency workers. As procurement minister, you have the responsibility to adhere to the HUMA report of 2018, which recommended that the Canadian government immediately work to stop using temp agency workers and hire permanent public servants. This report came from a Liberal motion, and it was unanimously agreed to.

What are you doing to ensure that departments are adhering to these rules and only using temporary workers in these three situations? How much is the government spending on temporary workers? When was the last time you audited the departments' use of temporary workers?

Hon. Helena Jaczek: I will turn to Assistant Deputy Minister Reza for those specific questions.

Ms. Arianne Reza: We will have to come back in terms of the volume of the temporary help services. I can assure you that they're signed off and attested by the client department's CFO to confirm that the need is short term and that it's really very precise and needed. They draw down on the tools that PSPC sets up for them to use, and then they report in to the department in terms of the use of those tools.

Mr. Gord Johns: Mr. Chair, can I ask for the will of the committee to ask them to table those documents?

Thank you.

Minister, in early February, I asked you about ACTRA workers. I want to check in with you on that situation to see what you've done about it. Your advertising, Cossette media, has been locking out their workers, the ACTRA union. This is a major Government of Canada contractor, and I don't believe that it's appropriate for the Government of Canada to provide contracts to companies that are hiring scab workers to replace unionized workers.

You've talked about passing anti-scab legislation, so I hope you agree. I'm glad that I brought it to your attention in the last meeting, but when I asked you about that, you had no knowledge of that situation. I got the impression that you were going to look into it. Have you done so? Have you communicated with Cossette? Have you taken any action, or are you going to?

Hon. Helena Jaczek: In response to the February meeting, I certainly did ask my officials to give me an update. As you will recall, we do have an integrity regime that governs cessation of contracts and so on.

Again, I think the associate deputy is probably the most appropriate person to tell us what that contract looks like and what we can potentially do.

• (1720)

The Chair: It would have to be a very quick, 10-second answer.

Ms. Arianne Reza: I can be very quick.

It's media, so there are no actors involved. It's management of media, so we've confirmed that the Cossette contract has no actors involved in it.

The Chair: Thanks. That is our time.

Mr. Johns, for clarification, I'm sorry. I didn't see anyone nod or say no to your request. You moved on.

Can you clarify, please, what you're looking for, and we'll ask? I'm sure the committee is fine with that.

Mr. Gord Johns: Yes, I think Ms. Reza identified that she would be willing to report back to the committee about those three situations where temporary workers are being used, how much the government is spending on them and the last time they audited the department's use of temporary workers.

The Chair: Is the committee fine with that?

That's wonderful.

Before we get to the second round with Mr. Barrett, it looks like we will be going into a vote shortly. We'll need unanimous consent to continue the meeting through the bells and maybe we'll suspend with about five minutes left so we can run up to vote. Is everyone fine with that?

Thanks, colleagues.

Go ahead, Mr. Barrett, for five minutes, please.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Thanks, Mr. Chair.

Thank you, Minister, for being here.

In as brief an answer possible, what does fast-tracked procurement look like?

Hon. Helena Jaczek: I am not clear on the definition of “fast-tracked procurement”, so I will turn to the associate deputy for that definition.

Mr. Michael Barrett: Sure.

Answer as quickly as possible, please.

Ms. Arianne Reza: I don't have the actual wording in front of me, but it means “accelerated”. Usually, the supplier has been vetted and the processes reviewed against a framework agreement.

Mr. Michael Barrett: Okay.

Are you able to tell us how many SIG P320s—those are sidearms used by our men and women in the Canadian Armed Forces—have been delivered to the armed forces?

Hon. Helena Jaczek: I will turn to our assistant deputy minister, Simon Page.

Mr. Simon Page (Assistant Deputy Minister, Defence and Marine Procurement, Department of Public Works and Government Services): Thank you for the question.

Unfortunately, I don't have that number at my fingertips this afternoon, but I can get the information.

Mr. Michael Barrett: Would you be able to provide it to the committee in writing?

Mr. Simon Page: Absolutely.

Mr. Michael Barrett: Thank you.

Do you know how long that process has been under way?

Mr. Simon Page: Again, I don't have the exact figure. I have an appreciation of the process and how lengthy it has been, but I don't have the exact figure on the length of the process itself in years or months.

Mr. Michael Barrett: Could you include that in your written response?

Mr. Simon Page: Absolutely.

Mr. Michael Barrett: Thank you.

With respect to the heavy logistics vehicle wheeled and the light support vehicle wheeled used by the Canadian Armed Forces, is there a replacement process under way? If yes, for how long? How many new or replacement vehicles have been delivered to our military?

Hon. Helena Jaczek: Again, I'll turn to the assistant deputy minister.

Mr. Simon Page: Thank you for the question.

We don't have a specific replacement project for that fleet of vehicles. We have a specific project going on at GDLS-Canada in London, Ontario, for armoured combat support vehicles. We had a very good start to the project and it remains one in very good standing. The vehicles, as we all know, are part of the donation to Ukraine, so—

Mr. Michael Barrett: That's right.

Mr. Simon Page: —we're continuing with the project now. The company is doing very well in that regard.

Mr. Michael Barrett: There have been a few starts and stops in replacing the LSVWs and HLVWs. They're the workhorses of our land forces. Here in Canada, they're deployed on domestic operations and used in training, and they were sent overseas to Afghanistan. They're older than some of our colleagues sitting in the House of Commons, and they sometimes run for 24 hours a day, for days at a time. They are badly in need of replacement.

Sidearms like the SIG P320s are badly needed.

Do you know how long it took, Minister, to replace the rifles the Canadian Rangers use? Do you know the length of time?

• (1725)

Hon. Helena Jaczek: No, I certainly don't.

I'll turn this over to the assistant deputy minister.

Mr. Simon Page: Thank you for the question.

Again, I don't have the exact figure for these projects, in terms of length or the selection processes run. I will be happy to submit that to the committee in writing.

Mr. Michael Barrett: Have RFPs been issued for portable anti-tank missiles or air defence systems?

Hon. Helena Jaczek: I will pass this to the assistant deputy minister.

Mr. Simon Page: We have processes going on for those systems right now, through the urgent operational requirements process.

Mr. Michael Barrett: Minister, were you not aware those RFPs were issued?

Hon. Helena Jaczek: I am informed by my public officials, on a regular basis, when it is deemed that I need to be aware of a particular situation.

Mr. Michael Barrett: I would say you need to be aware that RFPs are being issued for major defence systems, that we are failing our men and women in uniform by not providing them adequate equipment to do their jobs, and that anti-tank missiles and air defence systems are not able to be deployed in defence of our country, because we don't have them. We have none. I would suggest your regular briefings include information about these processes.

I expect that, when we hear the response from your officials on the amount of time that has elapsed in these processes.... It would be interesting to hear whether there is any history on the HLVW and LSVW replacements. As I said, they're old, and that process has been started before.

The Chair: You'll have to finish up your question quickly, Mr. Barrett.

Mr. Michael Barrett: These are processes that should be at the top of your list of things that you know about, ma'am.

Hon. Helena Jaczek: I assure you, Mr. Barrett, that we respond as soon as the Department of National Defence requests us to move on procurement, and I trust my public officials know that it is my requirement of them.

Mr. Michael Barrett: You didn't even know that—

The Chair: That is our time. I'm sorry.

We'll go to Ms. Thompson, please, for five minutes.

Ms. Joanne Thompson (St. John's East, Lib.): Thank you, Mr. Chair.

Welcome, Minister. It's always good to see your team with you.

Could I ask, before I move into my formal questions, approximately how many RFPs would be open in the department at any given time?

Hon. Helena Jaczek: Again, I will turn to my associate deputy minister.

Ms. Arianne Reza: That is an excellent question. However, I don't have that at my fingertips because there are 400,000 transactions related to procurement every year.

At PSPC we do 37,000 transactions valued at \$24 billion, whether they're an RFP, a negotiation, an invitation to qualify or an invitation for information from the industry. Since there are so

many different moments of time when a procurement is live, having that actual view across all the mandatory commodities that the government buys is a very difficult snapshot in time to produce.

Ms. Joanne Thompson: Thank you.

Minister, could you update us on the progress that's being made on the rehabilitation of Centre Block?

Hon. Helena Jaczek: Thank you, Ms. Thompson.

I had the opportunity just recently to visit that massive rehabilitation project of Centre Block, and I'm happy to say that it is progressing very well.

As I think everyone's aware, it's a very large project. It is on track to be complete in 2030-31. It will take another one year to commission the building, so parliamentarians hopefully will be in place in 2032.

It is literally, as we've all seen, a massive excavation. There's going to be a new approach to the entrance to the House of Commons, from the flame and leading directly under the Peace Tower. There will be connections between Centre Block, West Block and East Block in the future. They're basically down to the load-bearing walls. In other words, all the decommissioned excess materials have been removed.

We feel very positive about the progress that has been made. In fact, we're going to be inviting the media to come and take a look, so they can see the size of the project and just how well the project is going.

• (1730)

Ms. Joanne Thompson: Thank you.

Could you share with us PSPC's delivery of the capital assets and infrastructure projects, such as the revitalization and modernization of block 2 of the parliamentary precinct? Could you also update us on this project and tell us what efforts are being made to ensure that the spaces are accessible for all?

Hon. Helena Jaczek: I think most people are aware that there was a competition for the redevelopment of block 2. As we know, this is on the south side of Wellington—the urban block directly across from Centre Block—and it will really transform what have been some not exactly attractive buildings into an innovative complex. It will, in fact, form a fourth wall of Parliament with the West Block, East Block, Centre Block and then across the street.

There was a competition. It was won by the team of Zeidler and Chipperfield. An independent jury looked at the heritage elements of the buildings and wanted to ensure that the new design could complement what existed there. We're hoping that the indigenous heritage will be incorporated into one of the buildings and work is being done. Of course, for it to be fully accessible is a mandatory requirement in this day and age.

I think we all look forward to seeing that project going ahead.

Ms. Joanne Thompson: Thank you.

If you don't mind, I'll circle back to the supplier diversity program. Could you provide a little more detail on the work your department is doing to assist indigenous groups to prepare and successfully apply for contracts within government, and what you're doing to reduce the barriers in that process?

The Chair: It would have to be in about five seconds, I'm afraid. It may have to wait for another round.

Hon. Helena Jaczek: I wouldn't do it justice in five seconds.

The Chair: I didn't think so. Thanks.

We have Ms. Vignola for two and a half minutes.

Go ahead, please.

[*Translation*]

Mrs. Julie Vignola: Thank you very much.

Ms. Jaczek, the significant contribution that the National Shipbuilding Strategy can have on the Canadian economy was mentioned earlier.

Currently, one shipyard representing 50% of the shipbuilding workforce in Canada is still waiting for its framework agreement to be signed.

This company is not just a business. It also involves more than 1,300 suppliers across Canada, including several hundred in Quebec. That's 1,300 Canadian suppliers who, through the signing of the framework agreement and the contracts that will follow, will also be able to contribute to the economic strength of Quebec and Canada. The framework agreement was to be signed at the end of 2022. We are now at the end of the first quarter of 2023.

Will the framework agreement be signed soon, and when will it be signed?

[*English*]

Hon. Helena Jaczek: Thank you very much, Madam Vignola. I know there's been a great deal of frustration in terms of the length of time that this agreement with Chantier Davie has taken.

However, I would like to assure you that in fact we are very close. You should be hearing very soon. A couple of the conditions that our department required—some additional information from Davie in terms of some of their processes, etc.—have now been forthcoming. I understand that the Government of Quebec has assured the federal government that their contribution is also available.

I would simply like to say that you will be hearing good news very soon.

[*Translation*]

Mrs. Julie Vignola: So we can expect that in the next few weeks we will finally have this news that we have been waiting for at least eight years.

[*English*]

Hon. Helena Jaczek: Believe me, Madam Vignola, you have obviously been a champion for this as have many of our colleagues. There will be good news very soon.

[*Translation*]

Mrs. Julie Vignola: Thank you.

I have another very brief question. You can answer it in writing if necessary.

On Monday, the Minister of National Defence and her senior officials told us that they were not aware of any countries or companies that McKinsey had done business with in the past. I know that you have not had any meetings with representatives of that firm, you have already confirmed that to us.

Are you familiar with the countries and companies that McKinsey has done business with in the past?

• (1735)

[*English*]

The Chair: I am afraid that you will have to get back to the committee or perhaps respond to that in a question from one of our other colleagues, because we're out of time.

We have Mr. Johns for two and a half minutes.

Go ahead, please.

Mr. Gord Johns: The U.S. federal government has invested heavily in electrifying the United States Postal Service fleet. I'm sure you are aware that the Canadian Union of Postal Workers has been told that Crown corporations are not eligible for our green infrastructure funding. This is very important to CUPW, as you know. Canada Post could be a leader in reducing greenhouse gas emissions from buildings and vehicles and in creating a sustainable postal service.

Of all the money in the supplementary estimates being spent to deal with climate change, is there any investment here to address climate change through Canada Post or other Crown corporations? Is there anything in the supplementary estimates being invested in that direction?

Hon. Helena Jaczek: Mr. Johns, as you know, Canada Post is obviously a Crown agency at arm's length from government. It is supposed to manage its finances internally, but I will turn to our chief financial officer to confirm that there is no particular allocation, as far as I'm aware, within these supplementary estimates.

Mr. Wojto Zielonka: That is correct, Minister.

On Canada Post, I do believe they recently announced that they will be moving towards greening their fleet.

Mr. Gord Johns: Considering they're not eligible for this funding and with the tight economic times, obviously you know I'm not happy about the fuel surcharge they're charging, which has gone through the roof. It is critical that they be eligible, especially with the announcement we just heard from the IPCC. It is really important that they be eligible.

Minister, I've talked to you before about this. The expert task force on substance use was very clear. It recommended that a committee should be convened within three months of its report, which was almost two years ago, to lead the design of a national safer supply program to save lives. We're in the middle of a toxic drug crisis. People are dying. I've asked repeatedly.

Has the Minister of Health or the Minister of Mental Health reached out to you to procure a safer supply?

Hon. Helena Jaczek: I personally have not received such a request.

I will again turn to our associate deputy on whether there's been some ongoing discussion at the officials level. I'm not aware of that.

Ms. Arianne Reza: I am not aware of that either. We'll have to go back and see if there's been—

Mr. Gord Johns: What I kept hearing, Minister, from the previous minister of procurement was that she said she had to wait for provinces to request it. You didn't wait for provinces to request COVID-19 vaccines. The federal government took leadership. This is a federal national emergency. People are dying.

The Chair: Thank you, Mr. Johns.

Mr. Gord Johns: The police association made it clear that safer supply is critical. It's an expert-driven recommendation.

The Chair: Thank you, Mr. Johns.

Ms. Kusie, you have five minutes, please.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you, Mr. Chair.

Thank you, Minister. It's always a pleasure to see you. Thank you very much for being here today.

Of course, Minister, we have the visit of President Biden this week. Your counterpart, Minister Anand, whom we had the pleasure of having here at committee on Monday, made last year a \$5-billion commitment to NORAD. Unfortunately, we've seen very little action since this announcement, a theme that I think is all too unfortunate with this government.

Last week we saw the very unfortunate announcement that Australia, the U.K. and the U.S. have moved ahead on their own security agreement and security initiative. I really think this visit from President Biden is a fantastic time for your government to step up and show some initiative, based upon the commitment that Minister Anand made last year of the \$5 billion to NORAD.

I'll give you one example. Our CF-18s are currently using air-to-air missiles that are severely outdated. Could you please provide me with a timeline, for example, as to when we could see new air-to-air missiles—something to give the U.S., who has always been our closest ally and partner, a commitment that we are in this relationship as security equals...or not equals, I should say, but are willing to make some type of investment in this relationship?

● (1740)

Hon. Helena Jaczek: Thank you, Ms. Kusie, and thank you for the important question.

I will turn to ADM Page, who has his finger on this file at all times.

Mr. Simon Page: Thank you very much for the question.

We are working hand in hand—that's the first thing I would like to table—with the Department of National Defence with respect to the requirements that will be behind the NORAD modernization. PSPC, as stated by the minister, obviously is a requirements-based organization. The requirements from the client departments come our way, and then we craft a procurement strategy and the right solicitation process for the various requirements.

We have specific actions under the NORAD modernization portfolio that are in play now. One is with the strategic tanker and transportation capability. We have some big milestones within reach at the moment. Last year, we also issued a contract to Nasittuq Corporation for the north warning system, which is a key part of the NORAD enterprise. We also have some specific pieces from an armament point of view, one of which you mentioned. I don't have the exact details of when and where we are going to get the equipment, but those processes are in motion at the moment.

There are also other things that we're contemplating now with the Department of National Defence, projects that are in options analysis that are slowly going to come our way at PSPC.

Mrs. Stephanie Kusie: Thank you very much for those responses.

I'd like to move on to the issue of foreign interference, which of course the House has been seized with these last few weeks. Of course, we're very grateful that Madam Telford has made the decision to come forward and testify. We're certainly looking forward to any light she may shed on this situation.

Relevant to this committee and to your portfolio, Minister, this committee has previously studied issues related to the government's giving contracts to the Chinese government. I'd like to know if you've issued any directives as of late relative to contracts between our government and the Chinese government.

Thank you.

Hon. Helena Jaczek: This obviously is an important question in relation to essentially cybersecurity, which is a particular aspect that we're very conscious of.

Perhaps the president of Shared Services, Sony Perron, could give us a bit of an overview on how we are reacting to potential foreign threats.

Mr. Sony Perron (President, Shared Services Canada): Thank you, Minister.

Every major procurement we process at Shared Services Canada about technologies goes through what we call the supply integrity chain review. We do not start by saying that we don't do business with this business or this technology. We go through the process and take the requirements. Every technology we procure will go through this process.

We are doing this with the Canadian centre for cybersecurity. They have the expertise. They also have the foreign knowledge to help us identify issues that can come with the technology for the contract we are putting in place.

We are really diligent and strict about this process. This, I think, protects the Government of Canada from a cybersecurity perspective.

Mrs. Stephanie Kusie: Thank you.

The Chair: Thank you. That's your time.

Mr. Kusmierczyk, I understand that you're finishing off for us.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you, Mr. Chair.

Thank you so much, Minister, to you and your team for coming here to OGGO once again and providing terrific insight.

In January, Washington hosted the sixth greening government initiative meeting. There were about 70 countries that were represented in Washington, so I figured I would raise a question in the spirit of President Biden's visit tomorrow.

In terms of our initiatives or strategy of greening real property, again, it's my understanding that you hold the real property of the federal government file as part of your portfolio. I wanted to ask you if you can speak to us about what is being done to help green federal buildings and reduce greenhouse gas emissions.

Hon. Helena Jaczek: Thank you so much, Mr. Kusmierczyk.

Yes, indeed, PSPC holds the real property of federal government buildings and, therefore, it's very important that we take a leadership role in terms of fighting climate change and reducing greenhouse gases whenever we can. There has been some good news. In the last year, PSPC reported a 57.3% reduction in greenhouse gas emissions from its own buildings compared to the baseline established in 2005-06.

One of the conditions in my mandate letter was the requirement that all federally owned facilities use 100% renewable electricity by 2025. In order to meet this objective, PSPC created the national clean electricity initiative. We have been using initiatives such as Atlantic clean energy, the Alberta and Saskatchewan clean electricity initiative and, in the Ottawa region, the energy services acquisition program, which provides heating services to many of the federal buildings. We have been working very diligently on this. The goal is 100% renewable electricity by 2025.

In terms of the renewal projects on buildings, we are working very diligently to ensure that employees are housed in safer, greener and more accessible workplaces. There has been a lot of action to improve buildings' energy efficiency as well as electricity grid improvements. I have heard of a number of examples. For example, in the GTA with the St. Clair building, a constituent of mine told

me that he's particularly proud of the efforts that were made in that revitalization project, and it's a net-zero building.

We are making some very good progress in this area.

● (1745)

Mr. Irek Kusmierczyk: That's amazing to hear, and it's terrific to hear that the government is taking concrete action and steps to green our operations.

To continue on that line of questioning in terms of renewable energy initiatives, the government announced two major initiatives, one in Alberta and one in Saskatchewan, that support Canada's commitment to investing in renewable energy and achieving the goal of net-zero emissions by 2050.

Minister, can you please share the details of some of these investments and tell us how this furthers the government's goals on greening initiatives?

Hon. Helena Jaczek: PSPC signed an agreement with Saskatchewan's main supplier of electricity, SaskPower, to power federal government operations in Saskatchewan using clean renewable electricity. PSPC awarded a \$500-million contract to Capital Power to power federal operations in Alberta with clean electricity.

These two initiatives will help reduce emissions in Alberta and Saskatchewan by about 166 kilotonnes of carbon dioxide equivalent, which is equivalent to the annual greenhouse gas emissions of more than 50,800 gas-powered passenger vehicles. I'm very pleased to see someone try to quantify it in a way that we could visualize.

As you have said, the Government of Canada is taking meaningful action on its commitment to power the federal government with 100% clean electricity by 2025, to fight climate change and to foster a green economy.

Mr. Irek Kusmierczyk: How much time do I have, Chair?

The Chair: You have 12 seconds.

Mr. Irek Kusmierczyk: I will share my time.

The Chair: Wonderful.

Minister, thank you for being with us. That is your time.

While the minister departs, I'll just update you. We're still waiting for word from the House. Apparently there's no vote just yet.

Very quickly, before we continue—I will update you as soon as we know more—at the very end, I need a couple of minutes to go over some of the document issues we've been dealing with. That's the committee business part.

We will continue now with the rest of PSPC and Mrs. Block for five minutes, please.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

I did have some questions for the minister, but I'm sure you folks at the table can answer the question.

The department contracted McKinsey for something called the Phoenix stabilization. There was an article that was published, and we have heard that in one year \$125 million was paid in damages.

If McKinsey was meant to stabilize the situation, why has the problem continued to persist at such a high level?

• (1750)

Ms. Arianne Reza: I'm going to circle back to your first question about damages. It really is the purview of Treasury Board officials to provide a little bit more context.

As it relates to the work that McKinsey did, McKinsey came in through a competitive process. There were several bidders, they competed for it and they brought us some efficiencies. They looked at how to automate the processes we were doing manually better. The more you drive down the manual processing, it creates a positive expertise to help us accelerate to get to a stable state. We're still working on it, but they have been able to quantify some efficiencies from these levels of effort.

Mrs. Kelly Block: Okay. Thank you.

In our study on the government's contracts with McKinsey, we have heard other departments, quite frankly, place the onus on the Department of PSPC. When questioned about why they would choose to work with a firm like McKinsey, they simply say that PSPC has pre-approved McKinsey, so it is a matter for your department to answer for.

What would it take for McKinsey to be banned from contracting with the federal government?

Ms. Arianne Reza: Any supplier who does business with the Government of Canada is reviewed against the government's integrity regime. PSPC is the holder of that regime. There are two main keys. One is if they're convicted of a criminal charge, and the other is if they've faced charges in Canada. That would, then, trigger the review of their ability, suspend their ability or debar the vendor, depending on severity, from doing business with the Government of Canada.

Mrs. Kelly Block: Thank you very much.

We know that McKinsey plays on both sides of contractual agreements. When they are working for a government, they may also be working for a company that is actually lobbying the government, for example, when we take a look at the associates working for Purdue Pharma and the FDA at the same time. They are also working with adversarial regimes to further their interests and are a threat to our values and our allies.

It would seem to me, given we know this about McKinsey, that there would be steps we need to take to strengthen the guidelines that make a company eligible to work for the government to ensure these types of situations don't happen.

Can you tell me whether you would be willing to take steps to strengthen the guidelines, and what that might look like?

Ms. Arianne Reza: There are a couple of different elements to the question. It's to review the regime, the integrity regime, that's in place, and use that as the guideline and the assessment tool.

Furthermore, given the scrutiny and given the study that OGGO is doing, we of course at PSPC.... Our job is to set up the frameworks, the RFPs, the procurement and the clauses, the guidance and the training, so whatever is going to come out of this particular stage will be, of course, reviewed and amplified to ensure we are creating a fair, open and transparent procurement process that departments across the system could avail themselves of.

Mrs. Kelly Block: Thank you.

The Chair: We will now move to Mr. Jowhari for five minutes.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

Thank you to the officials for coming today.

I want to go back to something that one of our colleagues raised earlier about the number of RFPs. You talked about roughly 36,000 or 37,000. I didn't write it down.

Can you share with us what the protocol is for raising any specific RFP to the level of the minister being aware of...? I'm sure the department doesn't go through all 37,000 RFPs with the minister. Is there a protocol or a procedure in place that would identify the ones worthy of being highlighted or of being briefed on?

If you could comment on that, I would appreciate it.

Ms. Arianne Reza: Thank you very much, Mr. Chair.

I should be precise. The 37,000 transactions that are associated with procurement are not all RFPs. They can be amendments. They could be contract terminations. They are all events that we touch.

I should have added in my previous answer that many of the RFPs are posted on the CanadaBuys website, which is a collaborative website that the Government of Canada runs in coordination with all public jurisdictions in Canada so that you're able to see all the RFPs that are live.

In response to your second question, they get elevated due to complexity, due to the procurement plan or due to the risk associated with a procurement. For example, in COVID, there were many emergency authorities that had to be brought into place and many different types of procurement that were elevated to the minister's attention.

There are many different aspects to the answer, but it's really driven by risk, complexity and value. When it's over a certain threshold, depending on the commodity or service we're buying, it will then go to Treasury Board ministers to seek their approval to enter into a contract.

• (1755)

Mr. Majid Jowhari: Thank you.

My next question is around a comment the minister made when she was responding to another question. She talked about dental care. I was quite happy that PSPC is getting involved in rolling out one of the key signature programs that our government is rolling out.

Unfortunately, the minister is not here and I cannot ask her this question, but I will ask this question of any of the officials: Can you tell us about the role that PSPC is playing in the rollout of the dental care?

Ms. Arianne Reza: Thank you very much for the question.

As you are aware, there's an interim dental program in place that Health Canada and CRA are managing. We are looking to help Health Canada establish the longer-term health plan, so we're competing it among service providers. It's an open procurement.

I'll leave it at that for the time being. Thank you.

Mr. Majid Jowhari: It's an open procurement, and it's good to see that PSPC is playing an active role in that one.

The minister also talked about cybersecurity and some of the investments that PSPC is making, specifically with CBSA and the Canada no-fly list zone. I have a lot of constituents who are very much interested in that. Could you shed some light on that and unpack it? I believe there's \$2 million on that. Can you unpack that for us, please?

Mr. Sony Perron: Thank you for the question.

We are transferring back from Shared Services Canada the amount of money that we had been provided to support CBSA for processing their transactions on what we call the "mainframe", which is our supercomputer to manage transactions for CBSA.

Because this program cost less this year, we are sending the money back to CBSA, which is planning to automate the access to this no-fly list. This will make it easier for the workers at CBSA—and also for the passengers and the airline companies—to have access to timely information. For the details of how this is going to work, you would have to ask these questions of officials or the minister responsible for the CBSA, but this is showing that, if we are saving money on infrastructure and technology on one side, we are helping the departments to advance other pieces of the agenda. This is the way to better serve Canadians in the long run.

Mr. Majid Jowhari: Thank you.

I know that I have 30 seconds. I'll yield it back to the chair.

The Chair: Thank you, sir.

We have Ms. Vignola for two and a half minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

I'm going to talk about French, which is one of my favourite topics.

With respect to the contracts with the McKinsey firm, I had a surprise when I read appendix A of the statement of work. In language provision 10 in the contracts, it says that the primary working language is English, with a possibility of English and French. That is fine with me and I have no issue with that.

However, I was surprised by the fact that the deliverables had to be in English only, and not just for one contract, but for several contracts that were read. It also says that the in-person presentation

would be in English, or French, if necessary. So I wonder if Canada is really a bilingual country.

Does anyone, anywhere, realize what happens when only one language is required of a company? In this case, it's English, but it could be French in a bilingual country. Now, when we require a company to give its deliverables in English only, we disadvantage all the French-speaking companies that have to pay extra to have the translation done, whether by hiring bilingual people, sometimes paying them more, or by hiring subcontractors.

Do we realize that we are putting our francophone businesses at a disadvantage, but also francophone public servants, who must continually speak in a language that is not the one they grew up with and in which they would certainly be more comfortable?

• (1800)

Ms. Arianne Reza: Thank you for your question.

I'll answer it in two or three points.

First of all, usually when we buy a service or a product, we always make sure that that service or product is received in both official languages, if it's something like software. If it's a report, the vendor can usually choose the language if there's not a specific request for both languages.

Mrs. Julie Vignola: The McKinsey firm, which has an international presence and a presence in France, is told that there is no problem with them using only English, regardless of whether the staff member is French or English speaking.

That is written in black and white.

Why is the Official Languages Act not respected by requiring all businesses, French or English, to provide documents in both languages?

Ms. Arianne Reza: Thank you—

[*English*]

The Chair: I'm afraid, Ms. Reza, that is our time, but Mrs. Vignola will have one final round of two and half minutes to follow up.

We have Mr. Johns for two and half minutes, please.

Mr. Gord Johns: Today was interesting in the House of Commons. We heard the Prime Minister acknowledge that the government is looking at selling some of the federal buildings, potentially for housing. We know that in the 1970s and 1980s we had a strong co-op housing program. Before the Liberals pulled out of it in 1992, we were developing about 25,000 units a year. Approximately 10% of housing in Canada was non-market housing. I think we're at 3% now. Europe is around 30%.

This is what it looks like when you have 3% non-market housing. You have homelessness. You have housing shortages.

Given the recent Desjardins announcement, just to meet the immigration levels, never mind the housing shortage for Canadians right now, we have to increase housing starts by 50% next year.

I guess my question to you is this: When you're looking at selling properties, are you looking at making sure there are covenants that it's non-market housing? For-market housing has never solved a housing crisis anywhere in the world. Are you looking at safeguards and policies to ensure that, if those buildings are converted to housing, they're going to be staying in the hands of Canadians and used for affordable housing?

Ms. Arianne Reza: Thank you very much for the question.

I think we're just at the beginning of this journey. These types of consultations are really key. We're looking at indigenous consultations, at social housing and at divestiture, working federally with Canada Lands, to see what the different elements are across Canada and how we can optimize that. I think I can take that back in terms of what the next steps would be.

Mr. Gord Johns: Thank you.

I hope that the government will obviously prioritize indigenous housing and working with indigenous communities where those federal lands are.

I asked this question around PPE the other day to the President of the Treasury Board. We had many of these small and medium-sized businesses step up and provide PPE during the pandemic. Then they got pushed out by foreign PPE that was brought in and much cheaper. Really what we've done is depleted our capacity in the future. They're not likely going to step up like they did this time.

I know the policy is to buy Canadian-made, but you're still buying from these big corporations. That's not going to help us in a future situation like this.

Are you looking at changing direction? How are you going to change the process so that small PPE manufacturers here in Canada are bidding—and successfully bidding—on PPE? What are you doing to ensure that?

Ms. Arianne Reza: Thank you very much.

I think the question is actually broader than PPE. I think the minister alluded to the work that we do with Procurement Assistance Canada in terms of trying to bring suppliers of all sizes—SMEs, large-scale—into the procurement—

The Chair: Thank you. We are out of time.

Again, Mr. Johns, you'll have one last round.

Mr. Barrett, you have five minutes, please.

Mr. Michael Barrett: Thanks very much, Mr. Chair. I appreciate the opportunity to follow up with some more questions.

With respect to the logistics vehicles that I was asking about previously, you indicated that there was not a replacement plan under way. Is that correct? Was that your indication?

• (1805)

Mr. Simon Page: On a one-on-one basis, we don't have a pure replacement project for them.

We do have a project called logistics vehicle modernization. It's not exactly the same acronym. That project is with us at the moment. It's in implementation at the Department of National De-

fence. We have two qualified suppliers. We're in the bid evaluation process at this time, and we're going through testing with the two qualified suppliers.

Mr. Michael Barrett: That's a different and better answer to the same question. I like that one better. Thank you very much.

With respect to the Leopard 2 tanks that have been sent to Ukraine, is there a one-for-one replacement—we can use a common language here—for those items? What is the timeline for their replacements to be in garrison and operational in Canada?

Mr. Simon Page: We are in discussions right now with DND for a replacement project for the Leopard tanks. We don't have an exact timeline to share at the moment.

Mr. Michael Barrett: Are you talking about replacing the technology or one-for-one replacement?

Mr. Simon Page: The requirement will come from DND. We are in discussions in this regard.

Mr. Michael Barrett: In the intervening period, there's a capability gap that would exist because the equipment is gone, and there's no interim....

I'll dispense with my question about the capability gap. There is no interim replacement, and there is no projected date for a replacement to be in garrison. Is that correct?

Mr. Simon Page: We don't have an exact, projected date. That doesn't mean that there's not a plan to have a replacement in place. However, right now I cannot give you a specific date. We are not at that stage yet.

Mr. Michael Barrett: With respect to my questions on portable anti-tank missiles and air defence systems, the urgent operational requirements that have been identified.... What's the timeline for those that have been designated as urgent to be in garrison and operational for our Canadian Armed Forces members?

Mr. Simon Page: It's very difficult for me here this afternoon to speak about specific timelines for things that are in motion at this time, for which processes are in play and specific reviewing actions are required. We are tracking specific urgent operational requirements in support of DND and those very specific artillery pieces, and those processes are in play.

Mr. Michael Barrett: Is it 2023?

Mr. Simon Page: I would like to take a pass and get back to you with the precise information, if I could.

Mr. Michael Barrett: I appreciate your offer to get back to us in writing.

The issue of our sovereignty comes into play when we talk about our ability to defend, in particular, our Arctic. That's a real, serious, emerging threat. Are there any plans in the works to accelerate our procurement of ships to patrol our Arctic?

Mr. Simon Page: To be true to the question, I will say that there is no specific acceleration plan. We have very specific shipbuilding projects that are associated with delivering capability, and we are tracking those.

Mr. Michael Barrett: What is the expected first delivery date for the ships that would fulfill that requirement?

Mr. Simon Page: Thanks for the question.

The first delivery date is actually in play at the moment. The Arctic and offshore patrol ships are in implementation. They are being delivered to the navy. The first three have been delivered and accepted by the navy. We should see a fourth one in 2023 and a fifth one in 2024, and actually a sixth one soon. We are actually very close to being in implementation for the two vessels with the Coast Guard.

The Chair: Thank you, Mr. Page.

Mr. Bains, go ahead, please.

Mr. Parm Bains: Thank you, Mr. Chair.

I'll stay with Monsieur Page.

A year ago, I believe, I asked PSPC about the difficulties that Canada and the global economy were experiencing with supply chains and what effect that could have on the cost of steel and other raw materials necessary for shipbuilding. How has the situation changed in the last year? Has it improved?

• (1810)

Mr. Simon Page: Thank you for the question.

We're seeing a change as we speak, probably over the last few months, and it's a positive one. I think we are recovering from almost three years of pandemic status within the defence and marine enterprises. We have seen significant pressures on the supply chain. Sometimes in the shipbuilding industry we think of the supply chain as being just a large shipyard, but it's a lot more than that. It's deep, it's complex and it's intertwined. There were some complexities also at the subcontractor level. We've also seen some pressures with inflation and commodity pricing, as you just mentioned.

We're just seeing now a bit of light at the end of the tunnel. The shipyards are recovering. The productivity in the shipyards is increasing. Actually, for the first time in a long time, we are speaking with the shipyards about moving some of the milestones in the right direction with respect to cutting steel, accepting ships and various milestones that you would have in the shipbuilding industry.

Mr. Parm Bains: Okay. Thank you.

Do you have a percentage of increase, a number or some data point?

Mr. Simon Page: I think the best project in terms of tabling data points would be the Arctic and offshore patrol ships, because there's the run of six and two more for the Coast Guard after. Vessel number one was almost completed when the pandemic hit. The pandemic hit in the spring of 2020. We accepted that vessel that summer. With ship two, all the material for ship two was almost purchased at that time. From ship one to ship two, we saw a really neat productivity increase and better costs. Then came the pandemic, with some unfortunate impacts on three, four and five.

Having said that, now, without COVID, from a pure productivity point of view, we're seeing improvements from four to five to six. Seven is a different design, so there will be a little bit of a blip on the upside, but from a productivity point of view, that doesn't change. The shipyard remains a productive shipyard delivering AOPS for Canada.

Mr. Parm Bains: Switching to Monsieur Perron, PSPC is requesting a \$489,000 transfer from Shared Services related to reduced accommodation requirements as a result of data centre consolidations. To date, how many data centres have been identified for consolidation?

Mr. Sony Perron: Thank you very much.

When Shared Services Canada was created back in 2012, we had 720 data centres. We have since closed 332, and 69 should be closed by the end of this fiscal year. By next week, we should be at around 400 closed, leaving 263.

The trajectory is to consolidate workloads that used to be in these legacy data centres into four enterprise data centres that provide better reliability, better energy costs and better stability, and also to move some of the workload into the cloud, which is the other option for hosting these important applications.

We are making progress on legacy. This is being done with the client departments that run applications into these data centres, because it's not only to do a "lift and shift". We are trying to do this at the same time as the client departments modernize their applications that serve Canadians.

Mr. Parm Bains: When does the government expect to have migrated all the identified data?

Mr. Sony Perron: Thank you for the question.

That's a difficult one, because we need to modernize at the same time, and I'm not totally in control of that. We have to do this with the partner departments, and it depends on the agenda. We need to do this while maintaining the service at the same time.

I cannot give you a firm date, but—

Mr. Parm Bains: Will we need more data centres?

Mr. Sony Perron: No, we will have fewer going forward, because the way to provide reliability to manage cost and optimize is to reduce the footprint and eliminate a number of these small sites.

Right now, if you were to look at the stats, reliability in the Government of Canada infrastructure is much better because we have made progress in modernizing the infrastructure. There is less interruption—

The Chair: Thank you, Mr. Perron.

Ms. Kusie, go ahead for five minutes, please.

• (1815)

Mrs. Stephanie Kusie: Thank you, Chair.

Returning to my initial question, as well as following up on the questions of my colleague, Mr. Barrett, in your opinions, do you believe that we can meet our military and defence obligations with our current procurement processes?

Whoever would like to take that can. Perhaps Ms. Reza...?

Ms. Arianne Reza: That's an excellent question in the sense that we have had to really take a step back and look at it from a project management perspective. We've spoken here about the requirements and the timing. You made reference, earlier, to the U.S. investments and our own investments of \$5 billion, so we really have to take a risk-based approach to what we can do to accelerate it, to reduce the complexity of the business requirements and to streamline the various procurement negotiation steps that are there.

Perhaps from there Mr. Page can give some examples.

Mr. Simon Page: Maybe as a bit of context for this question, within the defence and marine portfolio right now we're tracking approximately 150-plus projects at different levels of complexity, all addressing client department needs. When we receive a requirement, we always look at a procurement strategy that will fit the procurement, that will fit what's required. We usually do that based on four different pillars. Those pillars include performance, so addressing the requirement, and then the value for money piece, which is pretty much with our department. Then we look at whether this procurement could contribute to Canadian industry, so the ITB value position piece, and we have a fourth pillar of flexibility, which we like to discuss in case the capability needs to surge at different moments or something like that.

The balancing of all of this usually gives way to a specific procurement strategy that can take place for a procurement. For something for an asset or a commodity that is, let's say, very specific, we can use a tool like an invitation to qualify specific suppliers, which will then give us a focused approach going forward. If it's a commodity that has a broader footprint, then what we do is we go more towards the traditional route of a basic RFP, getting your bid evaluation and all the process forward.

We try to match the right procurement strategy to the procurement so that we can deliver the asset in the most effective way.

Mrs. Stephanie Kusie: Thank you for that extensive overview.

Given the number of projects that you're involved in and the pillars that you've outlined, do you think there's any improvement that could be made in any area to, perhaps, make the processes more efficient?

Ms. Arianne Reza: We're really focusing on things like governance, to streamline the governance process and work with Treasury Board to streamline it. Because 450 is a lot of projects, there's just queuing them up and looking at the procurement strategies. There's understanding where we can make best use of some of the national security exceptions, working with our partners, triaging it and also working with industry. One of the things in the supplementary estimates (C) was this issue of the controlled goods. That program allows Canadian industry to have access to the U.S. defence market, so it means making sure that process is working well.

All these things are like areas on a continuum that point to how to be able to do it better, faster and with a more agile focus.

The Chair: Mr. Page.

Mr. Simon Page: Thank you for the question, Mr. Chair. Some very good points were articulated by Ms. Reza.

Maybe on top of that I can give a couple more. We want to treat the requirements in a smart way. One thing that we're really focusing on now is maybe changing the paradigm of how we're delivering equipment. Instead of delivering something that would be spectacular at the beginning, maybe we take a step back and we deliver a good viable capability from the start and then we invest in this capability in the long run. We do that through a different contracting mechanism. We assess, at the moment, that this is an initiative, so to your basic question, there's always room for improvement and defence procurement is no exception.

We're looking at different things and the one I just explained is one where we would maintain a capability through a sustainment lens versus trying to get everything in the early beginning, giving us the agility for the asset to remain relevant in the field for the client departments and the men and women of the CAF and the Coast Guard.

• (1820)

Mrs. Stephanie Kusie: Thank you.

The Chair: Thank you very much.

Go ahead, Ms. Thompson.

Ms. Joanne Thompson: Thank you, Mr. Chair.

Madam Reza, if I could start with you, what information can you provide regarding the government's efforts to test the viability of a commercial pay and human resources solution to replace the current pay system, as well as more than 33 human resources systems?

Ms. Arianne Reza: Thank you very much for the question. I'll start, and then I'll turn the floor to Monsieur Perron.

I think you hit the nail on the head. There are approximately 45 different HR systems that feed Phoenix, so Phoenix has to scrub the data, and understand and build muscle in terms of how each of those systems works. As we move toward an enterprise conduit to feed the Phoenix system, to stabilize it, to reduce the queue, to look at various elements and to work with the unions and the Treasury Board to simplify the collective bargaining rules so that we are putting the right foot forward, we are also looking and working closely with Monsieur Perron on what the NextGen system could do.

Perhaps you could describe this.

Mr. Sony Perron: Thank you.

Where we are in testing is that NextGen is finishing testing viability this spring. We have a couple of months of work to go. We are doing this with five pilot departments in a simulation. We are doing this with Indigenous Services Canada, Crown-Indigenous Relations, the Department of Fisheries and Oceans, the Canada economic development agency of Quebec and Canadian Heritage. We are using their complexities and processing them through one of the vendors that was pre-qualified on NextGen to see if we can use a commercial-grade solution to process the pay for the federal government.

Learning out of that is viability and risk of error, but also the changes that we will have to make in the way we operate pay and HR in the government to be able to adopt such a solution. Millions of people are paid by these solutions around the world.

We have to learn what the gap is. It's not the gap in the capacity of these solutions to pay, but the gap in the capacity of the internal operation of government and our payrolls to be able to be processed by such a tool. The idea is to avoid having to own, design and build a tool that is customized to the need, rather than trying to migrate it to a measurement whereby we can leverage these tools that are performing really well in the market.

We should be in a position to conclude the testing validation this year and bring a recommendation about the conditions that change how we manage risk, how we manage a transition and what the imperative of minimizing the risk such a transition would be, so we are getting there.

Ms. Joanne Thompson: Thank you.

If I could swing back to a question I asked the minister.... We ran out of time. It's going back to the supplier diversity program and what your department is doing to build support for indigenous companies so that they can be successful in the contract process.

Ms. Arianne Reza: Thank you very much for the question.

We are doubling down, both in our supplier diversity and in our indigenous procurement approaches through the Procurement Assistance Canada program. This is a program we run at PSPC with six regional offices, which is open to every SME across Canada.

We're providing concierge services on how to bid, how to compete and how to sign up and find out what notifications exist. There are coaching services, so if you're interested in a bid.... These services are very niche services. They're open to any Canadian SME across Canada. I really hope that, in your own ridings, you will send businesses our way. We're here and we're trying to increase bidder diversity, which is a very important element of it.

The money that we have put aside in the supplementary estimates (C) was a transfer over to Indigenous Services Canada so that they could help build the capacity in those first nation communities and in those first nation organizations to be able to compete, either as a prime or as a sub, or to do some apprenticeship.

We're doing a lot of capacity building. We're trying to get the word out, and we're looking at how we bundle procurements, so the supplier diversity efforts are along these lines. We're also working with Stats Canada data. We can see in certain statistical datasets that there already exists a lot of capacity and expertise that we're

trying to tap into by tailoring the RFP documentation to encourage them to compete.

• (1825)

Ms. Joanne Thompson: Thank you.

If I could switch to student loan writeoffs, I know this is something that I can—

The Chair: You have about 10 seconds.

Ms. Joanne Thompson: Okay. Basically, very quickly, how is that going? Are you seeing significant uptake?

Ms. Arianne Reza: I think we'll—

The Chair: We don't have time for a response. You can get back to us.

Ms. Vignola, go ahead for two and a half minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you very much.

My question is for the Assistant Deputy Minister for Defence and Marine Procurement, Mr. Page.

I want to go back to the framework agreement for Davie Shipbuilding. I'm not going to let it go.

Things are going well and moving along nicely, but are you able to give the committee a specific date when the agreement will be signed, and if not, can you at least give us an approximate timeline?

Mr. Simon Page: Thank you very much for your question.

Unfortunately, we cannot give a specific date at this time. The minister explained very well earlier where we are in the process. There's not a lot of detail to add. We are really in the final tactical stages of the qualification process.

Mrs. Julie Vignola: Is anyone slowing down the process, whether it's the Government of Canada, that of Quebec, Davie Shipbuilding, the public service, or even companies that I would call complementary to Davie, not competitors? Indeed, in a national strategy, I think they are complementary.

Is anyone, anywhere, slowing down the process?

Mr. Simon Page: Thank you very much for your question.

The answer is no. On the other hand, there are many entities and organizations involved in finalizing the qualification process. So that adds some richness, but also some complexity to the final discussions that need to be had.

Mrs. Julie Vignola: Thank you.

Ms. Reza, I'm going to go back to French and give you a few moments to quickly answer the two questions I asked earlier.

Is the government aware that by requiring English in deliverables, it is hurting French-speaking businesses by increasing the cost of their bids? In the case of such contracts, why is the Official Languages Act not being enforced?

Ms. Arianne Reza: Thank you for your question.

Our tenders and procurement plans are all done in both official languages. The services and products we receive for employees or services to Canadians are also in both official languages.

In the case of a report, the client can choose to request it in both languages, which sometimes increases the cost to the government, or in only one language.

With respect to the requirements of the Official Languages Act, I do not know the details. I can only point out again that usually when we buy something that is for employees, it is always in both languages.

[English]

The Chair: Thank you very much.

Mr. Johns, go ahead for two and a half minutes, please.

Mr. Gord Johns: I had a question I tried to finish the other day when we had Minister Anand here. I asked her if McKinsey or, I guess, any of the big outsourcing consulting companies had made any recommendations regarding the number of federal public servants versus the number of contract employees. If they did make any recommendations, did they make any around roles and responsibilities of either personnel category? Can you share that with us?

Ms. Arianne Reza: Thank you very much for the question.

I will respond as a common service provider in terms of the contract administration. I have not seen that come in anywhere in any type of consultation or any type of recommendation.

Mr. Gord Johns: Is none of the \$800 million on professional consultants and external consultants in these supplementary estimates going to be used for consultants to give any recommendations around staffing?

Ms. Arianne Reza: I cannot tell you that detail. I can give you my knowledge, and my knowledge from within the client department for the McKinsey contract and the pay is that it has not been one of the sets of recommendations.

Mr. Gord Johns: Outside of McKinsey, are there any consulting companies giving you advice on human resources or on staffing?

• (1830)

Ms. Arianne Reza: There are none that I know of, but we can come back with a more formal answer.

Mr. Gord Johns: Okay. That would be great.

I guess my concern is that it's a conflict of interest if consultants are developing staffing plans and then their job is to create jobs for themselves. I just really believe, and I want to make it clear, espe-

cially with you here, that letting consultants develop more and more of this work for themselves needs to stop.

I guess my question to you is this: Do you not believe, in your really important role—and I want to thank you for the work that all of you do, especially through COVID—as public service personnel with the inside knowledge, loyalty and service, that you have would be better suited to develop all staffing plans for departments?

Ms. Arianne Reza: I can only speak to the processes in terms of the integrated planning that every department does with their HR staffing and their financial levels. There's a whole series of complex processing.

I think Wojo wanted to add to this.

The Chair: Answer briefly, please.

Mr. Wojo Zielonka: Thank you.

From what I've seen from PSPC, in our department as CFO, and the things I see across our desks, I've never seen anything come across that would suggest that, to what—

The Chair: Is that even for DND?

Mr. Wojo Zielonka: I can't comment about DND. I can comment about PSPC.

In the case of PSPC, when we do have consultants, they're there for very specific expertise. In terms of staffing and suggesting that we staff certain roles through consultants, that has not been something that I've seen in my role as CFO.

The Chair: Thank you very much.

Witnesses, before we dismiss you, there were a lot of questions put forward and a lot of promises to get back either in writing, reports or other forms, to the committee. Rather than forcing us to chase you down, I hope that you will take a look at the blues afterwards and get back to us on all these items.

Thank you for joining us today. I appreciate it.

Colleagues, very quickly, we've put aside a few minutes for committee business.

On Monday I am away. I will be attending the funeral for our lost officers in Edmonton. Mr. Jowhari will be filling in. We have one hour that's just one witness. I suspect it will be one hour at the very most for McKinsey. We have the person from the library coming in to advise us on legislative procedure, which we moved back. Then we're also going to get into finalizing the Governor General travel study. We've done all the line by line. We just have to go through the recommendations. I understand that a few people have been talking, so I hope you have pared them down or gotten rid of some of the duplicate ones.

We've discussed GC Strategies and also the McKinsey documents a lot—how we're going to treat them, what's going to be public and what's going to be non-public. It's all rather complicated. Our clerk has graciously decided to do a bit of a deep dive into some of the procedures that we have to follow with the documents. She will be briefing us next Wednesday—we'll put aside some time—on the different options of all the various documents, as well as update us, I think, on the 91,000 pages that we've received so far.

Thank you very much. Mr. Jowhari. Thanks for covering for me on Monday. I appreciate it.

Thanks for this needed research on how we have to handle these documents.

Mrs. Block.

Mrs. Kelly Block: That's probably a great segue into a motion that I would like to introduce for this committee to consider. I'll read it for you. I think I have it in French and I'll give you both the English and the French versions.

I move:

That the analysts and the clerk be directed to prepare a brief report to the House outlining the material facts regarding the status of the documents ordered by the committee, in particular the degree of redactions, in relation to its study on Federal Government Consulting Contracts Awarded to McKinsey & Company, and that the draft report be considered by the committee in public.

I'm just going to give this to you.

The Chair: I assume this is in response to the various issues we've encountered with redacted documents sent to us in violation, for lack of a better word, of the OGGO motion and order?

• (1835)

Mrs. Kelly Block: Yes. Thank you, Mr. Chair.

I believe this report would outline the facts in regard to the documents we've received as a result of the reproduction order. Once we've heard the facts, the committee would then decide our next steps and perhaps provide some direction to you, given the level of frustration that many of us have felt in regard to receiving documents that are redacted.

I would submit that the committee's decision to request these documents was made in public and the committee's ongoing frustration over the redactions has been very public. That is why at the end of the motion we included that the discussion and the next steps should be in public as well.

The Chair: Does anyone have an issue?

Are you comfortable with this? Does this include updating us on who's done what or who's provided what?

A voice: That's my understanding.

The Chair: Okay.

Go ahead, Mr. Housefather.

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you, Mr. Chair.

I think I'm going to have amendments to propose, but first I want to better understand the framework here.

This proposes that “the analysts and the clerk be directed to prepare a brief report to the House”. Why would we be preparing a report to the House? I have no problem preparing a report to the committee, understanding exactly what the status is of all of the different documents and seeing where there's a problem, and then, if the committee understands that there's a problem, sending something perhaps to the House.

If Mrs. Block would be agreeable, instead of sending the report to “the House”, I would like to say instead that the analysts and clerk be directed to prepare a brief report to “the committee” outlining the material facts and status of the documents, so that we know what's actually happening. I had thought, at least in my crazy view, that everybody had now agreed to provide unredacted documents, so I'd like to understand which departments are not agreeing or what their status is.

I also don't agree with the part that says, “the draft report be considered by the committee in public”. I think, as usual, we should get the report and we should discuss it.

If Mrs. Block would agree to those two things, I think that would make me satisfied. I do think we should know, and then we could decide, based on what we know.

Again, I leave that to my friend. If that's okay, I would propose those two amendments, which would basically change “a brief report to the House” to “a brief report to the committee” and would take out “that the draft report be considered by the committee in public”.

The Chair: If you could narrow down your question, just briefly, I think the clerk can walk us through....

Mr. Anthony Housefather: I didn't view it as a question. It was more for Mrs. Block on whether she would agree to those being friendly amendments.

Maybe I wasn't speaking clearly enough for Aimée to hear me. In line one, instead of saying “a brief report to the House”, I'm proposing “a brief report to the committee”. I'm replacing the word “House” with “committee”. Then, in line four, I'm proposing that we delete the words after “Company”. As usual, I think reports should be considered by the committee in private first.

Those are the two things that I would propose, because I think that might create a consensus and make it palatable to everybody.

The Chair: Do you want to explain to the committee...?

I'm sorry. Go ahead, Mrs. Block.

Mrs. Kelly Block: Before the clerk begins, I would just let the committee members know that my office did work with the clerk on the wording of this, trying to understand the process, given the frustration that the committee has felt with various departments not following our directive to provide us with unredacted documents.

I'll now turn it over to the clerk to provide us with her answer.

The Clerk of the Committee (Ms. Aimée Belmore): Thank you.

I pulled the wording for this from previous motions, actually from previous OGGO motions, in order to report concerns of privilege to the House. In reading it, I would understand that to be, in the same way that a study motion is adopted, with so many meetings, that the committee report its findings to the House.

Now, when it said that we report the findings to the House, the draft report is always prepared by the analysts. It is always reviewed by members of the committee. They decide whether or not to adopt the report and whether or not to present the report to the House. That is a series of motions. It would sort of be the same process for this report. It's just a slightly shorter type of report.

That being said, if the committee decides that it prefers the language a different way, it would certainly accomplish the same goals.

• (1840)

Mrs. Kelly Block: Therefore, it's being consistent with other motions that have come forward in this regard.

The Chair: I'll go to Mr. Kusmierczyk and then Mr. Johns.

Mr. Irek Kusmierczyk: Thank you, Mr. Chair.

I just wanted to ask Mrs. Block if she could explain these two parts—"outlining the material facts regarding the status of the documents" and "the degree of redactions". I'm just trying to make sure that the clerk has proper instructions.

What does that mean, "outlining the material facts regarding the status of the documents"?

Mrs. Kelly Block: I think it would be—

Mr. Irek Kusmierczyk: Excuse me: It's also "the degree of redactions".

What are we asking the clerk to provide?

Mrs. Kelly Block: It's the material facts. It's the facts that matter in regard to the issue at hand. That would be my understanding.

All that is being presented is facts and not opinions or any other narrative. It's just presenting us with the facts as they've unfolded in terms of what the committee has asked for, what we have received and, in particular, the degree of the redactions. I think that's pretty self-explanatory.

If we've asked for unredacted documents—completely unredacted—and they've been redacted by 50%, 25% or... I would think that would be what "the degree of redactions" would be referring to.

Mr. Irek Kusmierczyk: Mr. Chair—if I may, really quickly—that's my concern. Again, I respect the volume of documents that has been provided, and I'm just thinking about the clerk spending all of 2023 going through them just to quantify all the redactions.

I'm just wondering. What's the level of quantification that we're looking for here in terms of describing "the degree of redactions"?

The Chair: The analysts can probably answer that, because they will be doing it.

Ms. Diana Ambroz (Committee Researcher): I would just say that going through all the submissions we've received would be an onerous task and would take a lot of time. Just scanning through

them.... There are some that are very heavily redacted. You can scroll through them and see page after page of blackouts.

Mr. Irek Kusmierczyk: Mr. Chair, that's what I'm trying to figure out: to be more specific so that we save the analysts some time. Again, the volume of documents is unbelievable.

The Chair: I imagine we can leave it to the analysts to decide on an appropriate parameter.

Mr. Irek Kusmierczyk: I just want to make sure that Mrs. Block also receives a satisfactory report.

I guess what I'm asking is this: Could it be simply where the analysts have the latitude to pull samples and say, "This is a heavily redacted document and should never have been this redacted"? Do you want to quantify that 50% of all of the documents have been redacted or 20% of the words are redacted? I wanted to get more specific on that, just to make sure that, again, we save time but also balance it with making sure the report is satisfactory to Mrs. Block and to the committee.

The Chair: I'm going to go to Mr. Johns and then Mr. Barrett.

Quickly, on that, I mentioned that the analysts can put in their recommendation for us. They've done similar reports before.

I think part of the issue as well is that we've had departments outright refuse one hundred per cent to give us anything despite the order. We've also seen twice now that DND and CBSA have said, "We'll decide, not Parliament." As the chair, that is my concern about some of this out-and-out refusing. Two departments said, "No, get lost." The others have said, "Yeah, we'll get back to you."

I have Mr. Johns and then Mr. Barrett.

• (1845)

Mr. Gord Johns: First, thanks to Ms. Block for tabling this motion.

The only part that we have concerns around is that after "McKinsey & Company", it says, "that the draft report be considered by the committee in public".

I did also seek some advice on this. The feedback I got was that doing drafting in public is actually not normal and could set a bad precedent for the future. What was highlighted in the recommendations I got was that drafting the report in public can add unnecessary political theatre to the study. That has permeated some of our meetings already.

Canadians expect the committee to deliver meaningful recommendations to the government. Turning the drafting into what we've seen in the past, which is theatre and I think unnecessary delay, could be a problem for the work that OGGO needs to do. All parties on the committee have the opportunity, obviously, to disagree or to add to the conclusions of the committee's report through supplementary and dissenting reports. That is the norm in any committee I've been on and in any report that I've been a part of. Public disagreements can be shared through those avenues without disrupting the work of the committee.

That's just the feedback that I wanted to relay from the NDP. I really appreciate Mrs. Block's bringing this forward so that we can get the clerk to work on this.

The Chair: Go ahead, Mr. Barrett.

Mr. Michael Barrett: I appreciate Mr. Kusmierczyk's comments about the amount of work that could be generated from the task of quantifying the number of redactions, but it's so important that we start from a point of understanding that redactions numbering greater than zero are a contempt of Parliament. They're a contempt of what has been ordered of these departments.

The gravity of the situation needs to be driven home. The analysts described how they're scrolling through pages that are all blacked out. As described by the chair, there's 100% unwillingness to co-operate. I think that's important. The number of words versus lines versus pages.... A percentage would be interesting. I think the chair suggested we defer to the analysts in terms of how they define it or break it down. That's not prescribed, but I think it's important we don't just say, "There are some redactions." There is 100% non-compliance in some cases and, frankly, we had the minister say they were going to strike a balance.

The balance is this: Fully comply with the order or dispute the lawful authority of this committee. I don't believe there is any disagreement, but I think it's very important we have a number and not just a description so the gravity of this is understood. Though the volume of documents is beyond substantial—it's a lot—the number of redactions is beyond unacceptable. I think it's important to quantify that.

I'm sure I've oversold my point, but it's shocking.

The Chair: Go ahead, Mr. Housefather.

Mr. Anthony Housefather: Thanks, Mr. Chair.

There are two things. I want to make sure it's understood that I am putting an amendment on the floor to replace the words "to the House" with "to the committee" and strike—as Mr. Johns mentioned—the last words, "and that the draft report be considered by the committee in public." I think, again, and for the same reasons he outlined, it would be better to consider it in private.

The reason why I—

• (1850)

The Chair: Let me interrupt you for two seconds.

Are we comfortable trying to tackle this together and change it to "in camera", as Mr. Johns suggested?

Mr. Gord Johns: That's just for the drafting part. I want the rest open.

The Chair: If you're not, then we'll let Mr. Housefather continue.

Mrs. Kelly Block: I would like a point of clarification. Perhaps, after....

The Chair: Go ahead, Mr. Housefather.

Mr. Anthony Housefather: If she wants a point of clarification, I don't mind taking—

Mrs. Kelly Block: It was for Mr. Johns. I don't want to interrupt your intervention by asking for clarification from Mr. Johns.

Mr. Anthony Housefather: I understand.

Basically, Mr. Chair, these two amendments.... I presume that, if I take out "and that the draft report be considered by the committee in public", it would be normal to have it considered by the committee in camera. I want it to come to the committee, because.... Before I agree something should be referred to the House, I want to understand the scope of the issues and what we've done to make the departments remedy their breach.

For example, I would like to know that the analysts and clerk have looked at this, and that the chair has written to each department in breach, which still didn't do anything. I want to understand, before I agree, that the matter will be referred to the House. I agree with what Michael said, in terms of this: Certainly, if there are heavily redacted documents when the committee ordered unredacted ones, it's not acceptable whatsoever.

This is a separate point and not part of my amendment: I'm also wondering whether, instead of spending hundreds of hours.... What is the list of departments that didn't comply? Can they tell us whether it was hugely non-compliant, or did they just strike out somebody's name and email address for privacy reasons? To me, that wouldn't be an egregious breach.

To clarify, Mr. Chair, my amendment is to replace "House" with "committee" and to strike the last sentence, after the word "Company". Thank you.

The Chair: Great.

I think I can answer for the analysts. Yes, all of our efforts—written and otherwise—to get these documents will be part of the report, as is traditionally done.

Mrs. Block.

Mrs. Kelly Block: I just have a point of clarification for Mr. Johns.

The draft report that's being considered is the report that's being written by the analysts on this one issue. It's not a report on the McKinsey study.

Mr. Gord Johns: No, I am aware.

Mrs. Kelly Block: Okay, I just wanted to clarify that.

I am fine with....

The Chair: It's on the McKinsey documents.

Mrs. Kelly Block: Yes, it's on the McKinsey documents. It's not on the study that we're actually doing.

I am fine with ending the motion at “Company”. However, my understanding is that the chair has reached the end of all the options he has in getting compliance from the individuals who have been submitting documents, that this will be part of our report and that the actual report that we adopt will be presented to the House. That's my understanding, which is why I would leave the wording as is and based on what has been put forward in motions before by the OGGO committee when there were issues like this before.

The Chair: Mr. Housefather.

Mr. Anthony Housefather: I appreciate what my colleague is saying.

Kelly, I obviously understand. For me, though, until I understand the scope of it, I don't necessarily agree to refer it to the House. I need to understand the scope, which is why I'd like to see a report to the committee from the analysts that explains to us what's happened.

[*Translation*]

I do, however, want this to be done without my having to commit to it being submitted to the House.

If we send something to the House, it is a sanction, an indication that the committee is not satisfied. So I will not be prepared to accept that until I have all the facts.

[*English*]

The Chair: Before I get to the others, can I just quickly...? There's just one thing.

The amount of effort that our clerk has put in—the amount of my time tied up with this—is significant. I am disappointed—I'm going to use that phrase because I don't want to use expletives—after the problems we've had with these departments, with the arrogance of saying that, no, they decide, not Parliament.

That being said, after chatting with the clerk, whether it says “House” or “committee”, the committee still has to decide to declare that it will be reported to the House.

• (1855)

Mr. Michael Barrett: A separate vote would determine that.

The Chair: It would be in the other way, as well. Would it not?

The clerk is saying that we'd have to approve the report anyway. I've gone through the documents. It's pretty straightforward. The departments have just said, “No, get lost. We don't believe in Parliament,” basically. They're saying they don't believe in the supremacy of Parliament. There's that.

There are other ones that have been redacted minorly, but it's almost beside the point. Our motion said “unredacted”. We've been very good with them that we won't make the items public. We've stated that we'll chat with them. We've offered to look at their suggested redactions before anything is done. We, as a committee, have bent over backwards for these departments, and they have just thrown it in our faces.

I'm trying not to get angry here over their refusal to comply with the very reasonable options that we've given them.

That being said, the clerk—and she knows this a lot better than I do—has said that, when it does come back, we still will have to, whether it's report to the House as ordered here or report to the committee, vote to send it to the House.

Aimée, if you want to explain it a bit more, I'm fine with that.

The Clerk: I don't honestly think there's much that I could add to that. Either way we would be bringing you, the members of the committee, the report. Whether it says we report to the committee or we report to the House, ultimately you, as a committee, would decide if that draft report is then reported to the House.

Whichever wording you prefer is your choice.

The Chair: However, we are at a standstill with these departments that have—

I will get to you, Mr. Kusmierczyk, Ms. Vignola and Mr. Johns.

We're at a standstill to get them to comply with the order. I will not say anything...

Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Thank you, Mr. Chair.

Again, I want to go back to our instructions to the analysts. I want to make sure we're clear and that they understand what our expectations are in terms of what information we're going to ask them to deliver.

Could we maybe hear from the analysts to give an example of how they might approach this task of reporting back for us on the quantity and scale of the redactions? Would they just give us an idea, because, again, as I understand it, there are thousands of pages. I just want to make sure that we get information we can act on, but we're not overburdening our analysts on this.

Not to put you on the spot, but can we get a sense of how you might approach this?

The Chair: They will be short on time to be able to respond quickly.

Mr. Irek Kusmierczyk: This is important, Chair.

The Chair: I know. Then let's let them get to it.

Mr. Ryan van den Berg (Committee Researcher): I think our strategy with the way that the motion is currently worded would be to provide an overview of all of the documents provided to date, as well as at least the number of departments that have submitted redacted documents.

The time frame the committee has in mind could be a factor as well, so depending on how much detail the committee would like from us, we would be able to modify what we produce for you based on that.

Mr. Irek Kusmierczyk: What level of specificity do we require? What level of quantification do we require? I just want to be clear—

The Chair: I'm sorry, Mr. Kusmierczyk, but we've had a response. Ms. Vignola has been very patient with me so far.

Mr. Irek Kusmierczyk: Sure. It's a legitimate question, I think.

The Chair: Ms. Vignola.

[*Translation*]

Mrs. Julie Vignola: I completely understand why the members opposite are asking these questions.

I started looking at the documents, from one end to the other. There are some that we can read easily, even though they have been redacted. Only the personal details, like the person's name and phone number, have been redacted. That's all right, since that's what we had asked for.

However, there is an awful lot of material that we can't read. I am not even talking about the differences between the French and English documents; most of the French documents have been redacted. Indeed, they are illegible, and, I'm sorry to say, they have been poorly translated. It looks like the documents were translated not with Google Translate, but with Bing Translator. These are not good translation tools.

Of 500 pages, 495 were redacted; several pages are completely redacted. In my opinion, this is unacceptable, unless there really are 495 pages of names, addresses, phone numbers, and personal emails. There was a lot more information redacted than that.

We can do the timeline. We made our request at a specific time and asked to receive a response by a specific date. We were forced to put water in our wine, as we received nothing. Subsequently, we received a letter informing us that we would never receive a response. We also received another letter on another day. It's still pretty simple to do the timeline.

One way or another, it is up to us whether we bring this to the House. As parliamentarians, we represent thousands of people. In order to get to the bottom of an issue, on behalf of those people, we asked for information. We are either not given it or it is so blacked out that we are not even able to make out anything about the information. The best we can do with the information we are given is to give the paper to a child to use for origami or drawing. A blank sheet of paper is great for that.

The timeline doesn't work. We don't understand why they won't give us the documents and why they don't trust us. We said we would look at the documents privately and figure out what we were going to take away and what we were going to keep. We are not a bunch of clowns; we all have a head on our shoulders.

I understand that we need to be sure of what we want. We asked that the documents not be redacted. Yet they were quite blacked out, more than necessary. I think it is relatively clear. Doing the timeline is simple—maybe that's the history teacher in me talking. Doing the timeline is not very complicated, and we have all the documents and letters that allow us to do it.

• (1900)

[*English*]

The Chair: Mr. Johns, we'll go to you.

The analysts have a simple suggestion and they can explain it. They said they can get something to us next week.

If you want to explain quickly, I think it's probably acceptable to everyone.

Mr. Ryan van den Berg: One option that we would propose to the committee is that we could have prepared, by next Wednesday, a more minimal list of at least which departments have submitted redacted or unredacted information, as well as some more qualitative information about the types of redactions they have made. However, if you want something that would be more detailed than that, it would require a little more time. We would probably need until the next meeting sometime in April to do that.

The Chair: Absolutely.

Go ahead, Mr. Johns.

Mr. Gord Johns: Mrs. Block moved this motion. I would like to give her a chance to respond.

Mrs. Kelly Block: I find it interesting that this motion calls for a brief report that simply asks for any material information. When I'm thinking about what we might expect from our analysts, I'm not thinking of a 10- or 15-page report. I'm thinking of something that outlines chronologically where we started, all of the requests, what we've received and, to some degree, why we're at the point where we are actually considering that a report go to the House. I think it's fairly evident in the motion that's in front of you. I completely understand why you do not want to have this conversation in public, but I think everything else is fairly self-explanatory.

The Chair: Mr. Johns.

Mr. Gord Johns: Mr. Housefather, you have two amendments, really, in your amendment. Do you want to move the first portion and then we can vote on that, or the second one, or do you want to maybe come back with something that we can all support?

• (1905)

The Chair: Mr. Housefather, go ahead.

Mr. Anthony Housefather: Mr. Chair, I appreciate my colleague's comments. All that I am saying is that the report would come to the committee. I don't know why we would say now that it's a report to the House. It's a report to the committee. I don't see anything wrong with my amendment. The committee, when we receive the report, can determine how we want to draft something to go to the House, if the evidence is what we all think it might be. I don't think that this is a report to the House. It's a report to the committee.

A voice: [*Inaudible—Editor*]

Mr. Anthony Housefather: Why am I writing a report to the House? Why don't we just say a "brief report" and take out the words "to the House"?

Mrs. Kelly Block: It's going to go to the House.

Mr. Anthony Housefather: You're saying that it's going to go to the House. I'm not agreeing right now that it's going to go to the House.

Mrs. Kelly Block: If we adopt it....

Mr. Anthony Housefather: If we adopt it, then it will go to the House.

Mrs. Kelly Block: Right.

Mr. Anthony Housefather: Now, it says it will go to the House. It says it's a brief report to the House.

The Chair: It can't go to the House without our adopting it.

Mr. Anthony Housefather: This is how I read it, in plain English, so I cannot agree to the words "to the House" right now in the document. That's why I'm proposing it's to the committee.

[*Translation*]

If we strike the words "to the House", a brief report is going to be sent to the committee and at that time we will decide if this should be sent to the House. At this point, I cannot say that it should be sent to the House. Yet the motion seems to indicate—I may be wrong—that it would be sent to the House.

[*English*]

The Chair: We have Mr. Barrett and then Ms. Vignola.

Mr. Michael Barrett: The proposed amendment is that the analysts and the clerk be directed to prepare a brief report to the committee. I would like to move a subamendment that the motion read, "That the analysts and the clerk be directed to prepare a brief report to the House", and Mr. Housefather's change at the bottom with respect to the report being considered in camera. That was the last line. Is that right?

The Chair: We could just vote on two separate amendments from Mr. Housefather.

Mr. Michael Barrett: He said he would like it to stand. Therefore, I will amend his amendment, unless I'm not allowed if my subamendment is not in order.

The Chair: The clerk will address that.

Mr. Michael Barrett: I don't know. If we all agree, we should just vote on the amendment.

We are prepared to deal with it in camera only. We are fine with its wording because the clerk has said that there's precedent in the committee for it to be worded this way—that it is formulated as a report to the House and that the committee, once we receive it, will then have to have a separate vote to send it to the House. This does not trigger anything going to the House. It is just prepared in that form.

The Chair: I'm sorry. I'll just interrupt.

What you're proposing is not something that can be done procedurally, I'm afraid.

Mr. Michael Barrett: I hear that all the time.

Some hon. members: Oh, oh!

Mr. Michael Barrett: I'm just looking for a path forward, because everyone seems very entrenched in their positions. It looks like there's a majority that will support—

The Chair: We could separate the two amendments and vote on the in camera, so we can get that out of the way.

Mr. Anthony Housefather: Could I try another word? Perhaps Mr. Barrett would be okay if we said, "a brief report to the committee, which the committee may determine to refer to the House".

Mr. Michael Barrett: How does that affect the...?

Mr. Anthony Housefather: Otherwise, it makes no sense.

Why do we need to say it's a report to the House right now, when it's a report to the committee? I've never seen it written like this in any other committee I've been on.

Mr. Michael Barrett: I defer to the clerk.

Mrs. Kelly Block: Same here.

Mr. Michael Barrett: She has said that it's been done.

Mr. Anthony Housefather: She said it could go either way. She said either one was fine.

Mr. Michael Barrett: Okay. Then let's vote on it.

Mrs. Kelly Block: Right. She said it was consistent with other motions.

The Chair: Colleagues, I'm going to interrupt here.

I understand what everyone's saying. It's semantics. Again, I'm deferring to our more learned clerk. Whether it says "House" or "committee", it's the same thing. The analysts will do the report, it will come to us and then we'll approve or not approve the report.

I'm just checking on the wording. Could you bear with me, folks?

While the clerk is going through her notes, we'll go to Mrs. Vignola.

• (1910)

[*Translation*]

Mrs. Julie Vignola: What I understand is that before a committee report comes to the House floor, it has to go through our hands and we have to pass it, even if the motion is written the way it is. That has always been the case with committee reports.

In this case, we can just cross out "in public" so it's in closed session. Either way, before the report goes to the House, we have to vote on it. We can't present a report to the House without the committee having adopted it. That's the way it's done. It has always been that way.

I understand this is tricky, but it is not a different situation than what we have seen before, even with the subcommittee report. So we need to pass it anyway, regardless of how the motion is written.

In either case, if the committee votes against the report, we will not send it to the House. If we pass it, it will go there. We don't have to send it to the House, but we do have to vote on it.

[*English*]

Mr. Anthony Housefather: Then why do you have a problem with our amendment?

Mr. Michael Barrett: Why move the amendment?

[*Translation*]

Mr. Anthony Housefather: I offered this because I don't agree. In my opinion, this is not the kind of motion wording that I have seen for reports that the committee was not prepared to send to the House.

[*English*]

The Chair: Can we get back to a speaking order here, folks?

Mr. Johns.

Mr. Gord Johns: I want to clarify that we're going to vote on the first amendment, and then we can vote on the second amendment, which is deleting—

The Chair: That would require two separate amendments.

Mr. Gord Johns: There are two separate amendments.

The Chair: It would have to be two separate amendments if we wish to vote on it separately as an in camera versus the....

I'm sorry. Are you going to move two amendments?

Mr. Anthony Housefather: I find it funny. We received a proposed motion literally one hour before the meeting. It's not giving us time to review the wording, consult with others about the wording and determine what the wording actually means.

I have never seen, if the committee has not decided to eventually send a report to the House—nor have my colleagues—words agreeing to send something to the House, or saying a report will be sent to the House, when we haven't necessarily agreed in the end that the report should go to the House.

I don't have all the material facts.

[*Translation*]

I rely on what my colleague said about redaction, but indeed, I have not seen all the details and do not know all the letters that were sent to departments to make this or that request.

If it's the same thing, but half of the committee members disagree on the wording, why can't we pass an amendment with language we are all happy with?

If you prefer to say it is a report that the committee can send to the House if it wants to, I have no problem with that either.

[*English*]

Anyway, that's my thought.

We can vote against it.

The Chair: Does anyone else wish to speak on that?

Mrs. Kelly Block: I think we're ready to vote.

• (1915)

The Chair: We'll call the vote on the amendment.

It's one amendment. Mr. Housefather is not splitting it into two amendments.

Why don't you go ahead and read the motion?

The Clerk: The proposed amendment by Mr. Housefather would read:

That the analysts and the clerk be directed to prepare a brief report to the committee outlining the material facts regarding the status of the documents ordered by the committee, in particular the degree of redactions, in relation to its study on Federal Government Consulting Contracts Awarded to McKinsey & Company.

(Amendment agreed to: yeas 6; nays 4)

The Chair: Colleagues, I want to interject on this.

If we do this and we end up with a decision by the majority—and I think I sense where everyone wants to go with this—we want the motion followed. If we go down a path of perpetual blockage or filibustering, this is going to set a horrible precedent for every department whereby they can thumb their noses at Parliament whenever they wish. Again, to have departments out-and-out say, “No, we're not providing this; we don't care” is horrific. Again, I hope we will move forward in getting the documents or, at least, the motion followed.

The motion as set is passed. I understand our analysts will have something.... It's the amendment. I'm sorry.

Does someone wish to speak now? Are you speaking on the main motion as amended?

Mr. Majid Jowhari: No, it's on the comments you made.

The Chair: Okay. We'll get to that later when we're done.

Does anyone wish to speak on the main motion as amended?

Seeing none, I call the question.

(Motion as amended agreed to: yeas 10; nays 0)

The Chair: That's wonderful.

We're late as always. Perhaps we can have our discussion offline, Mr. Jowhari.

Mr. Majid Jowhari: Absolutely.

The Chair: If there's nothing else, colleagues, thank you.

Thank you very much, translators. We apologize for keeping you waiting.

We are adjourned.

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